

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 523

Session of
1981

INTRODUCED BY McVERRY, LEVIN AND TADDONIO, FEBRUARY 10, 1981

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, MAY 11, 1981

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,"

1 amended October 25, 1979 (P.L.233, No.74), is amended AND A
2 CLAUSE IS ADDED to read:

3 Section 2. Delegation of Taxing Powers and Restrictions
4 Thereon.--The duly constituted authorities of the following
5 political subdivisions, cities of the second class, cities of
6 the second class A, cities of the third class, boroughs, towns,
7 townships of the first class, townships of the second class,
8 school districts of the second class, school districts of the
9 third class, and school districts of the fourth class, in all
10 cases including independent school districts, may, in their
11 discretion, by ordinance or resolution, for general revenue
12 purposes, levy, assess and collect or provide for the levying,
13 assessment and collection of such taxes as they shall determine
14 on persons, transactions, occupations, privileges, subjects and
15 personal property within the limits of such political
16 subdivisions, and upon the transfer of real property, or of any
17 interest in real property, situate within the political
18 subdivision levying and assessing the tax, regardless of where
19 the instruments making the transfers are made, executed or
20 delivered or where the actual settlements on such transfer take
21 place. The taxing authority may provide that the transferee
22 shall remain liable for any unpaid realty transfer taxes imposed
23 by virtue of this act. Each local taxing authority may, by
24 ordinance or resolution, exempt any person whose total income
25 from all sources is less than three thousand two hundred dollars
26 (\$3,200) per annum from the per capita or similar head tax,
27 occupation tax and occupational privilege tax, or earned income
28 tax, or any portion thereof, and may adopt regulations for the
29 processing of claims for exemptions. Such local authorities
30 shall not have authority by virtue of this act:

1 (1) To levy, assess and collect or provide for the levying,
2 assessment and collection of any tax on the transfer of real
3 property when the transfer is by will or mortgage or the
4 intestate laws of this Commonwealth or on a transfer by the
5 owner of previously occupied residential premises to a builder
6 of new residential premises when such previously occupied
7 residential premises is taken in trade by such builder as part
8 of the consideration from the purchaser of a new previously
9 unoccupied single family residential premises or on a transfer
10 between corporations operating housing projects pursuant to the
11 housing and redevelopment assistance law and the shareholders
12 thereof, or on a transfer between nonprofit industrial
13 development agencies and industrial corporations purchasing from
14 them, or on transfer to nonprofit industrial development
15 agencies, or on a transfer between husband and wife, or on a
16 transfer between persons who were previously husband and wife
17 but who have since been divorced; provided such transfer is made
18 within three months of the date of the granting of the final
19 decree in divorce, or the decree of equitable distribution of
20 marital property, whichever is later, and the property or
21 interest therein, subject to such transfer, was acquired by the
22 husband and wife, or husband or wife, prior to the granting of
23 the final decree in divorce, or on a transfer between parent and
24 child or the spouse of such a child, or between parent and
25 trustee for the benefit of a child or the spouse of such child,
26 by and between a principal and straw party for the purpose of
27 placing a mortgage or ground rent upon the premises, or on a
28 correctional deed without consideration, or on a transfer to the
29 United States, the Commonwealth of Pennsylvania, or to any of
30 their instrumentalities, agencies or political subdivisions, by

1 gift, dedication or deed in lieu of condemnation, or deed of
2 confirmation in connection with condemnation proceedings, or
3 reconveyance by the condemning body of the property condemned to
4 the owner of record at the time of condemnation which
5 reconveyance may include property line adjustments provided said
6 reconveyance is made within one year from the date of
7 condemnation, leases, or on a conveyance to a trustee under a
8 recorded trust agreement for the express purpose of holding
9 title in trust as security for a debt contracted at the time of
10 the conveyance under which the trustee is not the lender and
11 requiring the trustee to make reconveyance to the grantor-
12 borrower upon the repayment of the debt, or in any sheriff sale
13 instituted by a mortgagee in which the purchaser of said sheriff
14 sale is the mortgagee who instituted said sale, or on a
15 privilege, transaction, subject, occupation or personal property
16 which is now or does hereafter become subject to a State tax or
17 license fee;

18 * * *

19 (11) TO LEVY, ASSESS OR COLLECT A TAX ON THE CONSTRUCTION OF <—
20 OR IMPROVEMENT TO RESIDENTIAL DWELLINGS OR UPON THE APPLICATION
21 FOR OR ISSUANCE OF PERMITS FOR THE CONSTRUCTION OF OR
22 IMPROVEMENTS TO RESIDENTIAL DWELLINGS.

23 Section 2. This act shall take effect in 30 days.