
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1414 Session of
1977

INTRODUCED BY McCLATCHY (BY REQUEST), JUNE 27, 1977

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 27, 1977

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),
2 entitled "An act empowering cities of the second class,
3 cities of the second class A, cities of the third class,
4 boroughs, towns, townships of the first class, townships of
5 the second class, school districts of the second class,
6 school districts of the third class and school districts of
7 the fourth class including independent school districts, to
8 levy, assess, collect or to provide for the levying,
9 assessment and collection of certain taxes subject to maximum
10 limitations for general revenue purposes; authorizing the
11 establishment of bureaus and the appointment and compensation
12 of officers, agencies and employes to assess and collect such
13 taxes; providing for joint collection of certain taxes,
14 prescribing certain definitions and other provisions for
15 taxes levied and assessed upon earned income, providing for
16 annual audits and for collection of delinquent taxes, and
17 permitting and requiring penalties to be imposed and
18 enforced, including penalties for disclosure of confidential
19 information, providing an appeal from the ordinance or
20 resolution levying such taxes to the court of quarter
21 sessions and to the Supreme Court and Superior Court,"
22 repealing the real estate transfer tax.

23 The General Assembly of the Commonwealth of Pennsylvania
24 hereby enacts as follows:

25 Section 1. The introductory paragraph and clause (1) of
26 section 2 and clause (5) of section 8, act of December 31, 1965
27 (P.L.1257, No.511), known as "The Local Tax Enabling Act," the
28 introductory paragraph amended December 13, 1974 (P.L.941,

1 No.310), are amended to read:

2 Section 2. Delegation of Taxing Powers and Restrictions

3 Thereon.--The duly constituted authorities of the following
4 political subdivisions, cities of the second class, cities of
5 the second class A, cities of the third class, boroughs, towns,
6 townships of the first class, townships of the second class,
7 school districts of the second class, school districts of the
8 third class, and school districts of the fourth class, in all
9 cases including independent school districts, may, in their
10 discretion, by ordinance or resolution, for general revenue
11 purposes, levy, assess and collect or provide for the levying,
12 assessment and collection of such taxes as they shall determine
13 on persons, transactions, occupations, privileges, subjects and
14 personal property within the limits of such political
15 subdivisions[, and upon the transfer of real property, or of any
16 interest in real property, situate within the political
17 subdivision levying and assessing the tax, regardless of where
18 the instruments making the transfers are made, executed or
19 delivered or where the actual settlements on such transfer take
20 place. The taxing authority may provide that the transferee
21 shall remain liable for any unpaid realty transfer taxes imposed
22 by virtue of this act]. Each local taxing authority may, by
23 ordinance or resolution, exempt any person whose total income
24 from all sources is less than three thousand two hundred dollars
25 (\$3,200) per annum from the per capita or similar head tax,
26 occupation tax and occupational privilege tax, or any portion
27 thereof, and may adopt regulations for the processing of claims
28 for exemptions. Such local authorities shall not have authority
29 by virtue of this act:

30 [(1) To levy, assess and collect or provide for the levying,

1 assessment and collection of any tax on the transfer of real
2 property when the transfer is by will or mortgage or the
3 intestate laws of this Commonwealth or on a transfer by the
4 owner of previously occupied residential premises to a builder
5 of new residential premises when such previously occupied
6 residential premises is taken in trade by such builder as part
7 of the consideration from the purchaser of a new previously
8 unoccupied single family residential premises or on a transfer
9 between corporations operating housing projects pursuant to the
10 housing and redevelopment assistance law and the shareholders
11 thereof, or on a transfer between nonprofit industrial
12 development agencies and industrial corporations purchasing from
13 them, or on transfer to nonprofit industrial development
14 agencies, or on a transfer between husband and wife, or on a
15 transfer between persons who were previously husband and wife
16 but who have since been divorced; provided such transfer is made
17 within three months of the date of the granting of the final
18 decree in divorce and the property or interest therein, subject
19 to such transfer, was acquired by the husband and wife, or
20 husband or wife, prior to the granting of the final decree in
21 divorce, or on a transfer between parent and child or the spouse
22 of such a child, or between parent and trustee for the benefit
23 of a child or the spouse of such child, by and between a
24 principal and straw party for the purpose of placing a mortgage
25 or ground rent upon the premises, or on a correctional deed
26 without consideration, or on a transfer to the United States,
27 the Commonwealth of Pennsylvania, or to any of their
28 instrumentalities, agencies or political subdivisions, by gift,
29 dedication or deed in lieu of condemnation, or deed of
30 confirmation in connection with condemnation proceedings, or

1 reconveyance by the condemning body of the property condemned to
2 the owner of record at the time of condemnation which
3 reconveyance may include property line adjustments provided said
4 reconveyance is made within one year from the date of
5 condemnation, leases, or on a conveyance to a trustee under a
6 recorded trust agreement for the express purpose of holding
7 title in trust as security for a debt contracted at the time of
8 the conveyance under which the trustee is not the lender and
9 requiring the trustee to make reconveyance to the grantor-
10 borrower upon the repayment of the debt, or on a privilege,
11 transaction, subject, occupation or personal property which is
12 now or does hereafter become subject to a State tax or license
13 fee;]

14 * * *

15 Section 8. Limitations on Rates of Specific Taxes.--No taxes
16 levied under the provisions of this act shall be levied by any
17 political subdivision on the following subjects exceeding the
18 rates specified in this section:

19 * * *

20 [(5) On the transfer of real property, one percent.]

21 * * *

22 Section 2. The act of December 27, 1951 (P.L.1742, No.467),
23 known as "The Realty Transfer Tax Act," is hereby repealed.

24 Section 3. This act shall take effect January 1, 1978.