

## AMENDMENTS TO HOUSE BILL NO. 504

Sponsor: REPRESENTATIVE SAYLOR

Printer's No. 561

1 Amend Bill, page 1, line 11, by striking out the period after  
2 "timbering" and inserting  
3 ; establishing the School District Millage Rate Reduction Fund  
4 and the School District Homestead and Farmstead Relief Fund;  
5 providing for additional taxation and for senior citizens  
6 property tax and rent rebate assistance; and repealing  
7 provisions of the Taxpayer Relief Act.

8 Amend Bill, page 1, lines 14 through 17, by striking out all  
9 of said lines and inserting

10 Section 1. The title of the act of March 4, 1971 (P.L.6,  
11 No.2), known as the Tax Reform Code of 1971, is amended to read:

## AN ACT

13 Relating to tax reform and State taxation by codifying and  
14 enumerating certain subjects of taxation and imposing taxes  
15 thereon; providing procedures for the payment, collection,  
16 administration and enforcement thereof; providing for  
17 property tax relief and for tax credits in certain cases;  
18 conferring powers and imposing duties upon the Department of  
19 Revenue, certain employers, fiduciaries, individuals,  
20 persons, corporations and other entities; prescribing crimes,  
21 offenses and penalties.

22 Section 2. Section 201(k)(8) and (o)(4)(B) of the act,  
23 amended April 23, 1998 (P.L.239, No.45), are amended to read:

24 Amend Bill, page 7, by inserting between lines 9 and 10

25 Section 3. The act is amended by adding articles to read:

ARTICLE XVISCHOOL PROPERTY TAX REFORMPART IPRELIMINARY PROVISIONS

30 Section 1601. Short title of article.

31 This article shall be known and may be cited as the School  
32 Property Tax Reform Act.

33 Section 1602. Definitions.

34 The following words and phrases when used in this article  
35 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:  
2 "Average daily membership." The term as defined in section  
3 2501 of the act of March 10, 1949 (P.L.30, No.14), known as the  
4 Public School Code of 1949.  
5 "Board of school directors." The term includes the  
6 following:  
7 (1) A board of school directors of a school district of  
8 the first class A, second class, third class or fourth class.  
9 (2) A city council of a city of the first class.  
10 "Department." The Department of Revenue of the Commonwealth.  
11 "Equalized millage." The term as defined in section  
12 2501(9.2) of the act of March 10, 1949 (P.L.30, No.14), known as  
13 the Public School Code of 1949.  
14 "Farmstead." As defined in 53 Pa.C.S. § 8582 (relating to  
15 definitions).  
16 "Farmstead property." The term as defined in 53 Pa.C.S. §  
17 8582 (relating to definitions).  
18 "Homestead." The term defined in 53 Pa.C.S. § 8401 (relating  
19 to definitions).  
20 "Homestead property." The term as defined in 53 Pa.C.S. §  
21 8401 (relating to definitions).  
22 "Index." The term defined in section 302 of the Taxpayer  
23 Relief Act.  
24 "Real property tax." The total dollar value of real property  
25 taxes paid by property owners in a school district determined by  
26 adding the real property taxes collected by, or on behalf of,  
27 the school district plus State millage rate reduction  
28 allocations, State homestead and farmstead exclusion allocations  
29 and State property tax reduction allocations. The term does not  
30 include an allocation under section 505(d) of the Taxpayer  
31 Relief Act.  
32 "Residential property tax." The dollar value of real  
33 property taxes paid by residential property owners in a school  
34 district, determined by multiplying the real property taxes  
35 collected by the school district times the percentage of the  
36 total property value in the school district classified as  
37 residential by the State Tax Equalization Board for the calendar  
38 year in which the tax year began.  
39 "School district." A school district of the first class,  
40 first class A, second class, third class or fourth class.  
41 "School District Homestead and Farmstead Relief Fund." The  
42 fund established in section 1604.  
43 "School District Millage Rate Reduction Fund." The fund  
44 established in section 1603.  
45 "Secretary." The Secretary of the Budget of the  
46 Commonwealth.  
47 "State homestead and farmstead exclusion allocation." The  
48 allocation under section 1643.  
49 "State millage rate reduction allocation." The allocation  
50 under section 1632.  
51 "State property tax reduction allocation." A payment made

1 under section 505 of the Taxpayer Relief Act.

2 "State Treasurer." The State Treasurer of the Commonwealth.

3 "Taxpayer Relief Act." The act of June 27, 2006 (1st

4 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

5 Section 1603. School District Millage Rate Reduction Fund.

6 (a) Establishment.--The School District Millage Rate  
7 Reduction Fund is established as a special fund in the State  
8 Treasury. The fund shall not lapse.

9 (b) Purpose.--Money in the fund shall be distributed to  
10 school districts under section 1632 and shall be used  
11 exclusively for the purposes enumerated in this article.

12 (c) Deposits into the fund.--Funds generated by the tax  
13 under section 1611 shall be deposited into the fund.

14 (d) Transfer from the fund.--

15 (1) In order to ensure that the General Fund is not  
16 negatively impacted by the imposition of the tax under  
17 section 1611, not later than June 30, 2017, and each June 30  
18 thereafter, an amount equal to the refund reimbursement  
19 factor multiplied by the amount of refunds issued under  
20 Article III for tax years in which the tax imposed under  
21 section 1611 is applicable shall be transferred from the fund  
22 to the General Fund.

23 (2) For the purpose of this subsection, "refund  
24 reimbursement factor" means a fraction equal to the rate of  
25 tax imposed under section 1611 divided by the sum of the rate  
26 of tax imposed under section 1611 plus the rate of tax  
27 imposed under Article III.

28 Section 1604. School District Homestead and Farmstead Relief  
29 Fund.

30 (a) Establishment.--The School District Homestead and  
31 Farmstead Relief Fund is established as a special fund in the  
32 State Treasury. The fund shall not lapse.

33 (b) Purpose.--Except as provided under section 2908-G(c),  
34 money in the fund shall be distributed to school districts under  
35 section 1643 and shall be used exclusively for the purposes  
36 enumerated in this article.

37 (c) Deposits.--Funds generated by the tax under section 1612  
38 shall be deposited into the fund.

39 (d) Transfers.--Upon authorization by the secretary in order  
40 to comply with section 1622(a)(3), the State Treasurer shall  
41 transfer from the fund to the School District Millage Rate  
42 Reduction Fund an amount sufficient to ensure that the total  
43 amount of revenue in the School District Millage Rate Reduction  
44 Fund for a fiscal year is not less than the amount distributed  
45 from the previous fiscal year.

46 PART II

47 SCHOOL PROPERTY TAX REDUCTIONS

48 FROM STATEWIDE SOURCES

49 Section 1611. Additional personal income tax imposed.

50 (a) Personal income tax.--For taxable years beginning after  
51 December 31, 2015, there is imposed an additional tax upon each

1 class of income as defined in Article III. The tax shall be  
2 calculated, collected and paid over to the Commonwealth in the  
3 same manner as provided in Article III.

4 (b) Rate.--The tax imposed by subsection (a) shall be at the  
5 rate of 0.63%.

6 (c) Deposit of tax proceeds.--The department shall deposit  
7 taxes collected under this section in the School District  
8 Millage Rate Reduction Fund. The amount shall be the sum of the  
9 taxes collected under this section and Article III multiplied by  
10 a fraction equal to the rate of tax under this section divided  
11 by the sum of the rate of tax under this section and the rate of  
12 tax under section 302.

13 (d) Rules and regulations.--The rules and regulations of the  
14 department promulgated under this act or any other act, shall be  
15 applicable to the tax imposed by this section to the extent that  
16 they are applicable to the tax imposed under Article III.

17 (e) Construction.--The tax imposed by this section shall be  
18 in addition to any tax imposed under Article III or section  
19 321(c) of the Taxpayer Relief Act. The provisions of Article III  
20 shall apply to the tax imposed by this section.  
21 Section 1612. Additional sales and use tax imposed.

22 (a) Additional taxation.--The tax imposed by this section  
23 shall be in addition to any tax imposed under Article II or II-  
24 B, section 503 of the act of June 5, 1991 (P.L.9, No.6), known  
25 as the Pennsylvania Intergovernmental Cooperation Authority Act  
26 for Cities of the First Class, or section 3152-B of the act of  
27 July 28, 1953 (P.L.73, No.230), known as the Second Class County  
28 Code. The provisions of Article II shall apply to the tax  
29 imposed by this section.

30 (b) Sales tax.--Beginning January 1, 2016, there is imposed  
31 a tax upon each separate sale at retail of tangible personal  
32 property or services. The tax under this subsection shall be  
33 imposed upon the purchase price. The tax shall be collected by  
34 the vendor from the purchaser and shall be paid over to the  
35 Commonwealth in the same manner as provided in Article II.

36 (c) Use tax.--Beginning January 1, 2016, there is imposed a  
37 tax upon the use of tangible personal property purchased at  
38 retail and on services purchased at retail. The tax under this  
39 subsection shall be imposed upon the purchase price. The tax  
40 shall be paid over to the Commonwealth by the person who makes  
41 such use. The tax imposed under this subsection shall not be  
42 paid over to the Commonwealth by any person who has paid the tax  
43 imposed under subsection (b) or has paid the tax imposed under  
44 this subsection to the vendor with respect to such use.

45 (d) Hotel tax.--Beginning January 1, 2016, there is hereby  
46 imposed an excise tax on the rent upon every occupancy of a room  
47 or rooms in a hotel, as defined in Article II. The tax shall be  
48 collected by the operator or owner from the occupant and paid  
49 over to the Commonwealth.

50 (e) Rate.--The tax imposed by subsections (b), (c) and (d)  
51 shall be at a rate of 1%.

1 (f) Tax computation.--The tax imposed under subsections (b),  
2 (c) and (d) shall be computed as follows:

3 (1) If the purchase price is 50¢ or less, no tax shall  
4 be collected.

5 (2) If the purchase price is 51¢ or more but less than  
6 \$1.51, 1¢ shall be collected.

7 (3) If the purchase price is \$1.51 or more but less than  
8 \$2.51, 2¢ shall be collected.

9 (4) If the purchase price is \$2.51 or more but less than  
10 \$3.51, 3¢ shall be collected.

11 (5) If the purchase price is \$3.51 or more but less than  
12 \$4.51, 4¢ shall be collected.

13 (6) If the purchase price is \$4.51 or more but less than  
14 \$5.51, 5¢ shall be collected.

15 (7) If the purchase price is \$5.51 or more but less than  
16 \$6.51, 6¢ shall be collected.

17 (8) If the purchase price is \$6.51 or more but less than  
18 \$7.51, 7¢ shall be collected.

19 (9) If the purchase price is \$7.51 or more but less than  
20 \$8.51, 8¢ shall be collected.

21 (10) If the purchase price is \$8.51 or more but less  
22 than \$9.51, 9¢ shall be collected.

23 (11) If the purchase price is \$9.51 or more but less  
24 than \$10.01, 10¢ shall be collected.

25 (12) If the purchase price is more than \$10, 1% of each  
26 \$10 purchase price plus the above bracket charges upon any  
27 fractional part of a \$10 increment shall be collected.

28 (g) Deposit of tax proceeds.--The department shall deposit  
29 taxes collected under this section in the School District  
30 Homestead and Farmstead Relief Fund. The amount shall be one-  
31 seventh of the sum of the amount collected under this section  
32 and Article II. The tax collected under this section shall be  
33 subject to the transfers under section 281.2 and 74 Pa.C.S. §  
34 1506(c)(1) and (3.4) in the same way as the tax imposed under  
35 Article II.

36 (h) Rules and regulations.--The rules and regulations of the  
37 department which are promulgated under this act or any other  
38 act, shall be applicable to the tax imposed by this section to  
39 the extent that they are applicable to the tax imposed under  
40 Article II.

41 (i) Definitions.--As used in this section, the following  
42 words and phrases shall have the meanings given to them in this  
43 subsection unless the context clearly indicates otherwise:

44 "Purchase price." As defined in Article II.

45 "Sale at retail." As defined in Article II.

46 "Tangible personal property." As defined in Article II.

47 PART III

48 STATE FUNDS FORMULAE

49 SUBPART A

50 PRELIMINARY PROVISIONS

51 Section 1621. Scope of part.

1 This part relates to the allocation of State funds for the  
2 dollar-for-dollar reduction of school district property taxes  
3 through millage rate reductions and funding homestead property  
4 exclusions.

5 Section 1622. Certifications.

6 (a) Secretary certifications.--

7 (1) Not later than April 15, 2016, and April 15 of each  
8 year thereafter, the secretary shall certify all of the  
9 following:

10 (i) The total amount of revenue in the School  
11 District Millage Rate Reduction Fund and the School  
12 District Homestead and Farmstead Relief Fund. In  
13 calculating the total amount of revenue in each of the  
14 funds, the secretary shall take into account all of the  
15 following:

16 (A) For the certification to be completed not  
17 later than April 15, 2016, revenue which:

18 (I) has been deposited into the fund prior  
19 to the date of the certification; and

20 (II) is reasonably projected to be deposited  
21 into the fund during the six months following the  
22 date on which the certification is made; and

23 (B) For certifications in subsequent fiscal  
24 years:

25 (I) revenue which has been deposited into  
26 the fund during the six months prior to the date  
27 on which the certification is made; and

28 (II) revenue enumerated in clause (A) (II).

29 (ii) In certifying the amount available for  
30 distribution from each fund under subsection (c), the  
31 secretary shall only certify an amount that is  
32 sustainable in subsequent years.

33 (2) If the actual revenue deposited into each of the  
34 funds during the six months following the date on which the  
35 certification is made exceeds projections, any revenue in  
36 excess of projections shall remain in that fund and may be  
37 included in the certification for the subsequent fiscal year.

38 (3) The secretary may not certify an amount of revenue  
39 in the School District Millage Rate Reduction Fund which is  
40 less than the dollar amount certified in the previous fiscal  
41 year.

42 (b) Notification of Department of Education.--By April 20,  
43 2016, and April 20 each year thereafter, the secretary shall  
44 notify the Department of Education whether it is authorized to  
45 provide school districts with State millage rate reduction  
46 allocations and State homestead and farmstead exclusion  
47 allocations under Subparts B and C.

48 (c) Distribution.--

49 (1) For fiscal year 2016-2017 and for each fiscal year  
50 thereafter, the secretary shall authorize the Department of  
51 Education to distribute from the School District Millage Rate

1 Reduction Fund the amount certified for the fund under  
2 subsection (a) (1).

3 (2) For fiscal year 2016-2017 and for each fiscal year  
4 thereafter, the secretary shall authorize the Department of  
5 Education to distribute from the School District Homestead  
6 and Farmstead Relief Fund the difference between the amount  
7 certified for the fund under subsection (a) (1) and the sum of  
8 all of the following:

9 (i) the amount sufficient to fund additional  
10 reimbursements to eligible school districts under section  
11 1642; and

12 (ii) the amount under 2908-G(c).

13 The amount deducted under this subsection for additional  
14 reimbursements under section 1642 shall be calculated based on  
15 the information provided by school districts under section  
16 503(b) (2) of the Taxpayer Relief Act.  
17 Section 1623. Disclosure of relief.

18 (a) Tax notice.--A school district which receives a State  
19 property tax reduction allocation, a State homestead and  
20 farmstead exclusion allocation or a State millage rate reduction  
21 allocation shall itemize the total homestead and farmstead  
22 exclusion and millage rate reductions on tax bills sent to  
23 taxpayers. At minimum, a tax bill must show the tax liability  
24 which was due for the property in the previous tax year, the  
25 amount of the applicable exclusion and the amount of reduced tax  
26 liability due to rate reductions. The tax bill shall be easily  
27 understandable and include a notice under subsection (b).

28 (b) Notice of property tax relief.--

29 (1) For a taxpayer who is a homestead property or  
30 farmstead property owner, the tax bill must include a notice  
31 that the tax bill includes a homestead or farmstead exclusion  
32 and a millage rate reduction. The notice shall, at a minimum,  
33 be in the following form:

34 NOTICE OF PROPERTY TAX RELIEF

35 Your enclosed tax bill includes a tax reduction for your  
36 homestead and/or farmstead property. As an eligible  
37 homestead and/or farmstead property owner, you have  
38 received tax relief through a homestead and/or farmstead  
39 exclusion which has been provided under the School  
40 Property Tax Reform Act and the Taxpayer Relief Act, two  
41 laws passed by the Pennsylvania General Assembly designed  
42 to reduce your property taxes. Your tax bill also  
43 includes a reduction in the tax rate on real property  
44 provided through the Education Finance Reform Act.

45 (2) For a taxpayer that is not a homestead property or  
46 farmstead property owner, the tax bill must include a notice  
47 that the tax bill includes a millage rate reduction. The  
48 notice shall, at a minimum, be in the following form:

49 NOTICE OF PROPERTY TAX RELIEF

50 Your enclosed tax bill includes a reduction in the tax  
51 rate on real property. This reduction has been provided

1 under the School Property Tax Reform Act, a law passed by  
2 the Pennsylvania General Assembly designed to reduce your  
3 property taxes.

4 Section 1624. Information collection and verification.

5 (a) Information collection.--The Department of Education  
6 shall develop an information collection policy to gather  
7 information which will allow the department to confirm that  
8 State millage rate reduction allocations and State homestead and  
9 farmstead exclusion allocations are being used for the purposes  
10 enumerated in this article and that State property tax reduction  
11 allocations are being used for the purposes enumerated in the  
12 Taxpayer Relief Act. The information collection policy may  
13 include requiring a school district to provide information in  
14 the uniform form prepared under section 312(b) of the Taxpayer  
15 Relief Act that would allow the Department of Education to  
16 comply with the requirements of this section.

17 (b) Verification.--The Department of Education shall develop  
18 procedures to routinely analyze the information collected under  
19 subsection (a) to identify a school district which is not using  
20 a State millage rate reduction allocation or State homestead and  
21 farmstead exclusion allocation for the purposes enumerated in  
22 this article or is using a State property tax reduction  
23 allocation for the purposes enumerated in the Taxpayer Relief  
24 Act.

25 SUBPART B

26 STATE ALLOCATION DISTRIBUTION

27 FOR MILLAGE RATE REDUCTIONS

28 Section 1631. Scope of subpart.

29 This subpart relates to the allocation of State funds  
30 generated by the additional tax under section 1611 for the  
31 dollar-for-dollar reduction of school district property taxes  
32 through millage rate reductions.

33 Section 1632. State millage rate reduction allocation.

34 (a) Administration.--The Department of Education shall  
35 calculate the State millage rate reduction allocation for each  
36 school district as follows:

37 (1) For the 2016-2017 fiscal year all of the following  
38 apply:

39 (i) Multiply the school district's 2012-2013  
40 equalized millage by the dollar amount necessary to  
41 allocate all the money in the School District Millage  
42 Rate Reduction Fund as authorized under section 1622(c).

43 (ii) If the allocation under this paragraph is less  
44 than the product of the real property taxes collected  
45 during the 2012-2013 fiscal year and a numerical value of  
46 0.12 for a school district, the school district shall  
47 receive an additional amount so that the total allocation  
48 under this paragraph is equal to the product of the real  
49 property taxes collected during the 2012-2013 fiscal year  
50 and a numerical value of 0.12.

51 (iii) If the allocation under this paragraph is



1 greater than the product of the real property taxes  
2 collected during the 2012-2013 fiscal year and a  
3 numerical value of 0.19 for a school district, the school  
4 district shall receive a total allocation equal to the  
5 product of the real property taxes collected during the  
6 2012-2013 fiscal year and a numerical value of 0.19.

7 (2) For the 2017-2018 fiscal year all of the following  
8 apply:

9 (i) Multiply the school district's equalized millage  
10 for the 2013-2014 fiscal year by the dollar amount  
11 necessary to allocate all the money in the School  
12 District Millage Rate Reduction Fund as authorized under  
13 section 1622(c).

14 (ii) If the allocation under this paragraph is less  
15 than the product of the real property taxes collected  
16 during the 2013-2014 fiscal year and a numerical value of  
17 0.2 for a school district, the school district shall  
18 receive an additional amount so that the total allocation  
19 under this paragraph is equal to the product of the real  
20 property taxes collected during the 2013-2014 fiscal year  
21 and a numerical value of 0.2.

22 (iii) If the allocation under this paragraph is  
23 greater than the product of the real property taxes  
24 collected during the 2013-2014 fiscal year and a  
25 numerical value of 0.3 for a school district, the school  
26 district shall receive a total allocation equal to the  
27 product of the real property taxes collected during the  
28 2013-2014 fiscal year and a numerical value of 0.3.

29 (3) For all fiscal years beginning after the 2017-2018  
30 fiscal year:

31 (i) Multiply the allocation from the previous fiscal  
32 year by the percentage change in the amount to be  
33 collected from the tax under section 1611, except that  
34 the percentage change under this paragraph may not be  
35 less than zero.

36 (ii) Add the amount in subparagraph (i) to the  
37 allocation from the previous fiscal year.

38 (b) Notification.--The Department of Education shall notify  
39 each school district of the amount of its State millage rate  
40 reduction allocation not later than May 1 of each year.

41 (c) Payment.--For the fiscal year commencing July 1, 2016,  
42 and each fiscal year thereafter, except as set forth in  
43 subsection (d), the Department of Education shall pay from the  
44 School District Millage Rate Reduction Fund to each eligible  
45 school district a State millage rate reduction allocation equal  
46 to the amount calculated under subsection (a). The State millage  
47 rate allocation shall be divided into two equal payments, which  
48 shall be made on the fourth Thursday of August and the fourth  
49 Thursday of October.

50 (d) First class school districts.--The State millage rate  
51 reduction allocation for a school district of the first class

1 shall be paid by the Department of Education to a city of the  
2 first class for use for a school district of the first class as  
3 prescribed in section 1633.

4 Section 1633. Mandatory use of State millage rate reduction  
5 allocation to reduce rate of real property tax.

6 (a) Reduction in first fiscal year.--For the first fiscal  
7 year in which a school district receives a State millage rate  
8 reduction allocation and except for a tax increase which is  
9 approved by the electorate under section 333(c) of the Taxpayer  
10 Relief Act, a board of school directors may not adopt a final  
11 budget, including a final budget under section 312 of the  
12 Taxpayer Relief Act, which includes a tax on real property which  
13 would generate revenue greater than:

14 (1) the sum of the maximum amount of revenue which could  
15 be raised by the allowable increase under the index and the  
16 amount permitted under the referendum exceptions in section  
17 333(f) or (n) of the Taxpayer Relief Act, minus;

18 (2) the school district's State millage rate reduction  
19 allocation.

20 (b) Subsequent reductions and limitations.--For the second  
21 fiscal year in which a school district receives a State millage  
22 rate reduction allocation and for all fiscal years in which a  
23 school district receives a State millage rate reduction  
24 allocation thereafter and except for a tax increase which is  
25 approved by the electorate under section 333(c) of the Taxpayer  
26 Relief Act, a board of school directors may not adopt a final  
27 budget, including a final budget under section 312 of the  
28 Taxpayer Relief Act, which includes a tax on real property which  
29 would generate revenue greater than:

30 (1) the sum of the maximum amount of revenue which could  
31 be raised by the allowable increase under the index and the  
32 amount permitted under the referendum exceptions in section  
33 333(f) or (n) of the Taxpayer Relief Act, minus;

34 (2) the increase in the school district's State millage  
35 rate reduction allocation from the previous fiscal year.

36 (c) Continued applicability.--A tax rate which is reduced or  
37 otherwise subject to this section shall remain subject to the  
38 provisions of section 333 of the Taxpayer Relief Act.

39 (d) Applicable tax rate for first class school district.--  
40 This section and section 333, except section 333(b) (2), of the  
41 Taxpayer Relief Act shall apply to a tax on real property levied  
42 by a city of the first class for the benefit of a school  
43 district of the first class.

#### 44 SUBPART C

#### 45 STATE ALLOCATION DISTRIBUTION TO FUND 46 FOR HOMESTEAD AND FARMSTEAD EXCLUSIONS

47 Section 1641. Scope of subpart.

48 This subpart relates to the allocation of State funds  
49 generated by the additional tax under section 1612 for the  
50 dollar-for-dollar reduction of school district property taxes  
51 through the funding of homestead and farmstead exclusions.

1 Section 1642. Additional reimbursement.

2 A school district shall receive a payment equal to the  
3 aggregate amount of the tax credited under section 324(2) of the  
4 Taxpayer Relief Act minus its reimbursement under section 324(4)  
5 of the Taxpayer Relief Act.

6 Section 1643. State homestead and farmstead exclusion  
7 allocation.

8 (a) Administration.--The Department of Education shall  
9 calculate the State homestead and farmstead exclusion allocation  
10 for each school district, except the portion which is calculated  
11 under section 1642, as follows:

12 (1) For the 2016-2017 fiscal year all of the following  
13 apply:

14 (i) Multiply the school district's 2012-2013 average  
15 daily membership by the school district's 2012-2013  
16 equalized millage.

17 (ii) Multiply the product under subparagraph (i) by  
18 the dollar amount necessary to allocate all the money in  
19 the School District Homestead and Farmstead Relief Fund  
20 as authorized under section 1622(c).

21 (iii) If the allocation under this paragraph is less  
22 than the product of the residential property taxes  
23 collected during the 2012-2013 fiscal year and a  
24 numerical value of 0.1 for a school district, the school  
25 district shall receive an additional amount so that the  
26 total allocation under this paragraph is equal to the  
27 product of the residential property taxes collected  
28 during the 2012-2013 fiscal year and a numerical value of  
29 0.1.

30 (iv) If the allocation under this paragraph is  
31 greater than the product of the residential property  
32 taxes collected during the 2012-2013 fiscal year and a  
33 numerical value of 0.16 for a school district, the school  
34 district shall receive a total allocation equal to the  
35 product of the residential property taxes collected  
36 during the 2012-2013 fiscal year and a numerical value of  
37 0.16.

38 (2) For all fiscal years beginning after the 2016-2017  
39 fiscal year all of the following apply:

40 (i) Multiply the school district's average daily  
41 membership for the fourth fiscal year immediately  
42 preceding the fiscal year for which the allocation is  
43 being made by the school district's equalized millage for  
44 the fourth fiscal year immediately preceding the fiscal  
45 year for which the allocation is being made.

46 (ii) Multiply the product under subparagraph (i) by  
47 the dollar amount necessary to allocate all the money in  
48 the School District Homestead and Farmstead Relief Fund  
49 as authorized under section 1622(c).

50 (iii) If the allocation under this paragraph is less  
51 than the product of the residential property taxes

1 collected during the fourth fiscal year immediately  
2 preceding the fiscal year for which the allocation is  
3 being made and a numerical value of 0.14 for a school  
4 district, the school district shall receive an additional  
5 amount so that the total allocation under this paragraph  
6 is equal to the product of the residential property taxes  
7 collected during the fourth fiscal year immediately  
8 preceding the fiscal year for which the allocation is  
9 being made and a numerical value of 0.14.

10 (iv) If the allocation under this paragraph is  
11 greater than the product of the residential property  
12 taxes collected during the fourth fiscal year immediately  
13 preceding the fiscal year for which the allocation is  
14 being made and a numerical value of 0.23 for a school  
15 district, the school district shall receive a total  
16 allocation equal to the product of the residential  
17 property taxes collected during the fourth fiscal year  
18 immediately preceding the fiscal year for which the  
19 allocation is being made and a numerical value of 0.23.

20 (b) Notification.--The Department of Education shall notify  
21 each school district of the amount of its State homestead and  
22 farmstead exclusion allocation not later than May 1 of each  
23 year.

24 (c) Payment.--For the fiscal year commencing July 1, 2016,  
25 and each fiscal year thereafter, except as set forth in  
26 subsection (d), the Department of Education shall pay to each  
27 eligible school district a State homestead and farmstead  
28 exclusion allocation equal to the amount calculated under  
29 subsection (a) plus the payment as calculated under section  
30 1642. The State homestead and farmstead exclusion allocation  
31 shall be divided into two equal payments, which shall be made on  
32 the fourth Thursday of August and the fourth Thursday of  
33 October.

34 (d) First class school districts.--The State homestead and  
35 farmstead exclusion allocation for a school district of the  
36 first class shall be paid by the Department of Education to a  
37 city of the first class for use for a school district of the  
38 first class as prescribed in section 1644.  
39 Section 1644. Disposition of State homestead and farmstead  
40 exclusion allocation.

41 (a) Homestead and farmstead exclusions.--A board of school  
42 directors for a school district which receives a State homestead  
43 and farmstead exclusion allocation shall use the allocation to  
44 fund exclusions for homestead and farmstead property or, if  
45 applicable, may utilize any revenue in excess of the revenue  
46 required to fund the maximum homestead and farmstead exclusions  
47 authorized under 53 Pa.C.S. § 8586 (relating to limitations) to  
48 reduce the property tax rate on all properties subject to the  
49 property tax in the school district.

50 (b) Homestead and farmstead exclusion process.--Each fiscal  
51 year in which a school district imposes a tax authorized under

1 section 321 of the Taxpayer Relief Act or receives a State  
2 homestead and farmstead exclusion allocation or State property  
3 tax reduction allocation, the board of school directors of a  
4 school district shall calculate a homestead and farmstead  
5 exclusion for the purpose of reducing school district property  
6 taxes. The school district shall adopt a resolution implementing  
7 the homestead and farmstead exclusion not later than the last  
8 day of the fiscal year immediately preceding the fiscal year in  
9 which the homestead and farmstead exclusions shall take effect.

10 PART IV

11 MISCELLANEOUS PROVISIONS

12 Section 1691. Additional provisions.

13 (a) Other provisions.--Any school district property tax  
14 reduction approved under Subchapter D of Chapter 3 of the  
15 Taxpayer Relief Act shall continue in effect.

16 (b) Applicability.--Except as otherwise provided, a school  
17 district shall remain subject to the Taxpayer Relief Act.

18 ARTICLE XXIX-G

19 SENIOR CITIZENS PROPERTY TAX AND

20 RENT REBATE ASSISTANCE

21 Section 2901-G. Scope of article.

22 This article provides senior citizens with assistance in the  
23 form of property tax and rent rebates.

24 Section 2902-G. (Reserved).

25 Section 2903-G. Definitions.

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

29 "Board." The Board of Finance and Revenue of the  
30 Commonwealth.

31 "Claimant." A person who files a claim for property tax  
32 rebate or rent rebate in lieu of property taxes and:

33 (1) was at least 65 years of age or whose spouse, if a  
34 member of the household, was at least 65 years of age during  
35 a calendar year in which real property taxes or rent were due  
36 and payable;

37 (2) was a widow or widower and was at least 50 years of  
38 age during a calendar year or part thereof in which real  
39 property taxes or rent were due and payable; or

40 (3) was a permanently disabled person 18 years of age or  
41 older during a calendar year or part thereof in which the  
42 real property taxes or rent were due and payable.

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

44 "Homestead." A dwelling, whether owned or rented, and so  
45 much of the land surrounding it, as is reasonably necessary for  
46 the use of the dwelling as a home, occupied by a claimant. The  
47 term includes, but is not limited to:

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

50 (2) Mobile homes which are assessed as realty for local  
51 property tax purposes and the land, if owned or rented by the

1 claimant, upon which the mobile home is situated, and other  
2 similar living accommodations.

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

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

10 (5) Premises occupied by a claimant if the claimant is  
11 required by law to pay a property tax by reason of the  
12 claimant's ownership or rental, including a possessory  
13 interest, in the dwelling, the land or both. An owner  
14 includes a person in possession under a contract of sale,  
15 deed of trust, life estate, joint tenancy or tenancy in  
16 common or by reason of statutes of descent and distribution.  
17 "Household income." All income received by a claimant and  
18 the claimant's spouse while residing in the homestead during the  
19 calendar year for which a rebate is claimed.

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

22 (1) Salaries, wages, bonuses, commissions, income from  
23 self-employment, alimony, support money, cash public  
24 assistance and relief.

25 (2) The gross amount of any pensions or annuities,  
26 including railroad retirement benefits for calendar years  
27 prior to 1999 and 50% of railroad retirement benefits for  
28 calendar years 1999 and thereafter.

29 (3) (i) All benefits received under the Social Security  
30 Act (49 Stat. 620, 42 U.S.C. § 301 et seq.), except  
31 Medicare benefits, for calendar years prior to 1999, and  
32 50% of all benefits received under the Social Security  
33 Act, except Medicare benefits, for calendar years 1999  
34 and thereafter.

35 (ii) Notwithstanding any other provision of this act  
36 to the contrary, persons who, as of December 31, 2012,  
37 are eligible for the property tax or rent rebate shall  
38 remain eligible if the household income limit is exceeded  
39 due solely to a Social Security cost-of-living  
40 adjustment.

41 (iii) Eligibility in the property tax and rent  
42 rebate program pursuant to subparagraph (ii) shall expire  
43 on December 31, 2016.

44 (4) All benefits received under State unemployment  
45 insurance laws and veterans' disability payments.

46 (5) All interest received from the Federal or any state  
47 government or any instrumentality or political subdivision  
48 thereof.

49 (6) Realized capital gains and rentals.

50 (7) Workers' compensation.

51 (8) The gross amount of loss of time insurance benefits,

1 life insurance benefits and proceeds, except the first \$5,000  
2 of the total of death benefit payments.

3 (9) Gifts of cash or property, other than transfers by  
4 gift between members of a household, in excess of a total  
5 value of \$300.

6 The term does not include surplus food or other relief in kind  
7 supplied by a governmental agency, property tax or rent rebate  
8 or inflation dividend.

9 "Permanently disabled person." A person who is unable to  
10 engage in any substantial gainful activity by reason of any  
11 medically determinable physical or mental impairment which can  
12 be expected to continue indefinitely, except as provided in  
13 section 2904-G(b) (3) and (c).

14 "Real property taxes." All taxes on a homestead, exclusive  
15 of municipal assessments, delinquent charges and interest, due  
16 and payable during a calendar year.

17 "Rent rebate in lieu of property taxes." Twenty percent of  
18 the gross amount actually paid in cash or its equivalent in any  
19 calendar year to a landlord in connection with the occupancy of  
20 a homestead by a claimant, irrespective of whether such amount  
21 constitutes payment solely for the right of occupancy or  
22 otherwise.

23 "Secretary." The Secretary of Revenue of the Commonwealth.

24 "Widow" or "widower." The surviving wife or the surviving  
25 husband, as the case may be, of a deceased individual and who  
26 has not remarried except as provided in section 2904-G(b) (3) and  
27 (c).

28 Section 2904-G. Property tax; and rent rebate.

29 (a) Schedule of rebates.--

30 (1) The amount of any claim for property tax rebate or  
31 rent rebate in lieu of property taxes for real property taxes  
32 or rent due and payable during calendar years 1985 through  
33 2005 shall be determined in accordance with the following  
34 schedule:

<u>Household Income</u>	<u>Percentage of Real Property Taxes or</u> <u>Rent Rebate in Lieu of</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>
<u>8,500 - 8,999</u>	<u>35</u>
<u>9,000 - 9,999</u>	<u>25</u>
<u>10,000 - 11,999</u>	<u>20</u>
<u>12,000 - 12,999</u>	<u>15</u>
<u>13,000 - 15,000</u>	<u>10</u>

51 (2) The following apply:

1 (i) The base amount of any claim for property tax  
2 rebate for real property taxes due and payable during:

3 (A) Except as provided under clause (B),  
4 calendar year 2006 and thereafter shall be determined  
5 in accordance with the following schedule:

<u>Household Income</u>	<u>Amount of Real Property Taxes</u> <u>Allowed as Rebate</u>
<u>\$ 0 - \$ 8,000</u>	<u>\$650</u>
<u>8,001 - 15,000</u>	<u>500</u>
<u>15,001 - 18,000</u>	<u>300</u>
<u>18,001 - 35,000</u>	<u>250</u>

12 (B) For calendar year 2016 and thereafter, a  
13 claimant shall be eligible for an additional base  
14 amount in addition to the base amount under clause  
15 (A) in accordance with the following schedule:

<u>Household Income</u>	<u>Additional Amount of Real</u> <u>Property Taxes</u> <u>Allowed as Rebate</u>
<u>\$ 0 - \$ 8,000</u>	<u>\$200</u>
<u>8,001 - 15,000</u>	<u>200</u>
<u>15,001 - 18,000</u>	<u>200</u>
<u>18,001 - 35,000</u>	<u>200</u>

23 (ii) The supplemental amount for a claimant with a  
24 household income equal to or less than \$30,000 and an  
25 eligible claim for property tax rebate for real property  
26 taxes due and payable during the calendar year preceding  
27 the first year in which a payment under section 505(b) of  
28 the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1),  
29 known as the Taxpayer Relief Act, is made and each year  
30 thereafter and whose real property taxes exceed 15% of  
31 the claimant's household income shall be equal to 50% of  
32 the base amount determined under subparagraph (i). A  
33 claimant who is a resident of a city of the first class,  
34 a city of the second class A or a school district of the  
35 first class A shall be ineligible for the supplemental  
36 amount under this subparagraph.

37 (3) The amount of any claim for rent rebate in lieu of  
38 property taxes for rent due and payable during:

39 (i) Except as provided in subparagraph (ii),  
40 calendar year 2006 and thereafter shall be determined in  
41 accordance with the following:

<u>Household Income</u>	<u>Amount of Rent Rebate in</u> <u>Lieu of Property Taxes</u> <u>Allowed as Rebate</u>
<u>\$ 0 - \$ 8,000</u>	<u>\$650</u>
<u>8,001 - 15,000</u>	<u>500</u>
<u>15,001 - 18,000</u>	<u>0</u>
<u>18,001 - 35,000</u>	<u>0</u>

49 (ii) For calendar year 2016 and thereafter, a  
50 claimant shall be eligible for an additional base amount  
51 in addition to the base amount under subparagraph (i) in



1 accordance with the following schedule:

	<u>Additional Amount of Real</u>
	<u>Property Taxes</u>
<u>Household Income</u>	<u>Allowed as Rebate</u>
5 <u>\$ 0 - \$ 8,000</u>	<u>\$200</u>
6 <u>8,001 - 15,000</u>	<u>200</u>
7 <u>15,001 - 18,000</u>	<u>200</u>
8 <u>18,001 - 35,000</u>	<u>200</u>

9 (b) Limitations on claims.--

10 (1) No claim through calendar year 2005 shall be allowed  
11 if the amount of property tax or rent rebate computed in  
12 accordance with this section is less than \$10, and the  
13 maximum amount of property tax or rent rebate payable shall  
14 not exceed \$500.

15 (2) For calendar year 2006 and thereafter, the maximum  
16 amount of property tax or rent rebate in lieu of property  
17 taxes payable shall not exceed the lesser of:

18 (i) the amount of a claim under subsection (a)(2) or

19 (3);

20 (ii) the amount of real property taxes actually  
21 paid; or

22 (iii) 20% of gross rent actually paid.

23 (3) No claim shall be allowed if the claimant is a  
24 tenant of an owner of real property exempt from real property  
25 taxes.

26 (c) Apportionment and public assistance.--

27 (1) If any of the following exist relating to a claim:

28 (i) a homestead is owned or rented and occupied for  
29 only a portion of a year or is owned or rented in part by  
30 a person who does not meet the qualifications for a  
31 claimant, exclusive of any interest owned or leased by a  
32 claimant's spouse;

33 (ii) the claimant is a widow or widower who  
34 remarries; or

35 (iii) the claimant is a formerly disabled person who  
36 is no longer disabled,

37 the department shall apportion the real property taxes or  
38 rent in accordance with the period or degree of ownership or  
39 leasehold or eligibility of the claimant in determining the  
40 amount of rebate for which a claimant is eligible.

41 (2) A claimant who receives public assistance from the  
42 Department of Public Welfare shall not be eligible for rent  
43 rebate in lieu of property taxes during those months within  
44 which the claimant receives public assistance.

45 (d) Government subsidies.--Rent shall not include subsidies  
46 provided by or through a governmental agency.

47 Section 2905-G. Filing of claim.

48 (a) General rule.--Except as otherwise provided in  
49 subsection (b), a claim for property tax or rent rebate shall be  
50 filed with the department on or before the 30th day of June of  
51 the year next succeeding the end of the calendar year in which

1 real property taxes or rent was due and payable.

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

6 (c) Payments from State Lottery Fund.--No reimbursement on a  
7 claim shall be made from the State Lottery Fund earlier than the  
8 day following the 30th day of June provided in this article on  
9 which that claim may be filed with the department.

10 (d) Eligibility of claimants.--

11 (1) Only one claimant from a homestead each year shall  
12 be entitled to the property tax or rent rebate.

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

16 (3) If they are unable to agree, the department shall  
17 determine to whom the rebate is to be paid.

18 Section 2906-G. Proof of claim.

19 (a) Contents.--Each claim shall include:

20 (1) Reasonable proof of household income.

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

23 (3) The rent, tax receipt or other proof that the real  
24 property taxes on the homestead have been paid or rent in  
25 connection with the occupancy of a homestead has been paid.

26 (4) If the claimant is a widow or widower, a declaration  
27 of such status in such manner as prescribed by the secretary.

28 (b) Proof of disability.--

29 (1) Proof that a claimant is eligible to receive  
30 disability benefits under the Social Security Act (49 Stat.  
31 620, 42 U.S.C. § 301 et seq.) shall constitute proof of  
32 disability under this article.

33 (2) No person who has been found not to be disabled by  
34 the Social Security Administration shall be granted a rebate  
35 under this article.

36 (3) A claimant not covered under the Social Security Act  
37 shall be examined by a physician designated by the department  
38 and such status determined using the same standards used by  
39 the Social Security Administration.

40 (c) Direct payment of taxes or rent not required.--It shall  
41 not be necessary that such taxes or rent were paid directly by  
42 the claimant if the rent or taxes have been paid when the claim  
43 is filed.

44 (d) Proof of age on first claim.--The first claim filed  
45 shall include proof that the claimant or the claimant's spouse  
46 was at least 65 years of age, or at least 50 years of age in the  
47 case of a widow or widower during the calendar year in which  
48 real property taxes or rent were due and payable.

49 Section 2907-G. Incorrect claim.

50 Whenever on audit of a claim the department finds the claim  
51 to have been incorrectly determined, it shall redetermine the

1 correct amount of the claim and notify the claimant of the  
2 reason for the redetermination and the amount of the corrected  
3 claim.

4 Section 2908-G. Funds for payment of claims.

5 (a) Payment.--Approved claims shall be paid from the State  
6 Lottery Fund established by the act of August 26, 1971 (P.L.351,  
7 No.91), known as the State Lottery Law.

8 (b) Transfers.--The Secretary of the Budget shall transfer  
9 the following amounts from the Property Tax Relief Fund to the  
10 State Lottery:

11 (1) Notwithstanding any other provision of law, an  
12 amount equal to \$100,000,000 of the total slot machine  
13 license fees paid by successful applicants for a Category 1  
14 slot machine license under 4 Pa.C.S. § 1209 (relating to slot  
15 machine license fee). The transfer under this paragraph shall  
16 occur upon deposit in the Property Tax Relief Fund of moneys  
17 derived from the fee from the fourth successful applicant for  
18 a Category 1 slot machine license.

19 (2) Notwithstanding any other provision of law, an  
20 amount equal to \$100,000,000 of the total slot machine  
21 license fees paid by successful applicants for a Category 2  
22 slot machine license under 4 Pa.C.S. § 1209. The transfer  
23 under this paragraph shall occur upon deposit in the Property  
24 Tax Relief Fund of moneys derived from the fee from the third  
25 successful applicant for a Category 2 slot machine license.

26 (3) For fiscal years 2007-2008 and 2008-2009, an amount  
27 equal to the sum of approved claims to be paid in each of  
28 those fiscal years under sections 704 of the act of June 27,  
29 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer  
30 Relief Act, and 2904-G(a)(2)(ii) of this act, if any.

31 (4) For fiscal year 2009-2010 and each fiscal year  
32 thereafter, the sum of all of the following, minus the amount  
33 under subsection (c):

34 (i) The difference between the sum of the amount of  
35 approved claims to be paid in the next fiscal year under  
36 section 2904-G(a)(2)(i) and (3) and the amount of  
37 approved claims paid in fiscal year 2006-2007 under  
38 section 2904-G(a)(1).

39 (ii) The sum of the amount of approved claims to be  
40 paid in the next fiscal year under section 704 of the  
41 Taxpayer Relief Act and 2904-G(a)(2)(ii) of this act, if  
42 any.

43 (5) Beginning in fiscal year 2009-2010 and until the  
44 difference between the sum of subparagraphs (i) and (ii) and  
45 \$200,000,000 is paid, an amount of not less than \$40,000,000  
46 annually or the amount of the difference, whichever is less.  
47 All transfers under this paragraph shall be completed no  
48 later than four years after the transfer required by  
49 paragraph (2).

50 (i) The difference between the sum of the amount of  
51 approved claims to be paid in fiscal year 2007-2008 under

1 section 2904-G(a)(2)(i) and (3) and the amount of  
2 approved claims paid in fiscal year 2006-2007 under  
3 section 2904-G(a)(1).

4 (ii) The difference between the sum of the amount of  
5 approved claims to be paid in fiscal year 2008-2009 under  
6 section 2904-G(a)(2)(i) and (3) and the amount of  
7 approved claims paid in fiscal year 2006-2007 under  
8 section 2904-G(a)(1).

9 (c) For fiscal years 2017-2018 and each fiscal year  
10 thereafter, the Secretary of the Budget shall transfer from the  
11 School District Homestead and Farmstead Relief Fund to the State  
12 Lottery an amount sufficient to provide the following:

13 (i) The additional base amounts in section 2904-G(a)  
14 (2)(i)(B).

15 (ii) The additional amounts in section 2904-G(a)(3)  
16 (ii).

17 (iii) The increased supplemental amounts under  
18 section 2904-G(a)(2)(ii) as the result of the additional  
19 base amounts under section 2904-G(a)(2)(i)(B).

20 (iv) The increased supplemental amounts under  
21 section 704 of the Taxpayer Relief Act as the result of  
22 the additional base amounts under section 2904-G(a)(2)(i)  
23 (B).

24 Section 2909-G. Claim forms and rules and regulations.

25 (a) General rule.--Necessary rules and regulations shall be  
26 prescribed by a committee consisting of the Secretary of Aging,  
27 the Secretary of Revenue and the Secretary of Community and  
28 Economic Development. The Secretary of Aging shall serve as the  
29 chairman of the committee. The department shall receive all  
30 applications, determine the eligibility of claimants, hear  
31 appeals, disburse payments and make available suitable forms for  
32 the filing of claims.

33 (b) Report to General Assembly.--In addition to any rules  
34 and regulations prescribed under subsection (a), the department  
35 shall collect the following information and issue a report  
36 including such information to the chairman and minority chairman  
37 of the Appropriations Committee of the Senate and the chairman  
38 and minority chairman of the Appropriations Committee of the  
39 House of Representatives by September 30, 2006, and September 30  
40 of each year thereafter:

41 (1) The total number of claims which will be paid in the  
42 fiscal year in which the report is issued with the  
43 information provided by school district, by county and for  
44 each household income level under section 2904-G(a)(2)(i).

45 (2) The total amount of rebates paid in the fiscal year  
46 in which the report is issued with the information provided  
47 by school district, by county and for each household income  
48 level under section 2904-G(a)(2)(i).

49 Section 2910-G. Fraudulent claims and conveyances to obtain  
50 benefits.

51 (a) Civil penalty.--In any case in which a claim is

1 excessive and was filed with fraudulent intent, the claim shall  
2 be disallowed in full, and a penalty of 25% of the amount  
3 claimed shall be imposed. The penalty and the amount of the  
4 disallowed claim, if the claim has been paid, shall bear  
5 interest at the rate of 1.5% per month from the date of the  
6 claim until repaid.

7 (b) Criminal penalty.--The claimant and any person who  
8 assisted in the preparation or filing of a fraudulent claim  
9 commits a misdemeanor of the third degree and, upon conviction  
10 thereof, shall be sentenced to pay a fine not exceeding \$1,000  
11 or to imprisonment not exceeding one year, or both.

12 (c) Disallowance for receipt of title.--A claim shall be  
13 disallowed if the claimant received title to the homestead  
14 primarily for the purpose of receiving property tax rebate.  
15 Section 2911-G. Petition for redetermination.

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

21 (b) Contents.--The petition shall set forth the grounds upon  
22 which the claimant alleges that such departmental action is  
23 erroneous or unlawful, in whole or part, and shall contain an  
24 affidavit or affirmation that the facts contained in the  
25 petition are true and correct.

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

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

29 (2) The department shall hold such hearings as may be  
30 necessary for the purpose of redetermination, and each  
31 claimant who has duly filed such petition for redetermination  
32 shall be notified by the department of the time when and the  
33 place where such hearing in the claimant's case will be held.

34 (d) Time period for decision.--The department shall, within  
35 six months after receiving a filed petition for redetermination,  
36 dispose of the matters raised by such petition and shall mail  
37 notice of the department's decision to the claimant.

38 Section 2912-G. Review by Board of Finance and Revenue.

39 (a) Right to review.--Within 90 days after the date of  
40 official receipt by the claimant of notice mailed by the  
41 department of its decision on a petition for redetermination  
42 filed with it, the claimant who is adversely affected by the  
43 decision may by petition request the board to review such  
44 action.

45 (b) Effect of no decision from department.--The failure of  
46 the department to officially notify the claimant of a decision  
47 within the six-month period provided for by section 2911-G shall  
48 act as a denial of the petition, and a petition for review may  
49 be filed with the board within 120 days after written notice is  
50 officially received by the claimant that the department has  
51 failed to dispose of the petition within the six-month period.

1 (c) Contents of petition for redetermination.--A petition  
2 for redetermination filed shall state the reasons upon which the  
3 claimant relies or shall incorporate by reference the petition  
4 for redetermination in which such reasons were stated. The  
5 petition shall be supported by affidavit that the facts set  
6 forth therein are correct and true.

7 (d) Time period for decision.--The board shall act in  
8 disposition of petitions filed with it within six months after  
9 they have been received, and, in the event of failure of the  
10 board to dispose of any petition within six months, the action  
11 taken by the department upon the petition for redetermination  
12 shall be deemed sustained.

13 (e) Relief authorized by board.--The board may sustain the  
14 action taken by the department on the petition for  
15 redetermination or it may take such other action as it shall  
16 deem necessary and consistent with provisions of this article.

17 (f) Form of notice.--Notice of the action of the board shall  
18 be given by mail to the department and to the claimant.

19 Section 2913-G. Appeal.

20 A claimant aggrieved by a decision of the board may appeal  
21 from the decision of the board in the manner provided by law for  
22 appeals from decisions of the board in tax cases.

23 Section 4. Any reference in an act or part of an act to the  
24 former Chapter 13 of the act of June 27, 2006 (1st Sp.Sess.  
25 P.L.1873, No.1), known as the Taxpayer Relief Act, shall be  
26 deemed a reference to the addition of Article XXIX-G of the act.

27 Section 5. Repeals are as follows:

28 (1) The General Assembly declares that the repeals under  
29 paragraph (2) are necessary to effectuate the addition of  
30 Articles XVI and XXIX-G of the act.

31 (2) Sections 342 and 343 and Chapter 13 of the act of  
32 June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the  
33 Taxpayer Relief Act, are repealed.

34 Amend Bill, page 7, line 10, by striking out "2" and  
35 inserting

36 6

37 Amend Bill, page 7, line 10, by striking out "in 60 days."  
38 and inserting

39 as follows:

40 (1) The amendment of section 201(k)(8) and (o)(4)(B) of  
41 the act shall take effect in 60 days.

42 (2) The remainder of this act shall take effect  
43 immediately.