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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2220 Session of  
1991

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INTRODUCED BY CARONE, FAJT, BROUJOS, BILLOW, JAMES, KREBS,  
McNALLY, BISHOP, CAWLEY, DeLUCA, KOSINSKI, LAUGHLIN,  
LEVANSKY, MARKOSEK, MELIO, STABACK, STUBAN, TRELLO,  
F. TAYLOR, ANGSTADT, BUNT, CARLSON, JOHNSON, KENNEY AND  
J. TAYLOR, NOVEMBER 25, 1991

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REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 25, 1991

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AN ACT

1 Providing for a freeze on real estate taxes for certain senior  
2 citizens; and providing for reimbursement of local taxing  
3 authorities by the Commonwealth.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Senior  
8 Citizens' Property Tax Freeze Act.

9 Section 2. Definitions.

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

13 "Base payment." The amount of property tax paid by the  
14 claimant either in the tax year beginning January 1, 1992, or in  
15 the first tax year during which the claimant first becomes  
16 eligible, whichever occurs later, on the principal residence in  
17 which the claimant has maintained continuous occupancy and

1 ownership since either January 1, 1992, or the date upon which  
2 the claimant first became eligible. In the event the claimant  
3 purchases a residence after January 1, 1992, or after the date  
4 upon which the claimant first becomes eligible, the base payment  
5 means property taxes paid during the tax year in which the  
6 purchase was made.

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

8 "Income." All income from whatever source derived,  
9 including, but not limited to, salaries, wages, bonuses,  
10 commissions, income from self-employment, alimony, support  
11 money, cash public assistance and relief, the gross amount of  
12 any pensions or annuities, including railroad retirement  
13 benefits, all benefits received under the Federal Social  
14 Security Act (except Medicare benefits), all benefits received  
15 under State unemployment insurance laws and veterans' disability  
16 payments, all interest received from the Federal Government or  
17 any state government, or any instrumentality or political  
18 subdivision thereof, realized capital gains, rentals, workmen's  
19 compensation and the gross amount of loss of time insurance  
20 benefits, life insurance benefits and proceeds, except the first  
21 \$5,000 of the total of death benefits payments, and gifts of  
22 cash or property, other than transfers by gift between members  
23 of a household, in excess of a total value of \$300, but shall  
24 not include surplus food or other relief in kind supplied by a  
25 government agency or property tax rebate.

26 "Increases in property taxes." The additional payments due  
27 above the base amount, resulting from millage increases,  
28 modifications in the assessment ratio or assessment increase.

29 "Maximum annual income." Annual income as determined by the  
30 department. Such amount shall not exceed \$12,000 in the case of

1 single persons nor \$15,000 in the case of the combined annual  
2 income of married persons.

3 Section 3. Eligible applicants.

4 To be eligible for a tax freeze under this act, a claimant  
5 shall be 65 years of age or older and shall have an annual  
6 income which is less than the maximum annual income set forth in  
7 section 2.

8 Section 4. Tax freeze.

9 (a) General rule.--Subject to any applicable limitations  
10 under subsection (b) or (c), any person who meets the  
11 eligibility requirements contained in this act shall be entitled  
12 to a real estate tax freeze and shall not be required to pay any  
13 increases in property taxes in excess of the claimant's base  
14 payment.

15 (b) Dual use real estate.--For any claimant who owns real  
16 estate where the claimant occupies a portion of that real estate  
17 as a residence and the remainder of the real estate is used for  
18 other purposes, the amount of the real estate tax freeze shall  
19 be equal to one-half of the increase in property taxes.

20 (c) Farm real estate.--For any claimant who owns a farm,  
21 only that portion of the farm, not exceeding five acres, on  
22 which is located the farm residence, shall be eligible for the  
23 real estate tax freeze on the increase in property taxes.

24 Section 5. Application procedure.

25 Any person eligible for a tax freeze under section 3 may  
26 apply for the freeze by filing with the taxing authorities the  
27 following documents:

28 (1) A statement of request for a tax freeze.

29 (2) A certification that the claimant or the claimant

30 and his or her spouse jointly are the owners in fee simple of

1 the residence upon which the property taxes are imposed.

2 (3) Evidence that the claimant is 65 years of age or  
3 older.

4 (4) Receipts showing prompt payment of the current  
5 year's property tax liability.

6 (5) A copy of the claimant's Pennsylvania Income Tax  
7 Return for the immediately preceding year.

8 Section 6. Commonwealth reimbursement.

9 The Department of Revenue shall, upon the submission by local  
10 taxing authorities of such documentation as the department may  
11 require, annually pay to local taxing authorities the amount of  
12 each claimant's increase in property taxes in excess of the  
13 claimant's base payment.

14 Section 7. Applicability.

15 This act shall apply to tax years beginning January 1, 1992,  
16 and thereafter.

17 Section 8. Effective date.

18 This act shall take effect immediately.