

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 108 Session of
2007

INTRODUCED BY PICCOLA, RAFFERTY, ERICKSON, BOSCOLA, RHOADES,
KASUNIC, FONTANA, COSTA, MUSTO, PUNT, TOMLINSON, O'PAKE,
ROBBINS, KITCHEN, ARMSTRONG, D. WHITE, GREENLEAF, GORDNER,
REGOLA, STACK, ORIE, BROWNE, EARLL, MELLOW, LOGAN AND FUMO,
MARCH 2, 2007

REFERRED TO FINANCE, MARCH 2, 2007

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 providing for an exemption relating to veterans'
23 organizations.

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

26 Section 1. Section 2(1) of the act of December 31, 1965
27 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended

1 December 1, 2004 (P.L.1729, No.222), is amended to read:

2 Section 2. Delegation of Taxing Powers and Restrictions

3 Thereon.--The duly constituted authorities of the following
4 political subdivisions, cities of the second class, cities of
5 the second class A, cities of the third class, boroughs, towns,
6 townships of the first class, townships of the second class,
7 school districts of the second class, school districts of the
8 third class, and school districts of the fourth class, in all
9 cases including independent school districts, may, in their
10 discretion, by ordinance or resolution, for general revenue
11 purposes, levy, assess and collect or provide for the levying,
12 assessment and collection of such taxes as they shall determine
13 on persons, transactions, occupations, privileges, subjects and
14 personal property within the limits of such political
15 subdivisions, and upon the transfer of real property, or of any
16 interest in real property, situate within the political
17 subdivision levying and assessing the tax, regardless of where
18 the instruments making the transfers are made, executed or
19 delivered or where the actual settlements on such transfer take
20 place. The taxing authority may provide that the transferee
21 shall remain liable for any unpaid realty transfer taxes imposed
22 by virtue of this act. Each local taxing authority may, by
23 ordinance or resolution, exempt any person whose total income
24 from all sources is less than twelve thousand dollars (\$12,000)
25 per annum from the per capita or similar head tax, occupation
26 tax and emergency and municipal services tax, or earned income
27 tax, or any portion thereof, and may adopt regulations for the
28 processing of claims for exemptions. Such local authorities
29 shall not have authority by virtue of this act:

- 30 (1) To levy, assess and collect or provide for the levying,

1 assessment and collection of any tax on the transfer of real
2 property when the transfer is by will or mortgage or the
3 intestate laws of this Commonwealth or on a transfer by the
4 owner of previously occupied residential premises to a builder
5 of new residential premises when such previously occupied
6 residential premises is taken in trade by such builder as part
7 of the consideration from the purchaser of a new previously
8 unoccupied single family residential premises or on a transfer
9 between corporations operating housing projects pursuant to the
10 housing and redevelopment assistance law and the shareholders
11 thereof, or on a transfer between nonprofit industrial
12 development agencies and industrial corporations purchasing from
13 them, or on transfer to or from nonprofit industrial development
14 agencies, or on a transfer between husband and wife, or on a
15 transfer between persons who were previously husband and wife
16 but who have since been divorced; provided such transfer is made
17 within three months of the date of the granting of the final
18 decree in divorce, or the decree of equitable distribution of
19 marital property, whichever is later, and the property or
20 interest therein, subject to such transfer, was acquired by the
21 husband and wife, or husband or wife, prior to the granting of
22 the final decree in divorce, or on a transfer between parent and
23 child or the spouse of such a child, or between parent and
24 trustee for the benefit of a child or the spouse of such child,
25 or on a transfer between a grandparent and grandchild or the
26 spouse of such grandchild, or on a transfer between brother and
27 sister or brother and brother or sister and sister or the spouse
28 of such brother or sister, or on a transfer to a conservancy
29 which possesses a tax-exempt status pursuant to section
30 501(c)(3) of the Internal Revenue Code, and which has as its

1 primary purpose the preservation of land for historic,
2 recreational, scenic, agricultural or open space opportunities,
3 by and between a principal and straw party for the purpose of
4 placing a mortgage or ground rent upon the premises, or on a
5 correctional deed without consideration, or on a transfer to the
6 United States, the Commonwealth of Pennsylvania, or to any of
7 their instrumentalities, agencies or political subdivisions, by
8 gift, dedication or deed in lieu of condemnation, or deed of
9 confirmation in connection with condemnation proceedings, or
10 reconveyance by the condemning body of the property condemned to
11 the owner of record at the time of condemnation which
12 reconveyance may include property line adjustments provided said
13 reconveyance is made within one year from the date of
14 condemnation, leases, or on a conveyance to a trustee under a
15 recorded trust agreement for the express purpose of holding
16 title in trust as security for a debt contracted at the time of
17 the conveyance under which the trustee is not the lender and
18 requiring the trustee to make reconveyance to the grantor-
19 borrower upon the repayment of the debt, or a transfer within a
20 family from a sole proprietor family member to a family farm
21 corporation, or in any sheriff sale instituted by a mortgagee in
22 which the purchaser of said sheriff sale is the mortgagee who
23 instituted said sale, or on a privilege, transaction, subject,
24 occupation or personal property which is now or does hereafter
25 become subject to a State tax or license fee, or on a transfer
26 to the home post, camp, unit or chapter of a veterans'
27 organization from the affiliated home association of the post,
28 camp, unit or chapter;

29 * * *

30 Section 2. This act shall take effect July 1, 2007.