
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 209 Session of
2007

INTRODUCED BY BROWNE, RAFFERTY, ERICKSON, O'PAKE, LOGAN,
BOSCOLA, ORIE AND KASUNIC, JANUARY 29, 2007

REFERRED TO FINANCE, JANUARY 29, 2007

AN ACT

1 Authorizing payment for school property tax increases to certain
2 claimants who occupied homesteads; and providing for the
3 powers and duties of the Department of Revenue.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Pennsylvania
8 School Property Tax Freeze Act.

9 Section 2. Legislative intent.

10 The General Assembly finds and declares as follows:

11 (1) The General Assembly, in recognition of the powers
12 contained in section 2(b)(ii) of Article VIII of the
13 Constitution of Pennsylvania which provides for the
14 establishing as a class or classes of subjects of taxation
15 the property or privileges of persons who, because of
16 poverty, are determined to be in need of special tax
17 provisions, hereby declares as its legislative intent and
18 purpose to implement such power under such Constitutional

1 provision by establishing special tax provisions as provided
2 in this act.

3 (2) The General Assembly, in recognition of the
4 requirements of section 2(b)(ii) of Article VIII of the
5 Constitution of Pennsylvania relating to special provisions
6 for the real property tax, hereby declares its intention that
7 provisions of this act provide an administratively efficient
8 means for the Commonwealth to absorb the cost of real estate
9 tax increases for the class of persons designated by this
10 act.

11 (3) The General Assembly having determined that there
12 are persons within this Commonwealth whose incomes are such
13 that imposition of school property tax increases would
14 deprive them and their dependents of the bare necessities of
15 life and having further determined that poverty is a relative
16 concept inextricably joined with actual income and the number
17 of people dependent upon such income deems it to be a matter
18 of public policy to provide special tax provisions for that
19 class of persons designated in this act to relieve their
20 economic burden.

21 (4) Any claimant who meets the standards of eligibility
22 established by this act shall be deemed a separate class of
23 subject of taxation and, as such, shall be entitled to the
24 benefit of the special provisions of this act.

25 Section 3. Definitions.

26 The following words and phrases when used in this act shall
27 have the meanings given to them in this section unless the
28 context clearly indicates otherwise:

29 "Base year." The taxable year of a claimant immediately
30 preceding the taxable year for which a claim for special tax

1 provisions under this act is made or the taxable year of the
2 claimant immediately preceding the first taxable year in a
3 series of consecutive taxable years in which the claimant
4 qualified for a payment on account of school property tax
5 increases under this act, whichever is earlier.

6 "Claimant." A homeowner who is an eligible claimant for
7 special tax provisions under Article III of the act of March 4,
8 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
9 regardless of whether the homeowner had income subject to tax
10 under Article III of the Tax Reform Code of 1971.

11 "Department." The Department of Revenue of the Commonwealth.

12 "Homeowner." An owner of a homestead who is:

13 (1) an individual domiciled in this Commonwealth;

14 (2) a grantor who has placed real property in a
15 revocable trust and who is an individual domiciled in this
16 Commonwealth; or

17 (3) a partner of a family farm partnership or a
18 shareholder of a family farm corporation as the terms are
19 defined in section 1101-C of the act of March 4, 1971 (P.L.6,
20 No.2), known as the Tax Reform Code of 1971, and who is a
21 natural person domiciled in this Commonwealth.

22 "Homestead." The owner-occupied, primary residence and the
23 parcel of land within this Commonwealth on which the residence
24 is located and other improvements located on the parcel. If a
25 portion of such residence is used for a nonresidential purpose,
26 the term means that portion of the property used as the primary
27 residence of the owner-occupant.

28 "Residence." A structure used as a place of habitation by
29 the owner of the structure.

30 "School district." A school district of the first class,

1 first class A, second class, third class or fourth class and an
2 independent school district.

3 "School property tax." The total real property tax levied by
4 a school district on a homestead of a claimant in a taxable
5 year. Real property tax levied by a city of the first class
6 shall constitute taxes levied by a school district for the
7 purposes of this definition to the extent that the city of the
8 first class allocates such property tax revenue to a school
9 district of the first class. The term does not include payments
10 made in lieu of taxes or any penalties or interest paid in
11 connection with the tax.

12 "School property tax increase." The difference between the
13 school property tax levied in the taxable year and the school
14 property tax levied in the base year for a claimant, but not
15 less than zero, multiplied by the percentage of tax forgiveness
16 computed for the claimant under section 304 of the act of March
17 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
18 computed after the application of any locally authorized
19 credits, exemptions, exclusions or special provisions.

20 "Taxable year." This term shall have the same meaning given
21 it in Article III of the act of March 4, 1971 (P.L.6, No.2),
22 known as the Tax Reform Code of 1971.

23 Section 4. Payment for school property tax increases.

24 (a) General rule.--A payment equal to the value of the
25 school property tax increase shall be issued to a claimant on
26 account of such increases for a homestead if all of the
27 following apply:

28 (1) The claimant occupied the homestead during the
29 entire taxable year.

30 (2) The claimant occupied the same homestead during the

1 entire taxable year that the claimant occupied in the base
2 year.

3 (3) The claimant paid school real property tax levied on
4 the homestead during the taxable year in an amount equal to
5 or greater than the amount of the school property tax
6 increase.

7 (4) The claimant applies in a form and time prescribed
8 by the department.

9 (b) Limitation.--The payment on account of school property
10 tax increases may not exceed \$500 for any taxable year for a
11 homestead.

12 (c) Multiple claimants for same homestead.--If two or more
13 claimants residing at any homestead meet the qualification for a
14 payment under this act, they may determine among themselves who
15 shall receive the payment. If they are unable to agree, the
16 department shall determine to whom the payment is to apply.

17 Section 5. Administration and regulations.

18 The department shall administer this act and shall promulgate
19 any regulations necessary for its implementation. To the extent
20 possible, the department shall administer the provisions of this
21 act in conjunction with its administration of the special tax
22 provisions provided under Article III of the act of March 4,
23 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

24 Section 6. Petitions for review.

25 A homeowner whose claim for payment under this act is either
26 denied, corrected or otherwise adversely affected by the
27 department may petition for administrative review in the manner
28 prescribed by the department. An individual aggrieved by the
29 department's action in connection with the administrative review
30 may petition for review in the manner specified in sections 11.1

1 and 11.2 of the act of March 11, 1971 (P.L.104, No.3), known as
2 the Senior Citizens Rebate and Assistance Act. Neither the
3 administrative review process nor the petition for review
4 provided for in this section shall apply to any determination
5 regarding special tax provisions under Article III of the act of
6 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
7 1971.

8 Section 7. Applicability.

9 This act shall apply to claims for payment under this act for
10 the taxable year beginning after December 31, 2006, and to each
11 taxable year thereafter.

12 Section 20. Effective date.

13 This act shall take effect immediately.