

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2751 Session of
2004

INTRODUCED BY WILT, DENLINGER, SCAVELLO, BENNINGHOFF, ROHRER,
ARMSTRONG, BAKER, BALDWIN, BARRAR, BASTIAN, BIRMELIN,
CAPPELLI, CLYMER, COLEMAN, CREIGHTON, DAILEY, EGOLF, FORCIER,
GABIG, GILLESPIE, HERMAN, HERSHEY, HORSEY, LEH, LEWIS,
MACKERETH, MARSICO, McILHATTAN, MILLARD, R. MILLER,
S. MILLER, MUSTIO, PICKETT, ROBERTS, SATHER, SOLOBAY,
R. STEVENSON, THOMAS AND YEWCIC, JUNE 30, 2004

REFERRED TO COMMITTEE ON FINANCE, JUNE 30, 2004

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 employees 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 restricting the power of certain school districts to levy,
23 assess and collect taxes.

24 The General Assembly of the Commonwealth of Pennsylvania

25 hereby enacts as follows:

26 Section 1. The act of December 31, 1965 (P.L.1257, No.511),

known as The Local Tax Enabling Act, is amended by adding a section to read:

Section 1.1. Restriction on Authority to Levy Taxes.--(a) Except as provided in subsections (b) and (c), the authority of any school district of the second class, any school district of the third class and any school district of the fourth class including any independent school district to levy, assess and collect any tax under this act shall for the school year beginning July 1, 2006, and any subsequent school year expire at midnight on June 30, 2006.

(b) Each school district of the second class, each school district of the third class and each school district of the fourth class shall continue to have the power to levy a realty transfer tax under this act or the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," at a rate equal to or less than the rate in effect on July 1, 2004. Any division of the proceeds of the tax with any municipality which decreases the percentage payable to the school district after July 1, 2004, shall be void and unenforceable. The tax, or portion of the proceeds thereof payable to the school district, shall be transmitted to the Department of Revenue for deposit into the Education Operating Fund beginning July 1, 2005.

(c) The provisions of subsection (a) shall not prevent or interfere with any action of any school district of the second, third and fourth class including any independent school district to collect any tax imposed under the authority of this act for any school year prior to the school year beginning July 1, 2005.

Section 2. This act shall take effect immediately.