

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 715 Session of 2017

INTRODUCED BY FONTANA, RAFFERTY, HUTCHINSON, VOGEL, BREWSTER AND COSTA, MAY 12, 2017

REFERRED TO FINANCE, MAY 12, 2017

AN ACT

1 Amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
 2 No.1), entitled "An act providing for taxation by school
 3 districts, for the State funds formula, for tax relief in
 4 first class cities, for school district choice and voter
 5 participation, for other school district options and for a
 6 task force on school cost reduction; making an appropriation;
 7 prohibiting prior authorized taxation; providing for
 8 installment payment of taxes; restricting the power of
 9 certain school districts to levy, assess and collect taxes;
 10 and making related repeals," providing for supplemental
 11 senior citizen property tax rebate assistance.

12 The General Assembly of the Commonwealth of Pennsylvania
 13 hereby enacts as follows:

14 Section 1. The act of June 27, 2006 (1st Sp.Sess., P.L.1873,
 15 No.1), known as the Taxpayer Relief Act, is amended by adding a
 16 chapter to read:

17 CHAPTER 13-A

18 SUPPLEMENTAL SENIOR CITIZEN PROPERTY TAX

19 REBATE ASSISTANCE

20 Section 1301-A. Scope of chapter.

21 This chapter provides senior citizens with assistance in the
 22 form of supplemental property tax rebates.

1 Section 1302-A. Definitions.

2 The following words and phrases when used in this chapter
3 shall have the meanings given to them in this section unless the
4 context clearly indicates otherwise:

5 "Board." The Board of Finance and Revenue of the
6 Commonwealth.

7 "Claimant." A person who files a claim for a supplemental
8 property tax and:

9 (1) was at least 66 years of age or whose spouse, if a
10 member of the household, was at least 66 years of age during
11 a calendar year in which real property taxes were due and
12 payable; and

13 (2) occupied the homestead for a period of at least 10
14 years immediately preceding the calendar year when the rebate
15 is claimed.

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

17 "Homestead." An owned dwelling, and so much of the land
18 surrounding it, as is reasonably necessary for the use of the
19 dwelling as a home, occupied by a claimant. The term includes,
20 but is not limited to:

21 (1) Premises occupied by reason of ownership in a
22 cooperative housing corporation.

23 (2) Mobile homes that are assessed as realty for local
24 property tax purposes and the land, if owned by the claimant,
25 upon which the mobile home is situated, and other similar
26 living accommodations.

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

29 (4) Premises occupied by reason of the claimant's
30 ownership of a dwelling located on land owned by a nonprofit

1 incorporated association, of which the claimant is a member,
2 if the claimant is required to pay a pro rata share of the
3 property taxes levied against the association's land.

4 (5) Premises occupied by a claimant if the claimant is
5 required by law to pay a property tax by reason of the
6 claimant's ownership, including a possessory interest, in the
7 dwelling, the land or both. An owner includes a person in
8 possession under a contract of sale, deed of trust, life
9 estate, joint tenancy or tenancy in common or by reason of
10 statutes of descent and distribution.

11 "Household income." All income received by a claimant and
12 the claimant's spouse while residing in the homestead during the
13 calendar year for which a rebate is claimed.

14 "Income." All income from whatever source derived,
15 including, but not limited to:

16 (1) Salaries, wages, bonuses, commissions, income from
17 self-employment, alimony, support money, cash public
18 assistance and relief.

19 (2) The gross amount of a pension or annuity, including
20 50% of railroad retirement benefits for calendar year 2017
21 and any year thereafter.

22 (3) Fifty percent of all benefits received under the
23 Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.),
24 except Medicare benefits, for calendar year 2017 and any year
25 thereafter.

26 (4) Benefits received under State unemployment insurance
27 laws and veterans' disability payments.

28 (5) Interest received from the Federal or any state
29 government or an instrumentality or political subdivision
30 thereof.

- 1 (6) Realized capital gains and rentals.
 2 (7) Workers' compensation.
 3 (8) The gross amount of loss of time insurance benefits,
 4 life insurance benefits and proceeds, except the first \$5,000
 5 of the total of death benefit payments.
 6 (9) Gifts of cash or property, other than transfers by
 7 gift between members of a household, in excess of a total
 8 value of \$300.

9 The term does not include surplus food or other relief in kind
 10 supplied by a governmental agency, property tax rebate or an
 11 inflation dividend.

12 "Real property taxes." Taxes on a homestead, exclusive of
 13 municipal assessments, delinquent charges and interest, due and
 14 payable during a calendar year.

15 "Secretary." The Secretary of Revenue of the Commonwealth.
 16 Section 1303-A. Property tax rebate.

17 (a) Schedule of rebates.--The amount of a claim for property
 18 tax rebate for real property taxes due and payable during
 19 calendar year 2017 and any year thereafter shall be determined
 20 in accordance with the following schedule:

	<u>Amount of Real Property</u>
<u>Household Income</u>	<u>Taxes Allowed as Rebate</u>
<u>\$ 0 - \$ 50,000</u>	<u>\$200</u>

24 (b) Limitation on claims.--No claim may be allowed if the
 25 amount of property tax rebate computed in accordance with this
 26 section is less than \$10, and the maximum amount of property tax
 27 rebate payable may not exceed \$200.

28 (c) Apportionment.--If a homestead is owned and occupied for
 29 only a portion of a year or is owned in part by a person who
 30 does not meet the qualifications for a claimant, exclusive of

1 any interest owned by a claimant's spouse, the department shall
2 apportion the real property taxes in accordance with the period
3 or degree of ownership or eligibility of the claimant in
4 determining the amount of rebate for which a claimant is
5 eligible.

6 Section 1304-A. Filing of claim.

7 (a) General rule.--Except as otherwise provided in
8 subsection (b), a claim for property tax rebate shall be filed
9 with the department on or before June 30 of the year next
10 succeeding the end of the calendar year in which real property
11 taxes were due and payable.

12 (b) Exception.--A claim filed after the June 30 deadline
13 until December 31 of the calendar year shall be accepted by the
14 secretary as long as funds are available to pay the benefits to
15 the late filing claimant.

16 (c) Payments from State Lottery Fund.--No reimbursement on a
17 claim may be made from the State Lottery Fund earlier than the
18 day following June 30 provided in this chapter on which that
19 claim may be filed with the department.

20 (d) Eligibility of claimants.--

21 (1) Only one claimant from a homestead each year shall
22 be entitled to the property tax rebate.

23 (2) If two or more persons are able to meet the
24 qualifications for a claimant, they may determine who the
25 claimant shall be.

26 (3) If they are unable to agree, the department shall
27 determine to whom the rebate is paid.

28 Section 1305-A. Proof of claim.

29 (a) Contents.--A claim shall include:

30 (1) Reasonable proof of household income.

1 (2) The size and nature of the property claimed as a
2 homestead.

3 (3) The tax receipt or other proof that the real
4 property taxes on the homestead have been paid.

5 (4) Reasonable proof of occupancy of the homestead for a
6 period of at least 10 years immediately preceding the
7 calendar year when the rebate is claimed.

8 (b) Direct payment of taxes not required.--It shall not be
9 necessary that the taxes were paid directly by the claimant if
10 the taxes have been paid when the claim is filed.

11 (c) Proof of age on first claim.--The first claim filed
12 shall include proof that the claimant or the claimant's spouse
13 was at least 66 years of age during the calendar year in which
14 real property taxes were due and payable.

15 Section 1306-A. Incorrect claim.

16 Whenever on audit of a claim the department finds the claim
17 to have been incorrectly determined, it shall redetermine the
18 correct amount of the claim and notify the claimant of the
19 reason for the redetermination and the amount of the corrected
20 claim.

21 Section 1307-A. Funds for payment of claims.

22 Approved claims shall be paid from the State Lottery Fund
23 established under the act of August 26, 1971 (P.L.351, No.91),
24 known as the State Lottery Law.

25 Section 1308-A. Claim forms and rules and regulations.

26 (a) General rule.--The department shall:

27 (1) Prescribe necessary rules and regulations for the
28 implementation of this chapter.

29 (2) Receive applications.

30 (3) Determine the eligibility of claimants.

1 (4) Hear appeals.

2 (5) Disburse payments.

3 (6) Make available suitable forms for the filing of
4 claims.

5 (b) Report to General Assembly.--In addition to any rules
6 and regulations prescribed under subsection (a), the department
7 shall collect the following information and issue a report,
8 including the information to the chair and minority chair of the
9 Appropriations Committee of the Senate and the chair and
10 minority chair of the Appropriations Committee of the House of
11 Representatives, by September 30, 2018, and September 30 of each
12 year thereafter:

13 (1) The total number of claims that will be paid in the
14 fiscal year in which the report is issued with the
15 information provided by school district, by county and for
16 each household income level under section 1303-A(a).

17 (2) The total amount of rebates paid in the fiscal year
18 in which the report is issued with the information provided
19 by school district, by county and for each household income
20 level under section 1303-A(a).

21 Section 1309-A. Fraudulent claims and conveyances to obtain
22 benefits.

23 (a) Civil penalty.--In any case in which a claim is
24 excessive and was filed with fraudulent intent, the claim shall
25 be disallowed in full, and a penalty of 25% of the amount
26 claimed shall be imposed. The penalty and the amount of the
27 disallowed claim, if the claim has been paid, shall bear
28 interest at the rate of 1.5% per month from the date of the
29 claim until repaid.

30 (b) Criminal penalty.--The claimant and any person who

1 assisted in the preparation or filing of a fraudulent claim
2 commits a misdemeanor of the third degree and, upon conviction,
3 shall be sentenced to pay a fine not exceeding \$1,000 or to
4 imprisonment not exceeding one year, or both.

5 (c) Disallowance for receipt of title.--A claim shall be
6 disallowed if the claimant received title to the homestead
7 primarily for the purpose of receiving a property tax rebate.
8 Section 1310-A. Petition for redetermination.

9 (a) Right to file.--A claimant whose claim is either denied,
10 corrected or otherwise adversely affected by the department may
11 file with the department a petition for redetermination on forms
12 supplied by the department within 90 days after the date of
13 mailing of written notice by the department of such action.

14 (b) Contents.--The petition shall set forth the grounds upon
15 which the claimant alleges that the departmental action is
16 erroneous or unlawful, in whole or part, and shall contain an
17 affidavit or affirmation that the facts contained in the
18 petition are true and correct.

19 (c) Extension of time for filing.--

20 (1) An extension of time for filing the petition may be
21 allowed for cause but may not exceed 120 days.

22 (2) The department shall hold hearings as may be
23 necessary for the purpose of redetermination. A claimant who
24 has duly filed a petition for redetermination shall be
25 notified by the department of the time and place of the
26 hearing.

27 (d) Time period for decision.--The department shall, within
28 six months of receiving a filed petition for redetermination,
29 dispose of the matters raised by the petition and shall mail
30 notice of the department's decision to the claimant.

1 Section 1311-A. Review by Board of Finance and Revenue.

2 (a) Right to review.--Within 90 days after the date of
3 official receipt by the claimant of notice mailed by the
4 department of its decision on a petition for redetermination
5 filed with it, the claimant who is adversely affected by the
6 decision may by petition request the board to review the action.

7 (b) Effect of no decision from department.--The failure of
8 the department to officially notify the claimant of a decision
9 within the six-month period provided under section 1310-A(d)
10 shall act as a denial of the petition. A petition for review may
11 be filed with the board within 120 days after written notice is
12 officially received by the claimant that the department has
13 failed to dispose of the petition within the six-month period.

14 (c) Contents of petition for redetermination.--A petition
15 for redetermination shall state the reasons upon which the
16 claimant relies or shall incorporate by reference the petition
17 for redetermination in which the reasons were stated. The
18 petition shall be supported by affidavit that the facts set
19 forth in the petition are correct and true.

20 (d) Time period for decision.--The board shall act in
21 disposition of petitions filed with it within six months after
22 they have been received, and in the event of failure of the
23 board to dispose of a petition within six months, the action
24 taken by the department upon the petition for redetermination
25 shall be deemed sustained.

26 (e) Relief authorized by board.--The board may sustain the
27 action taken by the department on the petition for
28 redetermination or it may take other action as it shall deem
29 necessary and consistent with the provisions of this chapter.

30 (f) Form of notice.--Notice of the action of the board shall

1 be given by mail to the department and to the claimant.

2 Section 1312-A. Appeal.

3 A claimant aggrieved by a decision of the board may appeal
4 from the decision of the board in the manner provided by law for
5 appeals from decisions of the board in tax cases.

6 Section 2. This act shall take effect immediately.