

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILLNo. 523 Session of
1981

Report of the Committee of Conference

To the Members of the House of Representatives and Senate:

We, the undersigned, Committee of Conference on the part of the House of Representatives and Senate for the purpose of considering House Bill No. 523, entitled:

"An act amending the act of December 31, 1965 (P.L.1257, No.511), entitled 'An act empowering cities of the second class, cities of the second class A, cities of the third class, boroughs, towns, townships of the first class, townships of the second class, school districts of the second class, * * * providing an appeal from the ordinance or resolution levying such taxes to the court of quarter sessions and to the Supreme Court and Superior Court,' further restricting the power to levy real estate transfer taxes on certain transfers between former husbands and wives and prohibiting a tax on construction,"

respectfully submit the following bill as our report:

CHARLES F. NAHILL, JR.

SAMUEL E. HAYES, JR.

JOHN R. SHOWERS

(Committee on the part of the House of Representatives.)

PHILIP PRICE, JR.

JAMES E. ROSS

ROBERT C. JUBELIRER

(Committee on the part of the Senate.)

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),
2 entitled "An act empowering cities of the second class,
3 cities of the second class A, cities of the third class,
4 boroughs, towns, townships of the first class, townships of
5 the second class, school districts of the second class,
6 school districts of the third class and school districts of
7 the fourth class including independent school districts, to
8 levy, assess, collect or to provide for the levying,
9 assessment and collection of certain taxes subject to maximum
10 limitations for general revenue purposes; authorizing the
11 establishment of bureaus and the appointment and compensation
12 of officers, agencies and employes to assess and collect such
13 taxes; providing for joint collection of certain taxes,
14 prescribing certain definitions and other provisions for
15 taxes levied and assessed upon earned income, providing for
16 annual audits and for collection of delinquent taxes, and
17 permitting and requiring penalties to be imposed and
18 enforced, including penalties for disclosure of confidential
19 information, providing an appeal from the ordinance or
20 resolution levying such taxes to the court of quarter
21 sessions and to the Supreme Court and Superior Court,"
22 further restricting the power to levy real estate transfer
23 taxes on certain transfers between former husbands and wives
24 and prohibiting a tax on construction.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. Clause (1) of section 2, act of December 31, 1965
28 (P.L.1257, No.511), known as "The Local Tax Enabling Act,"
29 amended October 25, 1979 (P.L.233, No.74), is amended and a
30 clause is added to read:

31 Section 2. Delegation of Taxing Powers and Restrictions
32 Thereon.--The duly constituted authorities of the following
33 political subdivisions, cities of the second class, cities of
34 the second class A, cities of the third class, boroughs, towns,
35 townships of the first class, townships of the second class,
36 school districts of the second class, school districts of the
37 third class, and school districts of the fourth class, in all
38 cases including independent school districts, may, in their
39 discretion, by ordinance or resolution, for general revenue
40 purposes, levy, assess and collect or provide for the levying,

1 assessment and collection of such taxes as they shall determine
2 on persons, transactions, occupations, privileges, subjects and
3 personal property within the limits of such political
4 subdivisions, and upon the transfer of real property, or of any
5 interest in real property, situate within the political
6 subdivision levying and assessing the tax, regardless of where
7 the instruments making the transfers are made, executed or
8 delivered or where the actual settlements on such transfer take
9 place. The taxing authority may provide that the transferee
10 shall remain liable for any unpaid realty transfer taxes imposed
11 by virtue of this act. Each local taxing authority may, by
12 ordinance or resolution, exempt any person whose total income
13 from all sources is less than three thousand two hundred dollars
14 (\$3,200) per annum from the per capita or similar head tax,
15 occupation tax and occupational privilege tax, or earned income
16 tax, or any portion thereof, and may adopt regulations for the
17 processing of claims for exemptions. Such local authorities
18 shall not have authority by virtue of this act:

19 (1) To levy, assess and collect or provide for the levying,
20 assessment and collection of any tax on the transfer of real
21 property when the transfer is by will or mortgage or the
22 intestate laws of this Commonwealth or on a transfer by the
23 owner of previously occupied residential premises to a builder
24 of new residential premises when such previously occupied
25 residential premises is taken in trade by such builder as part
26 of the consideration from the purchaser of a new previously
27 unoccupied single family residential premises or on a transfer
28 between corporations operating housing projects pursuant to the
29 housing and redevelopment assistance law and the shareholders
30 thereof, or on a transfer between nonprofit industrial

1 development agencies and industrial corporations purchasing from
2 them, or on transfer to nonprofit industrial development
3 agencies, or on a transfer between husband and wife, or on a
4 transfer between persons who were previously husband and wife
5 but who have since been divorced; provided such transfer is made
6 within three months of the date of the granting of the final
7 decree in divorce, or the decree of equitable distribution of
8 marital property, whichever is later, and the property or
9 interest therein, subject to such transfer, was acquired by the
10 husband and wife, or husband or wife, prior to the granting of
11 the final decree in divorce, or on a transfer between parent and
12 child or the spouse of such a child, or between parent and
13 trustee for the benefit of a child or the spouse of such child,
14 by and between a principal and straw party for the purpose of
15 placing a mortgage or ground rent upon the premises, or on a
16 correctional deed without consideration, or on a transfer to the
17 United States, the Commonwealth of Pennsylvania, or to any of
18 their instrumentalities, agencies or political subdivisions, by
19 gift, dedication or deed in lieu of condemnation, or deed of
20 confirmation in connection with condemnation proceedings, or
21 reconveyance by the condemning body of the property condemned to
22 the owner of record at the time of condemnation which
23 reconveyance may include property line adjustments provided said
24 reconveyance is made within one year from the date of
25 condemnation, leases, or on a conveyance to a trustee under a
26 recorded trust agreement for the express purpose of holding
27 title in trust as security for a debt contracted at the time of
28 the conveyance under which the trustee is not the lender and
29 requiring the trustee to make reconveyance to the grantor-
30 borrower upon the repayment of the debt, or in any sheriff sale

1 instituted by a mortgagee in which the purchaser of said sheriff
2 sale is the mortgagee who instituted said sale, or on a
3 privilege, transaction, subject, occupation or personal property
4 which is now or does hereafter become subject to a State tax or
5 license fee;

6 * * *

7 (11) To levy, assess or collect a tax on the construction of
8 or improvement to residential dwellings or upon the application
9 for or issuance of permits for the construction of or
10 improvements to residential dwellings.

11 Section 2. Notwithstanding the provisions of section 2(11)
12 added by this amendatory act:

13 (1) any school district which has on or before June 30,
14 1981, levied, assessed or collected a tax which would otherwise
15 be prohibited by section 2(11) may continue to levy, assess and
16 collect, but not increase, the amount of such tax until June 30,
17 1982; and

18 (2) any municipality which has before the effective date of
19 this act levied, assessed or collected a tax which would
20 otherwise be prohibited by section 2(11) may continue to levy,
21 assess and collect, but not increase, the amount of such tax
22 until December 31, 1981.

23 Section 3. This act shall take effect immediately.