

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 625 Session of  
2001

INTRODUCED BY PICCOLA, TOMLINSON, EARLL, KITCHEN, ROBBINS,  
TILGHMAN, HELFRICK, CONTI, COSTA, PUNT, WAUGH, BELL, MUSTO,  
ARMSTRONG, WENGER, O'PAKE, BOSCOLA, TARTAGLIONE, HOLL,  
RHOADES, THOMPSON, MOWERY, GERLACH AND LEMMOND,  
MARCH 13, 2001

REFERRED TO FINANCE, MARCH 13, 2001

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 October 11, 1984 (P.L.885, No.172), 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 five thousand dollars (\$5,000) per  
25 annum from the per capita or similar head tax, occupation tax  
26 and occupational privilege tax, or earned income tax, or any  
27 portion thereof, and may adopt regulations for the processing of  
28 claims for exemptions. Such local authorities shall not have  
29 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, 2001.