

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1491 Session of  
2002

INTRODUCED BY O'PAKE, BRIGHTBILL, MELLOW, KITCHEN, KUKOVICH,  
MUSTO, DENT, BOSCOLA, LAVALLE, ERICKSON, SCHWARTZ, BODACK,  
COSTA, KASUNIC, LOGAN, STACK, ORIE, WOZNIAK, THOMPSON AND  
GERLACH, JUNE 25, 2002

REFERRED TO FINANCE, JUNE 25, 2002

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 employees 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 providing for exclusions from the realty transfer  
23 tax.

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 for the purpose of constructing or  
15 rehabilitating affordable owner-occupied housing to a public  
16 housing authority or a nonprofit corporation possessing a tax-  
17 exempt status pursuant to section 501(c) of the Internal Revenue  
18 Code, or on a transfer between husband and wife, or on a  
19 transfer between persons who were previously husband and wife  
20 but who have since been divorced; provided such transfer is made  
21 within three months of the date of the granting of the final  
22 decree in divorce, or the decree of equitable distribution of  
23 marital property, whichever is later, and the property or  
24 interest therein, subject to such transfer, was acquired by the  
25 husband and wife, or husband or wife, prior to the granting of  
26 the final decree in divorce, or on a transfer between parent and  
27 child or the spouse of such a child, or between parent and  
28 trustee for the benefit of a child or the spouse of such child,  
29 or on a transfer between a grandparent and grandchild or the  
30 spouse of such grandchild, or on a transfer between brother and

1 sister or brother and brother or sister and sister or the spouse  
2 of such brother or sister, or on a transfer to a conservancy  
3 which possesses a tax-exempt status pursuant to section  
4 501(c)(3) of the Internal Revenue Code, and which has as its  
5 primary purpose the preservation of land for historic,  
6 recreational, scenic, agricultural or open space opportunities,  
7 by and between a principal and straw party for the purpose of  
8 placing a mortgage or ground rent upon the premises, or on a  
9 correctional deed without consideration, or on a transfer to the  
10 United States, the Commonwealth of Pennsylvania, or to any of  
11 their instrumentalities, agencies or political subdivisions, by  
12 gift, dedication or deed in lieu of condemnation, or deed of  
13 confirmation in connection with condemnation proceedings, or  
14 reconveyance by the condemning body of the property condemned to  
15 the owner of record at the time of condemnation which  
16 reconveyance may include property line adjustments provided said  
17 reconveyance is made within one year from the date of  
18 condemnation, leases, or on a conveyance to a trustee under a  
19 recorded trust agreement for the express purpose of holding  
20 title in trust as security for a debt contracted at the time of  
21 the conveyance under which the trustee is not the lender and  
22 requiring the trustee to make reconveyance to the grantor-  
23 borrower upon the repayment of the debt, or a transfer within a  
24 family from a sole proprietor family member to a family farm  
25 corporation, or in any sheriff sale instituted by a mortgagee in  
26 which the purchaser of said sheriff sale is the mortgagee who  
27 instituted said sale, or on a privilege, transaction, subject,  
28 occupation or personal property which is now or does hereafter  
29 become subject to a State tax or license fee;

30 \* \* \*

1       Section 2.   This act shall take effect in 60 days.