
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1225 Session of
2007

INTRODUCED BY SEIP, GRUCELA, BRENNAN, CALTAGIRONE, CARROLL,
CONKLIN, DePASQUALE, GERBER, GIBBONS, GOODMAN, HARHAI,
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K. SMITH, SOLOBAY, STABACK, R. TAYLOR, WALKO AND YUDICHAK,
MAY 4, 2007

REFERRED TO COMMITTEE ON AGING AND OLDER ADULT SERVICES,
MAY 4, 2007

AN ACT

1 Providing for local senior citizen property tax and rent
2 rebates.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Local Senior
7 Citizen Property Tax and Rent Rebate Act.

8 Section 2. Definitions.

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

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

1 dividend:

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

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

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

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

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

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

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

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

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

29 "Household income." All income received by the claimant and
30 the claimant's spouse while residing in the homestead during the

1 calendar year for which a rebate and dividend are claimed.

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

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

7 (2) Income from self-employment.

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

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

12 (5) Fifty percent of all benefits, except Medicare
13 benefits, received under the Social Security Act (49 Stat.
14 620, 42 U.S.C. § 301 et seq.).

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

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

20 (8) Realized capital gains.

21 (9) Rentals.

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

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

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

1 county or school district.

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

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

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

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

18 "Social Security Act." The Social Security Act (49 Stat.
19 620, 42 U.S.C. § 301 et seq.).

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

22 Section 3. Authority.

23 (a) General rule.--A local taxing authority may establish a
24 local senior citizen property tax and rent rebate program in
25 accordance with this act or continue an existing program under
26 subsection (b).

27 (b) Existing programs.--The General Assembly recognizes the
28 authority of a local taxing authority to establish and operate a
29 local senior citizens property tax and rent rebate program which
30 is in existence on the effective date of this subsection.

1 (c) Prohibition.--No property tax or rent rebate may be
2 issued by a local taxing authority except in conformity with
3 subsection (a).

4 (d) Notification.--A local taxing authority shall inform all
5 local tax paying citizens of a program under this act within 12
6 months of the effective date of this section.

7 Section 4. Property tax and rent rebate.

8 (a) Income eligibility and rebates.--Income eligibility and
9 the maximum amount of property tax and rent rebates shall be
10 determined by the local taxing authority as follows:

11 (1) The maximum household income for property tax
12 rebates shall not exceed \$35,000, and the maximum rebate
13 shall not exceed \$650.

14 (2) The maximum household income for rent rebates shall
15 not exceed \$15,000, and the maximum rebate shall not exceed
16 \$650.

17 (b) Limits.--No claim shall be allowed if the amount of
18 property tax or rent rebate computed in accordance with this
19 section is less than \$10. The maximum amount of property tax or
20 rent rebate payable under this section shall not exceed \$650.

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

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

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

1 (2) A homestead is owned or rented in part by a person
2 who does not meet the qualifications for a claimant,
3 exclusive of any interest owned or leased by a claimant's
4 spouse.

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

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

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

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

15 Section 5. Filing of claim.

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

26 Section 6. Proof of claim.

27 (a) Inclusion with claim.--Each claim shall include
28 reasonable proof of household income, the size and nature of the
29 property claimed as a homestead and the rent or tax receipt or
30 other proof that the real property taxes on the homestead have

1 been paid, or rent in connection with the occupancy of a
2 homestead has been paid. If the claimant is a widow or widower,
3 a declaration of such status in such manner as prescribed by the
4 local taxing authority shall be included.

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

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

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

22 Section 7. Incorrect claim.

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

28 Section 8. Funds for payment of claims.

29 Approved claims shall be paid from the local taxing
30 authority's general fund.

1 Section 9. Petition for redetermination.

2 Any claimant whose claim is either denied, corrected or
3 otherwise adversely affected by the local taxing authority may
4 file with the local taxing authority a petition for
5 redetermination on forms supplied by the local taxing authority
6 within 90 days after the date of mailing of written notice by
7 the local taxing authority of the action. It shall be the duty
8 of the local taxing authority, within six months after receiving
9 a filed petition for redetermination, to dispose of the matters
10 raised by the petition and mail notice of the local taxing
11 authority's decision to the claimant.

12 Section 19. Applicability.

13 This act shall apply to the tax year beginning July 1, 2007,
14 and each tax year thereafter.

15 Section 20. Effective date.

16 This act shall take effect immediately.