

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 676 Session of 2011

INTRODUCED BY REICHLEY, CALTAGIRONE, CLYMER, EVERETT, FLECK,  
GEIST, W. KELLER, KILLION, MARSICO, O'NEILL, PETRI AND  
SCAVELLO, FEBRUARY 14, 2011

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 14, 2011

AN ACT

1 Providing for local senior citizen property tax rent rebates.

2 The General Assembly of the Commonwealth of Pennsylvania

3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Local Senior  
6 Citizen Property Tax and Rent Rebate Act.

7 Section 2. Definitions.

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

11 "Claimant." Any of the following who, during all or part of  
12 a calendar year in which real property taxes, rent and inflation  
13 costs were due and payable, file a claim for property tax rebate  
14 or rent rebate in lieu of property taxes and inflation dividend  
15 and whose household income does not exceed \$35,000:

16 (1) A person who was 65 years of age or older, or whose  
17 spouse, if a member of the household, was 65 years of age or

1       older.

2               (2)   A widow or widower who was 50 years of age or older.

3               (3)   A permanently disabled person 18 years of age or  
4       older.

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

6       "Homestead."   A dwelling occupied by a claimant, whether  
7   owned or rented, and as much of the land surrounding it as is  
8   reasonably necessary for use of the dwelling as a home. The term  
9   shall also include all of the following:

10              (1)   Premises occupied by reason of ownership or lease in  
11     a cooperative housing corporation.

12              (2)   Mobile homes which are assessed as realty for local  
13     property tax purposes and the land, if owned or rented by the  
14     claimant, upon which the mobile home is situated and other  
15     similar living accommodations.

16              (3)   A part of a multidwelling or multipurpose building  
17     and a part of the land upon which it is built.

18              (4)   Premises occupied by reason of the claimant's  
19     ownership or rental of a dwelling located on land owned by a  
20     nonprofit incorporated association, of which the claimant is  
21     a member, if the claimant is required to pay a pro rata share  
22     of the property taxes levied against the association's land.

23              (5)   Premises occupied by a claimant if he is required by  
24     law to pay a property tax by reason of his ownership or  
25     rental, including a possessory interest, in the dwelling, the  
26     land or both.

27       "Household income."   All income received by the claimant and  
28   the claimant's spouse while residing in the homestead during the  
29   calendar year for which a rebate and dividend are claimed.

30       "Income."   Except for surplus food or other relief in kind

1 supplied by a governmental agency or property tax, rent rebate  
2 or inflation dividend, all income from whatever source derived,  
3 including all of the following:

4 (1) Salaries, wages, bonuses and commissions.

5 (2) Income from self-employment.

6 (3) Alimony, support money, cash public assistance and  
7 relief.

8 (4) The gross amount of any pensions or annuities,  
9 including 50% of railroad retirement benefits.

10 (5) Fifty percent of all benefits, except Medicare  
11 benefits, received under the Social Security Act (49 Stat.  
12 620, 42 U.S.C. § 301 et seq.).

13 (6) All benefits received under State unemployment  
14 insurance laws and veterans' disability payments.

15 (7) All interest received from the Federal or any state  
16 government or any instrumentality or political subdivision  
17 thereof.

18 (8) Realized capital gains.

19 (9) Rentals.

20 (10) Workers' compensation and the gross amount of loss  
21 of time, insurance benefits, life insurance benefits and  
22 proceeds except the first \$5,000 of the total of death  
23 benefit payments.

24 (11) Gifts of cash or property, other than transfers by  
25 gifts between members of a household, in excess of a total  
26 value of \$300.

27 "Local taxing authority." A political subdivision of the  
28 Commonwealth, which shall include a municipality, township,  
29 county or school district.

30 "Owner." A person in possession under a contract of sale,

1 deed of trust, life estate, joint tenancy or tenancy in common  
2 or by reason of statutes of descent and distribution.

3 "Permanently disabled person." A person who is unable to  
4 engage in any substantial gainful activity by reason of any  
5 medically determinable physical or mental impairment that can be  
6 expected to continue indefinitely.

7 "Real property taxes." All taxes on a homestead, except for  
8 municipal assessments, delinquent charges and interest, due and  
9 payable during a calendar year.

10 "Rent rebate in lieu of property taxes." Twenty percent of  
11 the gross amount actually paid in cash or its equivalent in any  
12 calendar year to a landlord in connection with the occupancy of  
13 a homestead by a claimant, irrespective of whether the amount  
14 constitutes payment solely for the right of occupancy or  
15 otherwise.

16 "Social Security Act." The Social Security Act (49 Stat.  
17 620, 42 U.S.C. § 301 et seq.).

18 "Widow" or "widower." The surviving wife or the surviving  
19 husband of a deceased individual who has not remarried.

20 Section 3. Property tax and rent rebate.

21 (a) Amount of claim.--The following shall apply:

22 (1) (i) The base amount of a claim for property tax  
23 rebate for real property taxes due and payable during  
24 calendar year 2011 and thereafter shall be determined by  
25 the local taxing authority.

26 (ii) The supplemental amount for a claimant with a  
27 household income equal to or less than \$35,000 and an  
28 eligible claim for property tax rebate for real property  
29 taxes due and payable during the calendar year preceding  
30 the first year in which a payment under this section is

1 made and each year thereafter and whose real property  
2 taxes exceed 15% of the claimant's household income shall  
3 be equal to 50% of the base amount determined under  
4 subparagraph (i). A claimant who is a resident of a city  
5 of the first class, a city of the second class A or a  
6 school district of the first class A shall be ineligible  
7 for the supplemental amount under this subparagraph.

8 (2) The amount of any claim for rent rebate in lieu of  
9 property taxes for rent due and payable during calendar year  
10 2011 and thereafter shall be determined by the local taxing  
11 authority.

12 (b) Limits.--No claim shall be allowed if the amount of  
13 property tax or rent rebate computed in accordance with this  
14 section is less than \$10. The maximum amount of property tax or  
15 rent rebate payable under this section shall not exceed \$500.

16 (c) Exemption.--No claim shall be allowed if the claimant is  
17 a tenant of an owner of real property exempt from real property  
18 taxes.

19 (d) Apportionment.--A local taxing authority shall apportion  
20 the real property taxes or rent in accordance with the period or  
21 degree of ownership or leasehold or eligibility of the claimant  
22 in determining the amount of rebate for which a claimant is  
23 eligible if any of the following apply:

24 (1) A homestead is owned or rented and occupied for only  
25 a portion of a year.

26 (2) A homestead is owned or rented in part by a person  
27 who does not meet the qualifications for a claimant,  
28 exclusive of any interest owned or leased by a claimant's  
29 spouse.

30 (3) A claimant is a widow or widower who remarries.

(4) A claimant is a permanently disabled person who is no longer disabled.

(e) Public assistance.--A claimant who receives public assistance from the Department of Public Welfare shall not be eligible for rent rebate in lieu of property taxes or an inflation dividend during those months that the claimant receives public assistance.

(f) Rent.--Rent shall not include subsidies provided by or through a governmental agency.

#### Section 4. Filing of claim.

A claim for property tax or rent rebate shall be filed with the local taxing authority on a date prescribed by the local taxing authority for the preceding calendar year in which real property taxes or rent were due and payable. Only one claimant from a homestead each year shall be entitled to the property tax or rent rebate and inflation dividend. If two or more persons are able to meet the qualifications for a claimant, they may determine who the claimant shall be. If they are unable to agree, the department shall determine to whom the rebate is to be paid.

#### Section 5. Proof of claim.

(a) Inclusion with claim.--Each claim shall include reasonable proof of household income, the size and nature of the property claimed as a homestead and the rent or tax receipt or other proof that the real property taxes on the homestead have been paid, or rent in connection with the occupancy of a homestead has been paid. If the claimant is a widow or widower, a declaration of such status in such manner as prescribed by the department shall be included.

(b) Social Security determination.--Proof that a claimant is

1 eligible to receive disability benefits under the Social  
2 Security Act shall constitute proof of disability under this  
3 act. No person who has been found not to be disabled by the  
4 Social Security Administration shall be granted a rebate or  
5 dividend under this act. A claimant not covered under the Social  
6 Security Act shall be examined by a physician designated by the  
7 local taxing authority and such status determined using the same  
8 standards used by the Social Security Administration.

9 (c) Time of payment.--It shall not be necessary that taxes  
10 or rent were paid directly by the claimant if the rent or taxes  
11 have been paid when the claim is filed.

12 (d) Age.--The first claim filed shall include proof that the  
13 claimant or the claimant's spouse was 65 years of age or older  
14 or 50 years of age or older in the case of a widow or widower  
15 during the calendar year in which real property taxes or rent  
16 were due and payable.

#### 17 Section 6. Incorrect claim.

18 Whenever on audit of any claim the local taxing authority  
19 finds the claim to have been incorrectly determined, it shall  
20 redetermine the correct amount of the claim and notify the  
21 claimant of the reason of the redetermination and the amount of  
22 the corrected claim.

#### 23 Section 7. Funds for payment of claims.

24 Approved claims shall be paid from the local taxing  
25 authority's general fund.

#### 26 Section 8. Petition for redetermination.

27 Any claimant whose claim is either denied, corrected or  
28 otherwise adversely affected by the local taxing authority may  
29 file with the local taxing authority a petition for  
30 redetermination on forms supplied by the local taxing authority

1 within 90 days after the date of mailing of written notice by  
2 the local taxing authority of the action. It shall be the duty  
3 of the local taxing authority, within six months after receiving  
4 a filed petition for redetermination, to dispose of the matters  
5 raised by the petition and mail notice of the local taxing  
6 authority's decision to the claimant.

7 Section 19. Applicability.

8 This act shall apply to the tax year beginning January 1,  
9 2011, and each tax year thereafter.

10 Section 20. Effective date.

11 This act shall take effect immediately.