

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1430 Session of  
2003

INTRODUCED BY LEACH, MAY 12, 2003

REFERRED TO COMMITTEE ON FINANCE, MAY 12, 2003

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," further providing for distress in  
6 school districts of the first class; and providing for tax  
7 relief in school districts of the first class.

8 The General Assembly of the Commonwealth of Pennsylvania  
9 hereby enacts as follows:

10 Section 1. The act of March 10, 1949 (P.L.30, No.14) known  
11 as the Public School Code of 1949, is amended by adding a  
12 section to read:

13 Section 667. Tax Relief in School Districts of the First  
14 Class.--In order to receive funding from the Property Tax Relief  
15 Trust Fund in fiscal year 2003-2004 and each year thereafter,  
16 cities of the first class shall reduce the rate of tax on wages  
17 for both residents' and nonresidents' tax on wages by the same  
18 percentage and shall maintain such reductions thereafter. The  
19 city shall calculate the amount of the reductions based on the  
20 amount available from the Commonwealth for such reductions

1 pursuant to Article VI-A. The city shall certify to the  
2 Department of Education that such tax rate reductions have been  
3 enacted. The tax rate reductions implemented by the city of the  
4 first class pursuant to this section shall be in addition to the  
5 following schedule of wage tax rate reductions:

6 (1) In 2004, 0.8333% for residents and 0.8332% for  
7 nonresidents.

8 (2) In 2005, 0.8403% for residents and 0.8402% for  
9 nonresidents.

10 (3) In 2006, 0.8475% for residents and 0.8473% for  
11 nonresidents.

12 (4) In 2007, 0.8547% for residents and 0.8545% for  
13 nonresidents.

14 (5) In 2008, 0.8621% for residents and 0.8619% for  
15 nonresidents.

16 Section 2. Section 696(h)(1) of the act, amended June 29,  
17 2002 (P.L.524, No.88), is amended to read:

18 Section 696. Distress in School Districts of the First  
19 Class.--\* \* \*

20 (h) The School Reform Commission shall be responsible for  
21 financial matters related to the distressed school district of  
22 the first class and:

23 (1) [All] Except as provided in section 667, all taxes  
24 authorized to be levied by a school district of the first class  
25 or for a school district of the first class by a city or county  
26 of the first class on the date of the declaration of distress  
27 shall continue to be authorized and levied in accordance with  
28 this act and shall be transmitted to the school district. For  
29 the first fiscal year or part thereof and every fiscal year  
30 thereafter in which the school district is declared to be

1 distressed, the amount appropriated or paid by the city or  
2 county to the school district and the tax authorized by the city  
3 or county to be levied for the school district or dedicated to  
4 the school district shall be an amount or tax not less than the  
5 highest amount paid by the city or county to the school district  
6 or authorized by the city or county to be levied for the school  
7 district or dedicated to the school district during any of the  
8 three full preceding fiscal years. In addition, the city of the  
9 first class shall provide to the school district of the first  
10 class all other available local non-tax revenue, including  
11 grants, subsidies or payments made during the prior year.

12 \* \* \*

13 Section 3. This act shall take effect July 1, 2003, or  
14 immediately, whichever is later.