

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 570 Session of  
2001

INTRODUCED BY HABAY, BROWNE, CALTAGIRONE, DERMODY, FRANKEL,  
FREEMAN, GEORGE, HARHAI, HORSEY, LaGROTTA, MAHER, MARKOSEK,  
MAYERNIK, McCALL, METCALFE, MICHLOVIC, ORIE, PALLONE,  
PETRONE, PIPPY, READSHAW, SAINATO, SAYLOR, SCRIMENTI,  
STEELMAN, T. STEVENSON, THOMAS, TIGUE, TRELLO, TULLI, WALKO,  
WILT, WOJNAROSKI, JAMES AND LEWIS, FEBRUARY 8, 2001

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
MAY 1, 2001

## AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," further providing for EXCLUSIONS FROM SALES AND <—  
11 USE TAX, FOR personal income tax definitions AND FOR <—  
12 EXEMPTIONS FROM THE UTILITIES GROSS RECEIPTS TAX; AUTHORIZING  
13 THE GOVERNOR TO ISSUE EMERGENCY GASOLINE DECLARATIONS UNDER  
14 CERTAIN CIRCUMSTANCES; PROVIDING PROPERTY TAX OR RENT REBATE  
15 TO CERTAIN SENIOR CITIZENS, WIDOWS, WIDOWERS AND PERMANENTLY  
16 DISABLED PERSONS WITH LIMITED INCOMES; ESTABLISHING UNIFORM  
17 STANDARDS AND QUALIFICATIONS FOR ELIGIBILITY TO RECEIVE  
18 REBATES; PROVIDING FOR TRANSPORTATION ASSISTANCE GRANTS AND  
19 GRANTS TO AREA AGENCIES ON AGING FOR SERVICES TO OLDER  
20 PERSONS; IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE; AND  
21 MAKING A REPEAL.

22 The General Assembly of the Commonwealth of Pennsylvania  
23 hereby enacts as follows:

24 ~~Section 1. Section 301(d) of the act of March 4, 1971~~ <—  
25 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, amended~~

1 ~~April 23, 1998 (P.L.239, No.45), is amended to read:~~

2 SECTION 1. SECTION 204 OF THE ACT OF MARCH 4, 1971 (P.L.6, <—  
3 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED BY  
4 ADDING A CLAUSE TO READ:

5 SECTION 204. EXCLUSIONS FROM TAX.--THE TAX IMPOSED BY  
6 SECTION 202 SHALL NOT BE IMPOSED UPON

7 \* \* \*

8 (61) THE SALE AT RETAIL OR USE OF WOOD PELLETS TO HEAT  
9 RESIDENTIAL DWELLINGS.

10 SECTION 2. SECTION 301(D) OF THE ACT, AMENDED APRIL 23, 1998  
11 (P.L.239, NO.45), IS AMENDED TO READ:

12 Section 301. Definitions.--The following words, terms and  
13 phrases when used in this article shall have the meaning  
14 ascribed to them in this section except where the context  
15 clearly indicates a different meaning. Unless specifically  
16 provided otherwise, any reference in this article to the  
17 Internal Revenue Code shall include the Internal Revenue Code of  
18 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to  
19 January 1, 1997:

20 \* \* \*

21 (d) "Compensation" means and shall include salaries, wages,  
22 commissions, bonuses and incentive payments whether based on  
23 profits or otherwise, fees, tips and similar remuneration  
24 received for services rendered, whether directly or through an  
25 agent, and whether in cash or in property.

26 The term "compensation" shall not mean or include: (i)  
27 periodic payments for sickness and disability other than regular  
28 wages received during a period of sickness or disability; or  
29 (ii) disability, retirement or other payments arising under  
30 workmen's compensation acts, occupational disease acts and

1 similar legislation by any government; or (iii) payments  
2 commonly recognized as old age or retirement benefits paid to  
3 persons retired from service after reaching a specific age or  
4 after a stated period of employment; or (iv) payments commonly  
5 known as public assistance, or unemployment compensation  
6 payments by any governmental agency; or (v) payments to  
7 reimburse actual expenses; or (vi) payments made by employers or  
8 labor unions, including payments made pursuant to a cafeteria  
9 plan qualifying under section 125 of the Internal Revenue Code  
10 of 1986 (Public Law 99-514, 26 U.S.C. § 125), for employee  
11 benefit programs covering hospitalization, sickness, disability  
12 or death, supplemental unemployment benefits or strike benefits:  
13 Provided, That the program does not discriminate in favor of  
14 highly compensated individuals as to eligibility to participate,  
15 payments or program benefits; or (vii) any compensation received  
16 by United States servicemen serving in a combat zone; or (viii)  
17 payments received by a foster parent for in-home care of foster  
18 children from an agency of the Commonwealth or a political  
19 subdivision thereof or an organization exempt from Federal tax  
20 under section 501(c)(3) of the Internal Revenue Code of 1954  
21 which is licensed by the Commonwealth or a political subdivision  
22 thereof as a placement agency; or (ix) payments made by  
23 employers or labor unions for employee benefit programs covering  
24 social security or retirement; or (x) personal use of an  
25 employer's owned or leased property or of employer-provided  
26 services; or (xi) any fringe benefit that qualifies as a  
27 qualified transportation fringe under section 132(f) of the  
28 Internal Revenue Code of 1986, as amended at any time: Provided,  
29 That the limits on exclusion from compensation shall be the same  
30 limits imposed for Federal tax purposes.

1 \* \* \*

2 ~~Section 2. The amendment of section 301(d) shall apply to~~ <—  
3 ~~taxable years beginning after December 31, 2000.~~

4 ~~Section 3. This act shall take effect immediately.~~

5 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

6 SECTION 602.6. EMERGENCY GASOLINE DECLARATIONS.--IF THE  
7 GOVERNOR SIGNS AN EXECUTIVE ORDER STATING THAT LIQUID FUEL OR  
8 FUELS PRICES HAVE INCREASED BY MORE THAN FIFTY PER CENT IN A  
9 PERIOD TO BE DETERMINED BY REGULATION OF THE DEPARTMENT,  
10 PROVIDED SUCH PERIOD DOES NOT EXCEED ONE YEAR, THEN THE GOVERNOR  
11 MAY SUSPEND ALL OR ANY PORTION OF THE STATE LIQUID FUEL AND  
12 FUELS TAXES, THE OIL COMPANY FRANCHISE TAX, THE AVIATION  
13 GASOLINE TAX AND ALTERNATIVE FUELS TAX FOR A PERIOD NOT TO  
14 EXCEED FOUR MONTHS IN ANY PERIOD OF TWELVE CONSECUTIVE MONTHS.  
15 FOLLOWING THE SIGNING OF THIS TYPE OF ORDER, THE GOVERNOR MAY  
16 REVOKE THE EMERGENCY GASOLINE DECLARATION IF LIQUID FUEL OR  
17 FUELS PRICES DECREASE BY MORE THAN TWENTY-FIVE PER CENT.  
18 IMPOSITION OR REVOCATION OF THE EMERGENCY GASOLINE DECLARATION  
19 MUST BE PRECEDED BY A NOTICE OF AT LEAST THIRTY DAYS PUBLISHED  
20 IN THE PENNSYLVANIA BULLETIN. THE DEPARTMENT SHALL PRESCRIBE  
21 RULES AND REGULATIONS NECESSARY TO ADMINISTER THIS SECTION.

22 SECTION 4. SECTION 1101(G) OF THE ACT, ADDED JUNE 23, 1982  
23 (P.L.610, NO.172), IS AMENDED TO READ:

24 SECTION 1101. IMPOSITION OF TAX.--\* \* \*

25 (G) CERTAIN GROSS RECEIPTS NOT TAXED.--THE TAX OTHERWISE  
26 IMPOSED PURSUANT TO THIS SECTION UPON GROSS RECEIPTS DERIVED  
27 FROM THE SALE OF ELECTRICITY SHALL NOT HOWEVER BE IMPOSED UPON  
28 THOSE PORTIONS OF THE GROSS RECEIPTS OF AN ELECTRIC LIGHT  
29 COMPANY ATTRIBUTABLE TO THE FOLLOWING SOURCES:

30 (1) THE NET INCREASE IN ITS GROSS RECEIPTS RESULTING FROM

1 RECOVERY FROM ITS CUSTOMERS OF THE COSTS OF PURCHASES OF  
2 ADDITIONAL ENERGY NECESSITATED BY THE PHYSICAL OR LEGAL  
3 INABILITY TO OPERATE A NUCLEAR GENERATING FACILITY AS A RESULT  
4 OF AN ACCIDENT OR NATURAL DISASTER CAUSING MATERIAL DAMAGE TO  
5 THAT FACILITY OR TO A SIMILAR ASSOCIATED FACILITY LOCATED  
6 IMMEDIATELY ADJACENT, WHEREUPON EITHER THE DAMAGED FACILITY,  
7 ANOTHER LOCATED IMMEDIATELY ADJACENT, OR BOTH, HAVE BEEN REMOVED  
8 FROM THE COMPANY'S RATE BASE FOR A PERIOD EXCEEDING TWENTY-FIVE  
9 MONTHS. THE DEPARTMENT OF REVENUE SHALL REQUEST THE PUBLIC  
10 UTILITY COMMISSION TO DETERMINE, FOR EACH SUCH FACILITY, THE NET  
11 INCREASE IN THE GROSS RECEIPTS OF ITS ELECTRIC COMPANY OWNER FOR  
12 THE IMMEDIATE PRIOR TWELVE-MONTH PERIOD. THIS DETERMINATION  
13 SHALL REFLECT THE DIFFERENCE BETWEEN THE INCREASED GROSS  
14 RECEIPTS OF THE COMPANY ATTRIBUTABLE TO RECOVERY OF COSTS FOR  
15 PURCHASE OF REPLACEMENT ENERGY WHICH OTHERWISE WOULD HAVE BEEN  
16 NORMALLY GENERATED BY THE INOPERATIVE FACILITY IN SUCH TWELVE-  
17 MONTH PERIOD LESS THE REDUCTION IN THE COMPANY'S GROSS RECEIPTS  
18 ATTRIBUTABLE TO REMOVAL OF THE CAPITAL COSTS OF THE FACILITY  
19 FROM THE COMPANY'S RATE BASE AND LESS THE REDUCTION IN THE  
20 COMPANY'S GROSS RECEIPTS ATTRIBUTABLE TO REDUCTION IN OPERATING  
21 EXPENSES THAT WOULD HAVE OTHERWISE BEEN INCURRED BY NORMAL  
22 OPERATION OF THE FACILITY IN SUCH TWELVE-MONTH PERIOD. THE  
23 PUBLIC UTILITY COMMISSION SHALL, IMMEDIATELY AFTER SUPPLYING THE  
24 REQUESTED DATA, PROCEED TO MAKE THE APPROPRIATE REVISION IN THE  
25 STATE TAX ADJUSTMENT CHARGE OF THE ELECTRIC COMPANY;

26 (2) RECOVERY FROM ITS CUSTOMERS OF COSTS INCURRED IN  
27 CONNECTION WITH THE CLEAN-UP AND DECONTAMINATION OF A NUCLEAR  
28 GENERATING FACILITY WHICH HAS EXPERIENCED A MAJOR ACCIDENT OR  
29 NATURAL DISASTER AND HAS BEEN REMOVED FROM THE ELECTRIC LIGHT  
30 COMPANY'S RATE BASE; [AND]

1 (3) RECOVERY FROM ITS CUSTOMERS OF COSTS FOR THE  
2 AMORTIZATION OF INVESTMENTS IN A NUCLEAR GENERATING FACILITY  
3 WHOSE REMOVAL FROM THE RATE BASE OF AN ELECTRIC LIGHT COMPANY  
4 HAS BEEN APPROVED BY THE PUBLIC UTILITY COMMISSION ON ACCOUNT OF  
5 A MAJOR ACCIDENT OR NATURAL DISASTER[.]; AND

6 (4) ACCOUNTS OF RESIDENTIAL CUSTOMERS WHO ARE RESIDENTS OF  
7 THIS COMMONWEALTH AND WHO ARE SIXTY-FIVE YEARS OF AGE OR OLDER,  
8 PROVIDED THAT THE ELECTRIC COMPANY, INCLUDING AN ELECTRIC  
9 DISTRIBUTION COMPANY AND ELECTRIC GENERATION SUPPLIER, REDUCES  
10 THE RATES OF THOSE CUSTOMERS PROPORTIONATELY TO THE AMOUNT OF  
11 TAX AVOIDED BY THE APPLICATION OF THIS CLAUSE. NOTWITHSTANDING  
12 ANY OTHER PROVISION OF LAW, AN ELECTRIC LIGHT COMPANY IS  
13 AUTHORIZED TO REDUCE RATES TO SUCH CUSTOMERS IN ORDER TO COMPLY  
14 WITH THIS CLAUSE. WITHIN SIX MONTHS FOLLOWING THE EFFECTIVE DATE  
15 OF THIS CLAUSE, THE SECRETARY OF REVENUE SHALL ADJUST AND REDUCE  
16 THE 1995-1996 FISCAL YEAR TAX REVENUE BASE AND KILOWATT HOURS OF  
17 ELECTRICITY DISTRIBUTED UNDER 66 PA.C.S. § 2810 (RELATING TO  
18 REVENUE-NEUTRAL RECONCILIATION) TO REFLECT THE REDUCTION IN  
19 GROSS RECEIPTS TAX PROCEEDS AS A RESULT OF THE APPLICATION OF  
20 THIS CLAUSE.

21 \* \* \*

22 SECTION 5. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

23 ARTICLE XXIX-C

24 PROPERTY TAX OR RENT REBATE PROGRAM

25 SECTION 2901-C. SHORT TITLE.--THIS ARTICLE SHALL BE KNOWN  
26 AND MAY BE CITED AS THE SENIOR CITIZENS REBATE AND ASSISTANCE  
27 ACT.

28 SECTION 2902-C. DECLARATION OF POLICY.--IN RECOGNITION OF  
29 THE SEVERE ECONOMIC PLIGHT OF CERTAIN SENIOR CITIZENS, WIDOWS,  
30 WIDOWERS AND PERMANENTLY DISABLED PERSONS WHO ARE REAL PROPERTY

OWNERS OR RENTERS WITH FIXED AND LIMITED INCOMES WHO ARE FACED  
WITH RISING LIVING COSTS AND CONSTANTLY INCREASING TAX BURDENS  
WHICH THREATEN THEIR HOMESTEADS AND SELF-SUFFICIENCY, THE  
GENERAL ASSEMBLY, PURSUANT TO THE MANDATES OF THE CONSTITUTIONAL  
CONVENTION OF 1968, CONSIDERS IT TO BE A MATTER OF SOUND PUBLIC  
POLICY TO MAKE SPECIAL PROVISIONS FOR PROPERTY TAX REBATES OR  
RENT REBATES IN LIEU OF PROPERTY TAXES TO THAT CLASS OF SENIOR  
CITIZENS, WIDOWS, WIDOWERS AND PERMANENTLY DISABLED PERSONS WHO  
ARE REAL PROPERTY TAXPAYERS OR RENTERS WHO ARE WITHOUT ADEQUATE  
MEANS OF SUPPORT TO ENABLE THEM TO REMAIN IN PEACEABLE  
POSSESSION OF THEIR HOMES AND RELIEVING THEIR ECONOMIC BURDEN  
AND TO PROVIDE TRANSPORTATION ASSISTANCE GRANTS AND TO PROVIDE  
GRANTS TO AREA AGENCIES ON AGING FOR SERVICES TO OLDER PERSONS.

SECTION 2903-C. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND  
PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS  
ASCRIED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT  
CLEARLY INDICATES A DIFFERENT MEANING:

"CLAIMANT." A PERSON WHO FILES A CLAIM FOR PROPERTY TAX  
REBATE OR RENT REBATE IN LIEU OF PROPERTY TAXES AND WAS SIXTY-  
FIVE YEARS OF AGE OR OVER, OR WHOSE SPOUSE (IF A MEMBER OF THE  
HOUSEHOLD) WAS SIXTY-FIVE YEARS OF AGE OR OVER, DURING A  
CALENDAR YEAR IN WHICH REAL PROPERTY TAXES AND RENT WERE DUE AND  
PAYABLE OR WAS A WIDOW OR WIDOWER AND WAS FIFTY YEARS OF AGE OR  
OVER DURING A CALENDAR YEAR OR PART THEREOF IN WHICH REAL  
PROPERTY TAXES AND RENT WERE DUE AND PAYABLE, OR WAS A  
PERMANENTLY DISABLED PERSON EIGHTEEN YEARS OF AGE OR OVER DURING  
A CALENDAR YEAR OR PART THEREOF IN WHICH REAL PROPERTY TAXES AND  
RENT WERE DUE AND PAYABLE. FOR THE PURPOSES OF THIS ACT THE TERM  
"WIDOW" OR "WIDOWER" SHALL MEAN THE SURVIVING WIFE OR THE  
SURVIVING HUSBAND, AS THE CASE MAY BE, OF A DECEASED INDIVIDUAL

1 AND WHO HAS NOT REMARRIED EXCEPT AS PROVIDED IN SECTION 2904-  
2 C(C) AND (D). FOR THE PURPOSES OF THIS ACT THE TERM "PERMANENTLY  
3 DISABLED PERSON" SHALL MEAN A PERSON WHO IS UNABLE TO ENGAGE IN  
4 ANY SUBSTANTIAL GAINFUL ACTIVITY BY REASON OF ANY MEDICALLY  
5 DETERMINABLE PHYSICAL OR MENTAL IMPAIRMENT WHICH CAN BE EXPECTED  
6 TO CONTINUE INDEFINITELY, EXCEPT AS PROVIDED IN SECTION 2904-  
7 C(C) AND (D).

8 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

9 "HOMESTEAD." A DWELLING, WHETHER OWNED OR RENTED, AND SO  
10 MUCH OF THE LAND SURROUNDING IT, AS IS REASONABLY NECESSARY FOR  
11 USE OF THE DWELLING AS A HOME, OCCUPIED BY A CLAIMANT. A  
12 HOMESTEAD SHALL ALSO INCLUDE PREMISES OCCUPIED BY REASON OF  
13 OWNERSHIP OR LEASE IN A COOPERATIVE HOUSING CORPORATION, MOBILE  
14 HOMES WHICH ARE ASSESSED AS REALTY FOR LOCAL PROPERTY TAX  
15 PURPOSES AND THE LAND, IF OWNED OR RENTED BY THE CLAIMANT, UPON  
16 WHICH THE MOBILE HOME IS SITUATED, AND OTHER SIMILAR LIVING  
17 ACCOMMODATIONS, AS WELL AS A PART OF A MULTI-DWELLING OR MULTI-  
18 PURPOSE BUILDING AND A PART OF THE LAND UPON WHICH IT IS BUILT.  
19 IT SHALL ALSO INCLUDE PREMISES OCCUPIED BY REASON OF THE  
20 CLAIMANT'S OWNERSHIP OR RENTAL OF A DWELLING LOCATED ON LAND  
21 OWNED BY A NONPROFIT INCORPORATED ASSOCIATION, OF WHICH THE  
22 CLAIMANT IS A MEMBER, IF THE CLAIMANT IS REQUIRED TO PAY A PRO  
23 RATA SHARE OF THE PROPERTY TAXES LEVIED AGAINST THE  
24 ASSOCIATION'S LAND. IT SHALL ALSO INCLUDE PREMISES OCCUPIED BY A  
25 CLAIMANT IF HE IS REQUIRED BY LAW TO PAY A PROPERTY TAX BY  
26 REASON OF HIS OWNERSHIP OR RENTAL (INCLUDING A POSSESSORY  
27 INTEREST) IN THE DWELLING, THE LAND, OR BOTH. AN OWNER INCLUDES  
28 A PERSON IN POSSESSION UNDER A CONTRACT OF SALE, DEED OF TRUST,  
29 LIFE ESTATE, JOINT TENANCY OR TENANCY IN COMMON OR BY REASON OF  
30 STATUTES OF DESCENT AND DISTRIBUTION.



1       "HOUSEHOLD INCOME."    ALL INCOME RECEIVED BY THE CLAIMANT AND  
2   HIS SPOUSE WHILE RESIDING IN THE HOMESTEAD DURING THE CALENDAR  
3   YEAR FOR WHICH A REBATE IS CLAIMED.

4       "INCOME."    ALL INCOME FROM WHATEVER SOURCE DERIVED, INCLUDING  
5   BUT NOT LIMITED TO SALARIES, WAGES, BONUSES, COMMISSIONS, INCOME  
6   FROM SELF-EMPLOYMENT, ALIMONY, SUPPORT MONEY, CASH PUBLIC  
7   ASSISTANCE AND RELIEF, THE GROSS AMOUNT OF ANY PENSIONS OR  
8   ANNUITIES INCLUDING RAILROAD RETIREMENT BENEFITS, ALL BENEFITS  
9   RECEIVED UNDER THE FEDERAL SOCIAL SECURITY ACT (49 STAT. 620, 42  
10  U.S.C. § 301 ET. SEQ.) (EXCEPT MEDICARE BENEFITS), ALL BENEFITS  
11  RECEIVED UNDER STATE UNEMPLOYMENT INSURANCE LAWS AND VETERANS'  
12  DISABILITY PAYMENTS, ALL INTEREST RECEIVED FROM THE FEDERAL OR  
13  ANY STATE GOVERNMENT, OR ANY INSTRUMENTALITY OR POLITICAL  
14  SUBDIVISION THEREOF, REALIZED CAPITAL GAINS, RENTALS, WORKMEN'S  
15  COMPENSATION AND THE GROSS AMOUNT OF LOSS OF TIME INSURANCE  
16  BENEFITS, LIFE INSURANCE BENEFITS AND PROCEEDS (EXCEPT THE FIRST  
17  FIVE THOUSAND DOLLARS (\$5,000) OF THE TOTAL OF DEATH BENEFIT  
18  PAYMENTS), AND GIFTS OF CASH OR PROPERTY (OTHER THAN TRANSFERS  
19  BY GIFT BETWEEN MEMBERS OF A HOUSEHOLD) IN EXCESS OF A TOTAL  
20  VALUE OF THREE HUNDRED DOLLARS (\$300), BUT SHALL NOT INCLUDE  
21  SURPLUS FOOD OR OTHER RELIEF IN KIND SUPPLIED BY A GOVERNMENTAL  
22  AGENCY OR PROPERTY TAX OR RENT REBATE.

23       "REAL PROPERTY TAXES."   ALL TAXES ON A HOMESTEAD (EXCLUSIVE  
24  OF MUNICIPAL ASSESSMENTS, DELINQUENT CHARGES, AND INTEREST) DUE  
25  AND PAYABLE DURING A CALENDAR YEAR.

26       "RENT REBATE IN LIEU OF PROPERTY TAXES."   TWENTY PER CENT OF  
27  THE GROSS AMOUNT ACTUALLY PAID IN CASH OR ITS EQUIVALENT IN ANY  
28  CALENDAR YEAR TO A LANDLORD IN CONNECTION WITH THE OCCUPANCY OF  
29  A HOMESTEAD BY A CLAIMANT, IRRESPECTIVE OF WHETHER SUCH AMOUNT  
30  CONSTITUTES PAYMENT SOLELY FOR THE RIGHT OF OCCUPANCY OR

1 OTHERWISE.

2 SECTION 2904-C. PROPERTY TAX; RENT REBATE.--(A) (1) THE  
3 AMOUNT OF ANY CLAIM FOR PROPERTY TAX REBATE OR RENT REBATE IN  
4 LIEU OF PROPERTY TAXES FOR REAL PROPERTY TAXES OR RENT DUE AND  
5 PAYABLE DURING CALENDAR YEARS 1981, 1982, 1983 AND 1984 SHALL BE  
6 DETERMINED IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

<u>PERCENTAGE OF REAL PROPERTY TAXES OR</u>	
<u>RENT REBATE IN LIEU OF</u>	
<u>HOUSEHOLD INCOME</u>	<u>PROPERTY TAXES ALLOWED AS REBATE</u>
<u>\$ 0 - \$4,999</u>	<u>100%</u>
<u>5,000 - 5,999</u>	<u>80</u>
<u>6,000 - 6,999</u>	<u>60</u>
<u>7,000 - 7,999</u>	<u>40</u>
<u>8,000 - 8,999</u>	<u>20</u>
<u>9,000 - 11,999</u>	<u>10</u>

16 (2) THE AMOUNT OF ANY CLAIM FOR PROPERTY TAX REBATE OR RENT  
17 REBATE IN LIEU OF PROPERTY TAXES FOR REAL PROPERTY TAXES OR RENT  
18 DUE AND PAYABLE DURING CALENDAR YEAR 1985 AND THEREAFTER SHALL  
19 BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

<u>PERCENTAGE OF REAL PROPERTY TAXES OR</u>	
<u>RENT REBATE IN LIEU OF</u>	
<u>HOUSEHOLD INCOME</u>	<u>PROPERTY TAXES ALLOWED AS REBATE</u>
<u>\$ 0 - \$4,999</u>	<u>100%</u>
<u>5,000 - 5,499</u>	<u>100</u>
<u>5,500 - 5,999</u>	<u>90</u>
<u>6,000 - 6,499</u>	<u>80</u>
<u>6,500 - 6,999</u>	<u>70</u>
<u>7,000 - 7,499</u>	<u>60</u>
<u>7,500 - 7,999</u>	<u>50</u>
<u>8,000 - 8,499</u>	<u>40</u>

1	<u>8,500 - 8,999</u>	<u>35</u>
2	<u>9,000 - 9,999</u>	<u>25</u>
3	<u>10,000 - 11,999</u>	<u>20</u>
4	<u>12,000 - 12,999</u>	<u>15</u>
5	<u>13,000 - 15,000</u>	<u>10</u>

6 (B) NO CLAIM SHALL BE ALLOWED IF THE AMOUNT OF PROPERTY TAX  
7 OR RENT REBATE COMPUTED IN ACCORDANCE WITH THIS SECTION IS LESS  
8 THAN TEN DOLLARS (\$10), AND THE MAXIMUM AMOUNT OF PROPERTY TAX  
9 OR RENT REBATE PAYABLE SHALL NOT EXCEED ONE THOUSAND DOLLARS  
10 (\$1,000).

11 (C) NO CLAIM SHALL BE ALLOWED IF THE CLAIMANT IS A TENANT OF  
12 AN OWNER OF REAL PROPERTY EXEMPT FROM REAL PROPERTY TAXES.

13 (D) IF A HOMESTEAD IS OWNED OR RENTED AND OCCUPIED FOR ONLY  
14 A PORTION OF A YEAR OR IS OWNED OR RENTED IN PART BY A PERSON  
15 WHO DOES NOT MEET THE QUALIFICATIONS FOR A CLAIMANT, EXCLUSIVE  
16 OF ANY INTEREST OWNED OR LEASED BY A CLAIMANT'S SPOUSE, OR IF  
17 THE CLAIMANT IS A WIDOW OR WIDOWER WHO REMARRIES, OR IF THE  
18 CLAIMANT IS A PERMANENTLY DISABLED PERSON WHO IS NO LONGER  
19 DISABLED, THE DEPARTMENT SHALL APPORTION THE REAL PROPERTY TAXES  
20 OR RENT IN ACCORDANCE WITH THE PERIOD OR DEGREE OF OWNERSHIP OR  
21 LEASEHOLD OR ELIGIBILITY OF THE CLAIMANT IN DETERMINING THE  
22 AMOUNT OF REBATE FOR WHICH A CLAIMANT IS ELIGIBLE. A CLAIMANT  
23 WHO RECEIVES PUBLIC ASSISTANCE FROM THE DEPARTMENT OF PUBLIC  
24 WELFARE SHALL NOT BE ELIGIBLE FOR RENT REBATE IN LIEU OF  
25 PROPERTY TAXES, DURING THOSE MONTHS WITHIN WHICH HE RECEIVES  
26 PUBLIC ASSISTANCE.

27 (E) RENT SHALL NOT INCLUDE SUBSIDIES PROVIDED BY OR THROUGH  
28 A GOVERNMENTAL AGENCY.

29 SECTION 2905-C. FILING OF CLAIM.--A CLAIM FOR PROPERTY TAX  
30 OR RENT REBATE SHALL BE FILED WITH THE DEPARTMENT ON OR BEFORE

1 THE THIRTIETH DAY OF JUNE OF THE YEAR NEXT SUCCEEDING THE END OF  
2 THE CALENDAR YEAR IN WHICH REAL PROPERTY TAXES OR RENT WERE DUE  
3 AND PAYABLE: PROVIDED, THAT CLAIMS FILED AFTER THE JUNE 30  
4 DEADLINE UNTIL DECEMBER 31 OF SUCH CALENDAR YEAR SHALL BE  
5 ACCEPTED BY THE SECRETARY OF REVENUE AS LONG AS FUNDS ARE  
6 AVAILABLE TO PAY THE BENEFITS TO THE LATE FILING CLAIMANTS. NO  
7 REIMBURSEMENT ON A CLAIM SHALL BE MADE FROM THE STATE LOTTERY  
8 FUND EARLIER THAN THE DAY FOLLOWING THE THIRTIETH DAY OF JUNE  
9 PROVIDED IN THIS ACT ON WHICH THAT CLAIM MAY BE FILED WITH THE  
10 DEPARTMENT. REBATE CLAIMS FOR TAXES OR RENT PAID DURING CALENDAR  
11 YEAR 1977 SHALL BE ACCEPTED BY THE SECRETARY OF REVENUE IF FILED  
12 WITH THE DEPARTMENT ON OR BEFORE THE THIRTIETH DAY OF APRIL  
13 1979. ONLY ONE CLAIMANT FROM A HOMESTEAD EACH YEAR SHALL BE  
14 ENTITLED TO THE PROPERTY TAX OR RENT REBATE. IF TWO OR MORE  
15 PERSONS ARE ABLE TO MEET THE QUALIFICATIONS FOR A CLAIMANT, THEY  
16 MAY DETERMINE WHO THE CLAIMANT SHALL BE. IF THEY ARE UNABLE TO  
17 AGREE, THE DEPARTMENT SHALL DETERMINE TO WHOM THE REBATE IS TO  
18 BE PAID.

19 SECTION 2906-C. PROOF OF CLAIM.--EACH CLAIM SHALL INCLUDE  
20 REASONABLE PROOF OF HOUSEHOLD INCOME, THE SIZE AND NATURE OF THE  
21 PROPERTY CLAIMED AS A HOMESTEAD AND THE RENT OR TAX RECEIPT, OR  
22 OTHER PROOF THAT THE REAL PROPERTY TAXES ON THE HOMESTEAD HAVE  
23 BEEN PAID, OR RENT IN CONNECTION WITH THE OCCUPANCY OF A  
24 HOMESTEAD HAS BEEN PAID. IF THE CLAIMANT IS A WIDOW, OR WIDOWER,  
25 A DECLARATION OF SUCH STATUS IN SUCH MANNER AS PRESCRIBED BY THE  
26 SECRETARY OF REVENUE SHALL BE INCLUDED. PROOF THAT A CLAIMANT IS  
27 ELIGIBLE TO RECEIVE DISABILITY BENEFITS UNDER THE FEDERAL SOCIAL  
28 SECURITY ACT SHALL CONSTITUTE PROOF OF DISABILITY UNDER THIS  
29 ACT. NO PERSON WHO HAS BEEN FOUND NOT TO BE DISABLED BY THE  
30 SOCIAL SECURITY ADMINISTRATION SHALL BE GRANTED A REBATE UNDER

1 THIS ACT. A CLAIMANT NOT COVERED UNDER THE FEDERAL SOCIAL  
2 SECURITY ACT SHALL BE EXAMINED BY A PHYSICIAN DESIGNATED BY THE  
3 DEPARTMENT AND SUCH STATUS DETERMINED USING THE SAME STANDARDS  
4 USED BY THE SOCIAL SECURITY ADMINISTRATION. IT SHALL NOT BE  
5 NECESSARY THAT SUCH TAXES OR RENT WERE PAID DIRECTLY BY THE  
6 CLAIMANT: PROVIDED, THAT THE RENT OR TAXES HAVE BEEN PAID WHEN  
7 THE CLAIM IS FILED. THE FIRST CLAIM FILED SHALL INCLUDE PROOF  
8 THAT THE CLAIMANT OR HIS SPOUSE WAS AGE SIXTY-FIVE OR OVER OR  
9 FIFTY YEARS OR OVER IN THE CASE OF A WIDOW, OR WIDOWER, DURING  
10 THE CALENDAR YEAR IN WHICH REAL PROPERTY TAXES OR RENT WERE DUE  
11 AND PAYABLE.

12 SECTION 2907-C. INCORRECT CLAIM.--WHENEVER ON AUDIT OF ANY  
13 CLAIM, THE DEPARTMENT FINDS THE CLAIM TO HAVE BEEN INCORRECTLY  
14 DETERMINED, IT SHALL REDETERMINE THE CORRECT AMOUNT OF THE CLAIM  
15 AND NOTIFY THE CLAIMANT OF THE REASON OF THE REDETERMINATION AND  
16 THE AMOUNT OF THE CORRECTED CLAIM.

17 SECTION 2908-C. FUNDS FOR PAYMENT OF ADMINISTRATIVE EXPENSES  
18 AND CLAIMS.--EXPENSES, SALARIES AND OTHER COSTS INCURRED IN THE  
19 ADMINISTRATION OF THIS ACT AND APPROVED CLAIMS SHALL BE PAID  
20 FROM THE STATE LOTTERY FUND ESTABLISHED BY THE ACT OF AUGUST 26,  
21 1971 (P.L.351, NO.91), KNOWN AS THE "STATE LOTTERY LAW." IN THE  
22 EVENT THAT THE TOTAL AMOUNT OF ADMINISTRATIVE EXPENSES AND  
23 CLAIMS EXCEEDS THE AMOUNT IN SUCH FUND, IN ANY ONE YEAR, THEN AN  
24 AMOUNT NECESSARY TO PAY THE TOTAL AMOUNT OF ADMINISTRATIVE  
25 EXPENSES AND CLAIMS SHALL BE TRANSFERRED FROM THE GENERAL FUND  
26 TO THE STATE LOTTERY FUND. FOR THE PURPOSES OF THIS SECTION, THE  
27 AMOUNT IN THE STATE LOTTERY FUND SHALL INCLUDE THE JUNE 30  
28 ENDING LOTTERY FUND BALANCE PLUS EIGHTY PER CENT OF PROJECTED  
29 LOTTERY FUND REVENUES AFTER LOTTERY FUND ADMINISTRATIVE EXPENSES  
30 FOR THE SUBSEQUENT FISCAL YEAR.

1     SECTION 2909-C. CLAIM FORMS AND RULES AND REGULATIONS.--  
2     NECESSARY RULES AND REGULATIONS SHALL BE PRESCRIBED BY A  
3     COMMITTEE CONSISTING OF THE SECRETARIES OF AGING, REVENUE AND  
4     COMMUNITY AFFAIRS. THE SECRETARY OF AGING SHALL SERVE AS THE  
5     CHAIRMAN OF THE COMMITTEE. THE DEPARTMENT OF REVENUE SHALL  
6     RECEIVE ALL APPLICATIONS, DETERMINE THE ELIGIBILITY OF  
7     CLAIMANTS, HEAR APPEALS, DISBURSE PAYMENTS, AND MAKE AVAILABLE  
8     SUITABLE FORMS FOR THE FILING OF CLAIMS.

9     SECTION 2910-C. FRAUDULENT CLAIM; CONVEYANCE TO OBTAIN  
10    BENEFITS.--(A) IN ANY CASE IN WHICH A CLAIM IS EXCESSIVE AND  
11    WAS FILED WITH FRAUDULENT INTENT, THE CLAIM SHALL BE DISALLOWED  
12    IN FULL AND A PENALTY OF TWENTY-FIVE PER CENT OF THE AMOUNT  
13    CLAIMED SHALL BE IMPOSED. THE PENALTY AND THE AMOUNT OF THE  
14    DISALLOWED CLAIM, IF THE CLAIM HAS BEEN PAID, SHALL BEAR  
15    INTEREST AT THE RATE OF ONE-HALF OF ONE PER CENT PER MONTH FROM  
16    THE DATE OF THE CLAIM UNTIL REPAID. THE CLAIMANT AND ANY PERSON  
17    WHO ASSISTED IN THE PREPARATION OR FILING OF A FRAUDULENT CLAIM  
18    SHALL BE GUILTY OF A MISDEMEANOR, AND, UPON CONVICTION THEREOF,  
19    SHALL BE SENTENCED TO PAY A FINE NOT EXCEEDING ONE THOUSAND  
20    DOLLARS (\$1,000), OR UNDERGO IMPRISONMENT NOT EXCEEDING ONE  
21    YEAR, OR BOTH.

22    (B) A CLAIM SHALL BE DISALLOWED IF THE CLAIMANT RECEIVED  
23    TITLE TO THE HOMESTEAD PRIMARILY FOR THE PURPOSE OF RECEIVING  
24    PROPERTY TAX REBATE.

25    SECTION 2911-C. PETITION FOR REDETERMINATION.--(A) ANY  
26    CLAIMANT WHOSE CLAIM IS EITHER DENIED, CORRECTED OR OTHERWISE  
27    ADVERSELY AFFECTED BY THE DEPARTMENT, MAY FILE WITH THE  
28    DEPARTMENT A PETITION FOR REDETERMINATION ON FORMS SUPPLIED BY  
29    THE DEPARTMENT WITHIN NINETY DAYS AFTER THE DATE OF MAILING OF  
30    WRITTEN NOTICE BY THE DEPARTMENT OF SUCH ACTION. SUCH PETITION

1 SHALL SET FORTH THE GROUNDS UPON WHICH CLAIMANT ALLEGES THAT  
2 SUCH DEPARTMENTAL ACTION IS ERRONEOUS OR UNLAWFUL, IN WHOLE OR  
3 PART, AND SHALL CONTAIN AN AFFIDAVIT OR AFFIRMATION THAT THE  
4 FACTS CONTAINED THEREIN ARE TRUE AND CORRECT. AN EXTENSION OF  
5 TIME FOR FILING THE PETITION MAY BE ALLOWED FOR CAUSE BUT NOT TO  
6 EXCEED ONE HUNDRED TWENTY DAYS. THE DEPARTMENT SHALL HOLD SUCH  
7 HEARINGS AS MAY BE NECESSARY FOR THE PURPOSE OF REDETERMINATION,  
8 AND EACH CLAIMANT WHO HAS DULY FILED SUCH PETITION FOR  
9 REDETERMINATION SHALL BE NOTIFIED BY THE DEPARTMENT OF THE TIME  
10 WHEN, AND THE PLACE WHERE, SUCH HEARING IN HIS CASE WILL BE  
11 HELD.

12 (B) IT SHALL BE THE DUTY OF THE DEPARTMENT, WITHIN SIX  
13 MONTHS AFTER RECEIVING A FILED PETITION FOR REDETERMINATION, TO  
14 DISPOSE OF THE MATTERS RAISED BY SUCH PETITION AND MAIL NOTICE  
15 OF THE DEPARTMENT'S DECISION TO THE CLAIMANT.

16 SECTION 2912-C. REVIEW BY BOARD OF FINANCE AND REVENUE.--  
17 WITHIN NINETY DAYS AFTER THE DATE OF OFFICIAL RECEIPT BY THE  
18 CLAIMANT OF NOTICE MAILED BY THE DEPARTMENT OF ITS DECISION ON  
19 ANY PETITION FOR REDETERMINATION FILED WITH IT, THE CLAIMANT WHO  
20 IS ADVERSELY AFFECTED BY SUCH DECISION MAY BY PETITION REQUEST  
21 THE BOARD OF FINANCE AND REVENUE TO REVIEW SUCH ACTION. THE  
22 FAILURE OF THE DEPARTMENT TO OFFICIALLY NOTIFY THE CLAIMANT OF A  
23 DECISION WITHIN THE SIX-MONTHS PERIOD PROVIDED FOR BY SECTION  
24 2911-C SHALL ACT AS A DENIAL OF SUCH PETITION, AND A PETITION  
25 FOR REVIEW MAY BE FILED WITH THE BOARD OF FINANCE AND REVENUE  
26 WITHIN ONE HUNDRED TWENTY DAYS AFTER WRITTEN NOTICE IS  
27 OFFICIALLY RECEIVED BY THE CLAIMANT THAT THE DEPARTMENT HAS  
28 FAILED TO DISPOSE OF THE PETITION WITHIN THE SIX-MONTHS PERIOD  
29 PRESCRIBED BY SECTION 2911-C. EVERY PETITION FOR REDETERMINATION  
30 FILED HEREUNDER SHALL STATE THE REASONS UPON WHICH THE CLAIMANT

1 RELIES, OR SHALL INCORPORATE BY REFERENCE THE PETITION FOR  
2 REDETERMINATION IN WHICH SUCH REASONS SHALL HAVE BEEN STATED.  
3 THE PETITION SHALL BE SUPPORTED BY AFFIDAVIT THAT THE FACTS SET  
4 FORTH THEREIN ARE CORRECT AND TRUE. THE BOARD OF FINANCE AND  
5 REVENUE SHALL ACT IN DISPOSITION OF SUCH PETITIONS FILED WITH IT  
6 WITHIN SIX MONTHS AFTER THEY HAVE BEEN RECEIVED, AND IN THE  
7 EVENT OF FAILURE OF SAID BOARD TO DISPOSE OF ANY SUCH PETITION  
8 WITHIN SIX MONTHS, THE ACTION TAKEN BY THE DEPARTMENT UPON THE  
9 PETITION FOR REDETERMINATION SHALL BE DEEMED SUSTAINED. THE  
10 BOARD OF FINANCE AND REVENUE MAY SUSTAIN THE ACTION TAKEN BY THE  
11 DEPARTMENT ON THE PETITION FOR REDETERMINATION OR IT MAY TAKE  
12 SUCH OTHER ACTION AS IT SHALL DEEM IS NECESSARY AND CONSISTENT  
13 WITH PROVISIONS OF THIS ACT. NOTICE OF THE ACTION OF THE BOARD  
14 OF FINANCE AND REVENUE SHALL BE GIVEN BY MAIL TO THE DEPARTMENT  
15 AND TO THE CLAIMANT.

16 SECTION 2913-C. APPEAL.--ANY CLAIMANT, AGGRIEVED BY THE  
17 DECISION OF THE BOARD OF FINANCE AND REVENUE MAY APPEAL FROM THE  
18 DECISION OF THE BOARD OF FINANCE AND REVENUE, IN THE MANNER NOW  
19 OR HEREAFTER PROVIDED BY LAW FOR APPEALS FROM DECISIONS OF SAID  
20 BOARD IN TAX CASES.

21 SECTION 6. THE SECRETARY OF REVENUE MAY NOT USE THE REVENUE-  
22 NEUTRAL RECONCILIATION PROCESS DESCRIBED IN 66 PA.C.S. § 2810 TO  
23 INCREASE THE RATE OF REVENUE-NEUTRAL RECONCILIATION TAX.

24 SECTION 7. (A) THE FOLLOWING ACTS AND PARTS OF ACTS ARE  
25 REPEALED:

26 THE ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS THE  
27 SENIOR CITIZENS REBATE AND ASSISTANCE ACT.

28 (B) ALL OTHER ACTS AND PARTS OF ACTS ARE REPEALED INSOFAR AS  
29 THEY ARE INCONSISTENT WITH THIS ACT.

30 SECTION 8. THE AMENDMENT OR ADDITION OF SECTIONS 301(D) AND



1 2904-C(B) OF THE ACT SHALL APPLY TO TAXABLE YEARS BEGINNING  
2 AFTER DECEMBER 31, 2000.

3 SECTION 9. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

4 (1) THE ADDITION OF SECTION 204(61) OF THE ACT SHALL  
5 TAKE EFFECT IN 60 DAYS.

6 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT  
7 IMMEDIATELY.