

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2431 Session of  
2004

INTRODUCED BY YOUNGBLOOD, CRUZ, THOMAS, HORSEY, LEDERER, MYERS,  
DALEY AND WASHINGTON, MARCH 16, 2004

REFERRED TO COMMITTEE ON FINANCE, MARCH 16, 2004

AN ACT

1 Amending the act of July 2, 1996 (P.L.529, No.91), entitled "An  
2 act implementing the provisions of section 2(b)(ii) of  
3 Article VIII of the Constitution of Pennsylvania by  
4 authorizing cities of the first class to provide for special  
5 tax provisions relating to real property taxes for certain  
6 persons who meet the established standards and qualifications  
7 for age and poverty," further providing for construction, for  
8 declaration of policy and for special tax provisions.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

11 Section 1. Sections 1, 2 and 4 of the act of July 2, 1996  
12 (P.L.529, No.91), entitled "An act implementing the provisions  
13 of section 2(b)(ii) of Article VIII of the Constitution of  
14 Pennsylvania by authorizing cities of the first class to provide  
15 for special tax provisions relating to real property taxes for  
16 certain persons who meet the established standards and  
17 qualifications for age and poverty," are amended to read:

18 Section 1. Construction.

19 This act shall be construed to [authorize] require the  
20 governing bodies of cities of the first class to provide by

1 ordinance for the implementation of the special tax provisions  
2 contained in this act which allow for the refund or forgiveness  
3 of real property tax liability of certain low-income, disabled,  
4 infirm or senior citizens attributable to real property tax rate  
5 increases and increases in the assessed value of the low-income  
6 senior citizen's homestead, thereby implementing section  
7 2(b)(ii) of Article VIII of the Constitution of Pennsylvania.  
8 Section 2. Declaration of policy.

9 (1) In recognition of the powers contained in section  
10 2(b)(ii) of Article VIII of the Constitution of Pennsylvania  
11 which provides therein for the establishing as a class or  
12 classes of subjects of taxation the property or privileges of  
13 persons who, because of poverty, disability, infirmity or  
14 age, are determined to be in need of special tax provisions,  
15 it is the legislative intent and purpose of this act to  
16 implement the powers under such constitutional provision by  
17 establishing special tax provisions for a class of persons  
18 within cities of the first class as provided in this act.

19 (2) Having determined that there are persons within  
20 cities of the first class of this Commonwealth whose incomes  
21 are such that the governing bodies of cities of the first  
22 class may decide that the imposition of the full amount of  
23 real estate taxes on these persons deprives them and their  
24 dependents of the bare necessities of life and having further  
25 determined that poverty is a relative concept inextricably  
26 joined with actual income, the number of persons dependent  
27 upon such income and the unlikelihood of a taxpayer being  
28 able by reason of age to increase that income, it is deemed  
29 to be a matter of public policy to provide special tax  
30 provisions for that class of persons designated in this act

1 within cities of the first class to enable governing bodies  
2 of cities of the first class to by ordinance relieve their  
3 economic burden.

4 Section 4. Special tax provisions; refund or forgiveness of  
5 real estate taxes.

6 (a) General rule.--Any taxpayer within a city of the first  
7 class who meets the standards and qualifications established by  
8 this act shall be deemed a separate class of subjects of  
9 taxation, and, as such, each governing body of a city of the  
10 first class [may] shall by ordinance provide that such taxpayers  
11 shall be entitled to the benefit of the special tax provisions  
12 of this act.

13 (b) Refund or forgiveness of real estate taxes.--Pursuant to  
14 the provisions of such ordinance, eligible taxpayers shall be  
15 entitled to a refund or forgiveness which have been paid over to  
16 or would, except for the provisions of this act, be payable to  
17 cities of the first class and school districts of the first  
18 class for real estate taxes authorized or imposed for city and  
19 school district purposes in accordance with the following  
20 provisions:

21 (1) Low-income senior citizens taxpayers shall be  
22 entitled to receive refunds or forgiveness of that part of  
23 their real estate tax liability attributable to any real  
24 estate tax rate increase or an increase in the assessed value  
25 of the taxpayer's homestead occurring after the effective  
26 date of any ordinance implementing this act.

27 (2) In the event that a taxpayer who had previously been  
28 eligible to receive refunds or forgiveness of taxes as  
29 authorized by this act is no longer eligible by reason of  
30 failing to meet the low-income requirement provided under

1     this act, the taxpayer shall be billed and shall pay real  
2     estate taxes at the then current real estate tax rate and  
3     assessed value. If for subsequent tax years a taxpayer  
4     reestablishes eligibility for refunds or forgiveness of real  
5     estate taxes by again meeting the low-income requirements  
6     provided under this act, the amount of real estate taxes that  
7     the taxpayer is eligible to have refunded or forgiven is that  
8     part of their real estate tax liability attributable to any  
9     real estate tax rate increase or an increase in the assessed  
10    value of the taxpayer's homestead occurring no earlier than  
11    the calendar year prior to the tax year for which the  
12    taxpayer reestablishes eligibility.

13       (3) The maximum amount of real estate taxes which may be  
14    refunded or forgiven may be [limited] established by  
15    ordinance.

16       (4) If a homestead is owned for only a portion of a year  
17    or is owned in part by a person who is not a low-income  
18    taxpayer, the tax collector shall apportion the real estate  
19    taxes in accordance with the period or portion of ownership  
20    of the eligible taxpayer in determining the amount of refund  
21    or forgiveness for which a taxpayer is eligible.

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