

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2553 Session of 2006

INTRODUCED BY REICHLEY, ALLEN, ARMSTRONG, CALTAGIRONE, CRAHALLA, CREIGHTON, DALLY, DeWEESE, DIVEN, FAIRCHILD, GEORGE, GINGRICH, GOODMAN, HARRIS, HERSHEY, MACKERETH, MUSTIO, PETRONE, SCAVELLO, SIPTROTH, SONNEY, STABACK, E. Z. TAYLOR, J. TAYLOR, THOMAS, TIGUE, WILT, YUDICHAK, ZUG, HARPER, BENNINGHOFF, TURZAI, SAINATO, SEMMEL, PHILLIPS AND MELIO, APRIL 3, 2006

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES, OCTOBER 16, 2006

AN ACT

1 Providing for local senior citizen property tax AND rent rebates. <—

2 The General Assembly of the Commonwealth of Pennsylvania  
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Local Senior  
6 Citizen Property TAX and Rent Rebate Act. <—

7 Section 2. Definitions.

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

11 "Claimant." Any of the following who, during all or part of  
12 a calendar year in which real property taxes, rent and inflation  
13 costs were due and payable, file a claim for property tax rebate  
14 or rent rebate in lieu of property taxes and inflation dividend:

1 (1) A person who was 65 years of age or older, or whose  
2 spouse, if a member of the household, was 65 years of age or  
3 older.

4 (2) A widow or widower who was 50 years of age or older.

5 (3) A permanently disabled person 18 years of age or  
6 older.

7 "Homestead." A dwelling occupied by a claimant, whether  
8 owned or rented, and as much of the land surrounding it as is  
9 reasonably necessary for use of the dwelling as a home. The term  
10 shall also include all of the following:

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

13 (2) Mobile homes which are assessed as realty for local  
14 property tax purposes and the land, if owned or rented by the  
15 claimant, upon which the mobile home is situated and other  
16 similar living accommodations.

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

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

24 (5) Premises occupied by a claimant if he is required by  
25 law to pay a property tax by reason of his ownership or  
26 rental, including a possessory interest, in the dwelling, the  
27 land or both.

28 "Household income." All income received by the claimant and  
29 his spouse while residing in the homestead during the calendar  
30 year for which a rebate and dividend are claimed.

1 "Income." Except for surplus food or other relief in kind  
2 supplied by a governmental agency or property tax, rent rebate  
3 or inflation dividend, all income from whatever source derived,  
4 including all of the following:

5 (1) Salaries, wages, bonuses and commissions.

6 (2) Income from self-employment.

7 (3) Alimony, support money, cash public assistance and  
8 relief.

9 (4) The gross amount of any pensions or annuities,  
10 including 50% of railroad retirement benefits.

11 (5) Fifty percent of all benefits, except Medicare  
12 benefits, received under the Social Security Act (49 Stat.  
13 620, 42 U.S.C. § 301 et seq.).

14 (6) All benefits received under State unemployment  
15 insurance laws and veterans' disability payments.

16 (7) All interest received from the Federal or any state  
17 government, or any instrumentality or political subdivision  
18 thereof.

19 (8) Realized capital gains.

20 (9) Rentals.

21 (10) Workers' compensation and the gross amount of loss  
22 of time, insurance benefits, life insurance benefits and  
23 proceeds except the first \$5,000 of the total of death  
24 benefit payments.

25 (11) Gifts of cash or property, other than transfers by  
26 gift between members of a household, in excess of a total  
27 value of \$300.

28 "Local taxing authority." A political subdivision of the  
29 Commonwealth which shall include a municipality, township,  
30 county or school district.

1 "Owner." A person in possession under a contract of sale,  
2 deed of trust, life estate, joint tenancy or tenancy in common  
3 or by reason of statutes of descent and distribution.

4 "Permanently disabled person." A person who is unable to  
5 engage in any substantial gainful activity by reason of any  
6 medically determinable physical or mental impairment which can  
7 be expected to continue indefinitely.

8 "Real property taxes." All taxes on a homestead, except for  
9 municipal assessments, delinquent charges and interest, due and  
10 payable during a calendar year.

11 "Rent rebate in lieu of property taxes." Twenty percent of  
12 the gross amount actually paid in cash or its equivalent in any  
13 calendar year to a landlord in connection with the occupancy of  
14 a homestead by a claimant, irrespective of whether the amount  
15 constitutes payment solely for the right of occupancy or  
16 otherwise.

17 "Social Security Act." The Social Security Act (49 Stat.  
18 620, 42 U.S.C. § 301 et seq.).

19 "Widow" or "widower." The surviving wife or the surviving  
20 husband of a deceased individual who has not remarried.

21 Section 3. Authority.

22 ~~A local taxing authority may establish a local senior citizen~~ <—  
23 ~~property and rent rebate program in order to carry out the~~  
24 ~~provisions of this act. Notwithstanding any other provision of~~  
25 ~~this act, if a local taxing authority does not establish a local~~  
26 ~~senior citizen property and rent rebate program in order to~~  
27 ~~carry out the provisions of this act, no property tax rebates or~~  
28 ~~rent rebates may be given to claimants in the jurisdiction of~~  
29 ~~the local taxing authority.~~

30 (A) GENERAL RULE.--A LOCAL TAXING AUTHORITY MAY ESTABLISH A <—

1 LOCAL SENIOR CITIZEN PROPERTY TAX AND RENT REBATE PROGRAM IN  
2 ACCORDANCE WITH THIS ACT OR CONTINUE AN EXISTING PROGRAM UNDER  
3 SUBSECTION (B).

4 (B) EXISTING PROGRAMS.--NOTHING IN THIS ACT SHALL AFFECT A  
5 LOCAL TAXING AUTHORITY THAT PROVIDES PRIOR TO THE EFFECTIVE DATE  
6 OF THIS ACT FOR A TOTAL OR PARTIAL PROPERTY TAX OR RENT REBATE  
7 OR REAL ESTATE TAX DEFERRAL, REFUND, REPAYMENT, DISCOUNT, RETURN  
8 OR REIMBURSEMENT OR ABATEMENT OF PROPERTY TAX OR RENT.

9 (C) PROHIBITION.--NO PROPERTY TAX OR RENT REBATE MAY BE  
10 ISSUED BY A LOCAL TAXING AUTHORITY EXCEPT IN CONFORMITY WITH  
11 SUBSECTION (A).

12 Section 4. Property tax and rent rebate.

13 ~~(a) Schedule. The amount of any claim for property tax~~ <—  
14 ~~rebate or rent rebate in lieu of property taxes for real~~  
15 ~~property taxes or rent due and payable during calendar year 2006~~  
16 ~~and thereafter shall be determined in accordance with the~~  
17 ~~following schedule:~~

	<del>Percentage of Real Property Taxes or</del>	
	<del>Rent Rebate in Lieu of</del>	
<del>Household Income</del>	<del>Property Taxes Allowed as Rebate</del>	
21 \$0 — \$4,999	100%	
22 5,000 — 5,499	100	
23 5,500 — 5,999	90	
24 6,000 — 6,499	80	
25 6,500 — 6,999	70	
26 7,000 — 7,499	60	
27 7,500 — 7,999	50	
28 8,000 — 8,499	40	
29 8,500 — 8,999	35	
30 9,000 — 9,999	25	

1	10,000—11,999	20
2	12,000—12,999	15
3	13,000—15,000	10

4 (A) INCOME ELIGIBILITY AND REBATES.--INCOME ELIGIBILITY AND <—  
5 THE MAXIMUM AMOUNT OF PROPERTY TAX AND RENT REBATES SHALL BE  
6 DETERMINED BY THE LOCAL TAXING AUTHORITY AS FOLLOWS:

7 (1) THE MAXIMUM HOUSEHOLD INCOME FOR PROPERTY TAX  
8 REBATES SHALL NOT EXCEED \$35,000, AND THE MAXIMUM REBATE  
9 SHALL NOT EXCEED \$650.

10 (2) THE MAXIMUM HOUSEHOLD INCOME FOR RENT REBATES SHALL  
11 NOT EXCEED \$15,000, AND THE MAXIMUM REBATE SHALL NOT EXCEED  
12 \$650.

13 (b) Limits.--No claim shall be allowed if the amount of  
14 property tax or rent rebate computed in accordance with this  
15 section is less than \$10. The maximum amount of property tax or  
16 rent rebate payable under this section shall not exceed ~~\$500~~ <—  
17 \$650. <—

18 (c) Exemption.--No claim shall be allowed if the claimant is  
19 a tenant of an owner of real property exempt from real property  
20 taxes.

21 (d) Apportionment.--A local taxing authority shall apportion  
22 the real property taxes or rent in accordance with the period or  
23 degree of ownership or leasehold or eligibility of the claimant  
24 in determining the amount of rebate for which a claimant is  
25 eligible if any of the following apply:

26 (1) A homestead is owned or rented and occupied for only  
27 a portion of a year.

28 (2) A homestead is owned or rented in part by a person  
29 who does not meet the qualifications for a claimant,  
30 exclusive of any interest owned or leased by a claimant's

1 spouse.

2 (3) A claimant is a widow or widower who remarries.

3 (4) A claimant is a permanently disabled person who is  
4 no longer disabled.

5 (e) Public assistance.--A claimant who receives public  
6 assistance from the Department of Public Welfare shall not be  
7 eligible for rent rebate in lieu of property taxes or an  
8 inflation dividend during those months during which the claimant  
9 receives public assistance.

10 (f) Rent.--Rent shall not include subsidies provided by or  
11 through a governmental agency.

12 Section 5. Filing of claim.

13 A claim for property tax or rent rebate shall be filed with  
14 the local taxing authority on a date prescribed by the local  
15 taxing authority for the preceding calendar year in which real  
16 property taxes or rent were due and payable. Only one claimant  
17 from a homestead each year shall be entitled to the property tax  
18 or rent rebate and inflation dividend. If two or more persons  
19 are able to meet the qualifications for a claimant, they may  
20 determine who the claimant shall be. If they are unable to  
21 agree, the local taxing authority shall determine to whom the  
22 rebate is to be paid.

23 Section 6. Proof of claim.

24 (a) Inclusion with claim.--Each claim shall include  
25 reasonable proof of household income, the size and nature of the  
26 property claimed as a homestead and the rent or tax receipt or  
27 other proof that the real property taxes on the homestead have  
28 been paid, or rent in connection with the occupancy of a  
29 homestead has been paid. If the claimant is a widow or widower,  
30 a declaration of such status in such manner as prescribed by the

1 local taxing authority shall be included.

2 (b) Social Security determination.--Proof that a claimant is  
3 eligible to receive disability benefits under the Social  
4 Security Act shall constitute proof of disability under this  
5 act. No person who has been found not to be disabled by the  
6 Social Security Administration shall be granted a rebate or  
7 dividend under this act. A claimant not covered under the Social  
8 Security Act shall be examined by a physician designated by the  
9 local taxing authority and such status determined using the same  
10 standards used by the Social Security Administration.

11 (c) Time of payment.--It shall not be necessary that taxes  
12 or rent were paid directly by the claimant if the rent or taxes  
13 have been paid when the claim is filed.

14 (d) Age.--The first claim filed shall include proof that the  
15 claimant or the claimant's spouse was 65 years of age or older  
16 or 50 years of age or older in the case of a widow or widower,  
17 during the calendar year in which real property taxes or rent  
18 were due and payable.

19 Section 7. Incorrect claim.

20 Whenever on audit of any claim the local taxing authority  
21 finds the claim to have been incorrectly determined, it shall  
22 redetermine the correct amount of the claim and notify the  
23 claimant of the reason of the redetermination and the amount of  
24 the corrected claim.

25 Section 8. Funds for payment of claims.

26 Approved claims shall be paid from the local taxing  
27 authority's general fund.

28 Section 9. Petition for redetermination.

29 Any claimant whose claim is either denied, corrected or  
30 otherwise adversely affected by the local taxing authority may

1 file with the local taxing authority a petition for  
2 redetermination on forms supplied by the local taxing authority  
3 within 90 days after the date of mailing of written notice by  
4 the local taxing authority of the action. It shall be the duty  
5 of the local taxing authority, within six months after receiving  
6 a filed petition for redetermination, to dispose of the matters  
7 raised by the petition and mail notice of the local taxing  
8 authority's decision to the claimant.

9 Section 19. Applicability.

10 This act shall apply to the tax year beginning July 1, 2006,  
11 and each tax year thereafter.

12 Section 20. Effective date.

13 This act shall take effect immediately.