

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,
HORNAMAN, KESSLER, LEVDANSKY, MANN, MARKOSEK, McCALL, MURT,
MYERS, READSHAW, SAINATO, SANTONI, SCAVELLO, SIPTROTH,
K. SMITH, SOLOBAY, STABACK, R. TAYLOR, WALKO, YUDICHAK AND
GALLOWAY, MAY 4, 2007

AS REPORTED FROM COMMITTEE ON AGING AND OLDER ADULT SERVICES,
HOUSE OF REPRESENTATIVES, AS AMENDED, DECEMBER 11, 2007

AN ACT

1 Providing for local senior citizen property tax and rent rebates
2 AND FOR THE POWERS AND DUTIES OF THE DEPARTMENT OF COMMUNITY <—
3 AND ECONOMIC DEVELOPMENT.

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 Local Senior
8 Citizen Property Tax and Rent Rebate 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 "Claimant." Any of the following who, during all or part of
14 a calendar year in which real property taxes, rent and inflation
15 costs were due and payable, files a claim for property tax
16 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 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC <—
9 DEVELOPMENT OF THE COMMONWEALTH.

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

14 ~~(1) Premises occupied by reason of ownership or lease in~~
15 ~~a cooperative housing corporation.~~

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

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

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

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

1 "HOMESTEAD." AS DEFINED IN 53 PA.C.S. § 8401 (RELATING TO <—
2 DEFINITIONS).

3 "Household income." All income received by the claimant and
4 the claimant's spouse while residing in the homestead during the
5 calendar year for which a rebate and dividend are claimed.

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

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

11 (2) Income from self-employment.

12 (3) Alimony, support money, cash public assistance and
13 relief.

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

16 (5) Fifty percent of all benefits, except Medicare
17 benefits, received under the Social Security Act (49 Stat.
18 620, 42 U.S.C. § 301 et seq.).

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

21 (7) All interest received from the Federal or any state
22 government, or any instrumentality or political subdivision
23 thereof.

24 (8) Realized capital gains.

25 (9) Rentals.

26 (10) Workers' compensation and the gross amount of loss
27 of time, insurance benefits, life insurance benefits and
28 proceeds except the first \$5,000 of the total of death
29 benefit payments.

30 (11) Gifts of cash or property, other than transfers by

1 gift between members of a household, in excess of a total
2 value of \$300.

3 "Local taxing authority." A political subdivision of the
4 Commonwealth which shall include a municipality, township,
5 county or school district.

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

9 "Permanently disabled person." A person who is unable to
10 engage in any substantial gainful activity by reason of any
11 medically determinable physical or mental impairment which can
12 be expected to continue indefinitely.

13 "PROGRAM." A LOCAL SENIOR CITIZEN PROPERTY TAX AND RENT
14 REBATE PROGRAM ESTABLISHED BY A LOCAL TAXING AUTHORITY.

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15 "Real property taxes." All taxes on a homestead, except for
16 municipal assessments, delinquent charges and interest, due and
17 payable during a calendar year.

18 "Rent rebate in lieu of property taxes." Twenty percent of
19 the gross amount actually paid in cash or its equivalent in any
20 calendar year to a landlord in connection with the occupancy of
21 a homestead by a claimant, irrespective of whether the amount
22 constitutes payment solely for the right of occupancy or
23 otherwise.

24 "Social Security Act." The Social Security Act (49 Stat.
25 620, 42 U.S.C. § 301 et seq.).

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

28 Section 3. Authority.

29 ~~(a) General rule. A local taxing authority may establish a~~

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30 (A) GENERAL RULE.--

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1 (1) A LOCAL TAXING AUTHORITY MAY ESTABLISH A local
2 senior citizen property tax and rent rebate program in
3 accordance with this act or continue an existing program
4 under subsection (b).

5 (2) A PROGRAM ESTABLISHED UNDER THIS SUBSECTION SHALL <—
6 EXPIRE ONE YEAR FROM THE DATE OF ESTABLISHMENT.

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

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

14 ~~(d) Notification. A local taxing authority shall inform all <—~~
15 ~~local tax paying citizens of a program under this act within 12~~
16 ~~months of the effective date of this section.~~

17 (D) NOTIFICATION.-- <—

18 (1) A LOCAL TAXING AUTHORITY SHALL INFORM ALL LOCAL
19 TAXPAYING CITIZENS OF A PROGRAM WITHIN 60 DAYS OF
20 AUTHORIZATION OF THE PROGRAM BY THE LOCAL TAXING AUTHORITY.

21 (2) IN NO CASE SHALL A SCHOOL DISTRICT NOTIFY LOCAL
22 TAXPAYING CITIZENS LATER THAN MAY 1 FOR A PROGRAM THAT TAKES
23 EFFECT IN THE IMMEDIATELY FOLLOWING FISCAL YEAR.

24 (3) ALL OTHER LOCAL TAXING AUTHORITIES SHALL NOTIFY
25 LOCAL TAXPAYING CITIZENS OF A PROGRAM BY NOVEMBER 1 FOR A
26 PROGRAM THAT TAKES EFFECT IN THE IMMEDIATELY FOLLOWING FISCAL
27 YEAR.

28 (4) NOTIFICATION SHALL INCLUDE INFORMATION REGARDING THE
29 FOLLOWING:

30 (I) ELIGIBILITY FOR THE PROGRAM.

- 1 (II) THE APPLICATION PROCESS.
- 2 (III) REBATE AMOUNT.
- 3 (IV) HOW THE REBATE WILL BE PROVIDED TO ELIGIBLE
- 4 CLAIMANTS.

5 (E) FINDING.--PRIOR TO ESTABLISHING A LOCAL SENIOR CITIZEN

6 PROPERTY TAX AND RENT REBATE PROGRAM, A LOCAL TAXING AUTHORITY

7 MUST MAKE A FINDING THAT NO INCREASE IN ANY TAXES IMPOSED BY THE

8 LOCAL TAXING AUTHORITY WILL OCCUR AS A RESULT OF ESTABLISHING

9 AND OPERATING THE PROGRAM.

10 Section 4. Property tax and rent rebate.

11 (a) Income eligibility and rebates.--Income eligibility and

12 the maximum amount of property tax and rent rebates shall be

13 determined by the local taxing authority as follows:

14 (1) The maximum ANNUAL household income for property tax <—

15 rebates shall not exceed \$35,000, and the ~~maximum rebate~~ <—

16 ~~shall not exceed \$650.~~ ANNUAL REBATE MAY BE ANY AMOUNT UP TO <—

17 AND INCLUDING THE AMOUNT OF THE MAXIMUM REBATE UNDER SECTION

18 1304 OF THE ACT OF JUNE 27, 2006 (1ST SP.SESS., P.L.1873,

19 NO.1), KNOWN AS THE TAXPAYER RELIEF ACT.

20 (2) The maximum ANNUAL household income for rent rebates <—

21 shall not exceed \$15,000, and the ~~maximum rebate shall not~~ <—

22 ~~exceed \$650.~~ ANNUAL REBATE MAY BE ANY AMOUNT UP TO AND <—

23 INCLUDING THE AMOUNT OF THE MAXIMUM REBATE UNDER SECTION 1304

24 OF THE TAXPAYER RELIEF ACT.

25 (b) Limits.--No claim shall be allowed if the amount of

26 property tax or rent rebate computed in accordance with this

27 section is less than \$10. ~~The maximum amount of property tax or~~ <—

28 ~~rent rebate payable under this section shall not exceed \$650.~~

29 (c) Exemption.--No claim shall be allowed if the claimant is

30 a tenant of an owner of real property exempt from real property

1 taxes.

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

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

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

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

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

16 (e) Public assistance.--A claimant who receives public
17 assistance from the Department of Public Welfare shall not be
18 eligible for rent rebate in lieu of property taxes or an
19 inflation dividend during those months during which the claimant
20 receives public assistance.

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

23 Section 5. Filing of claim.

24 A claim for property tax or rent rebate shall be filed with
25 the local taxing authority on a date prescribed by the local
26 taxing authority for the preceding calendar year in which real
27 property taxes or rent was due and payable. Only one claimant
28 from a homestead each year shall be entitled to the property tax
29 or rent rebate and inflation dividend. If two or more persons
30 are able to meet the qualifications for a claimant, they may

1 determine who the claimant shall be. If they are unable to
2 agree, the local taxing authority shall determine to whom the
3 rebate is to be paid.

4 Section 6. Proof of claim.

5 (a) Inclusion with claim.--Each claim shall include
6 reasonable proof of household income, the size and nature of the
7 property claimed as a homestead and the rent or tax receipt or
8 other proof that the real property taxes on the homestead have
9 been paid, or rent in connection with the occupancy of a
10 homestead has been paid. If the claimant is a widow or widower,
11 a declaration of such status in such manner as prescribed by the
12 local taxing authority shall be included.

13 (b) Social Security determination.--Proof that a claimant is
14 eligible to receive disability benefits under the Social
15 Security Act shall constitute proof of disability under this
16 act. No person who has been found not to be disabled by the
17 Social Security Administration shall be granted a rebate or
18 dividend under this act. A claimant not covered under the Social
19 Security Act shall be examined by a physician designated by the
20 local taxing authority and such status determined using the same
21 standards used by the Social Security Administration.

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

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

30 Section 7. Incorrect claim.

1 Whenever on audit of any claim the local taxing authority
2 finds the claim to have been incorrectly determined, it shall
3 redetermine the correct amount of the claim and notify the
4 claimant of the reason of the redetermination and the amount of
5 the corrected claim.

6 Section 8. Funds for payment of claims.

7 Approved claims shall be paid from the local taxing
8 authority's general fund.

9 Section 9. Petition for redetermination.

10 Any claimant whose claim is either denied, corrected or
11 otherwise adversely affected by the local taxing authority may
12 file with the local taxing authority a petition for
13 redetermination on forms supplied by the local taxing authority
14 within 90 days after the date of mailing of written notice by
15 the local taxing authority of the action. It shall be the duty
16 of the local taxing authority, within six months after receiving
17 a filed petition for redetermination, to dispose of the matters
18 raised by the petition and mail notice of the local taxing
19 authority's decision to the claimant.

20 SECTION 10. REPORTING.

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21 LOCAL TAXING AUTHORITIES SHALL REPORT AS FOLLOWS:

22 (1) A LOCAL TAXING AUTHORITY SHALL NOTIFY THE DEPARTMENT
23 OF AUTHORIZING A PROGRAM ON A FORM PRESCRIBED BY THE
24 DEPARTMENT IN SECTION 11(B).

25 (2) A SCHOOL DISTRICT SHALL NOTIFY THE DEPARTMENT BY
26 JUNE 1 FOR A PROGRAM THAT TAKES EFFECT IN THE IMMEDIATELY
27 FOLLOWING FISCAL YEAR.

28 (3) ALL OTHER LOCAL TAXING AUTHORITIES SHALL NOTIFY THE
29 DEPARTMENT BY DECEMBER 1 FOR A PROGRAM THAT TAKES EFFECT IN
30 THE IMMEDIATELY FOLLOWING FISCAL YEAR.

1 SECTION 11. DUTIES OF DEPARTMENT.

2 (A) PUBLICATION OF LIST ON INTERNET.--NO LATER THAN 120 DAYS
3 AFTER THE EFFECTIVE DATE OF THIS SECTION, THE DEPARTMENT SHALL
4 CREATE AND MAINTAIN A LIST OF THE NAMES AND INTERNET WEBSITES OF
5 ALL LOCAL TAXING AUTHORITIES THAT IMPLEMENT A PROGRAM. THE LIST
6 SHALL BE UPDATED ANNUALLY, SHALL BE ACCESSIBLE TO THE PUBLIC
7 THROUGH THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE
8 AND MAY BE ORGANIZED TO CORRESPOND WITH ANY EXISTING DATABASE
9 THE DEPARTMENT CURRENTLY MAINTAINS. THE LIST SHALL CONTAIN LINKS
10 TO THE LOCAL TAXING AUTHORITIES' OFFICIAL WEBSITES, IF ANY, FOR
11 FURTHER INFORMATION.

12 (B) DEVELOPMENT OF FORM.--THE DEPARTMENT SHALL DEVELOP AND
13 PRESCRIBE A FORM FOR LOCAL TAXING AUTHORITIES TO NOTIFY THE
14 DEPARTMENT OF PROGRAMS.

15 (C) REPORT.--THE DEPARTMENT SHALL PREPARE A REPORT ON THE
16 USE OF LOCAL TAXING AUTHORITIES' PROGRAMS 24 MONTHS AFTER THE
17 EFFECTIVE DATE OF THIS SECTION AND ANNUALLY THEREAFTER. THE
18 REPORT SHALL BE PUBLISHED ON THE DEPARTMENT'S PUBLICLY
19 ACCESSIBLE INTERNET WEBSITE. NOTIFICATION OF THE REPORT'S
20 PUBLICATION SHALL BE PROVIDED TO THE PRESIDENT PRO TEMPORE OF
21 THE SENATE, THE MAJORITY LEADER OF THE SENATE, THE MINORITY
22 LEADER OF THE SENATE, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
23 AGING AND YOUTH COMMITTEE AND THE CHAIRMAN AND MINORITY CHAIRMAN
24 OF THE FINANCE COMMITTEE OF THE SENATE, THE SPEAKER OF THE HOUSE
25 OF REPRESENTATIVES, THE MAJORITY LEADER OF THE HOUSE OF
26 REPRESENTATIVES, THE MINORITY LEADER OF THE HOUSE OF
27 REPRESENTATIVES, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE AGING
28 AND OLDER ADULT SERVICES COMMITTEE AND THE CHAIRMAN AND MINORITY
29 CHAIRMAN OF THE FINANCE COMMITTEE OF THE HOUSE OF
30 REPRESENTATIVES.

1 SECTION 12. INCREASE IN TAX.

2 A LOCAL TAXING AUTHORITY MAY NOT INCREASE ANY TAXES IMPOSED
3 BY THE LOCAL TAXING AUTHORITY IN ORDER TO FUND PROPERTY TAX AND
4 RENT REBATES UNDER THIS ACT.

5 ~~Section 19. Applicability.~~

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6 ~~This act shall apply to the tax year beginning July 1, 2007,~~
7 ~~and each tax year thereafter.~~

8 Section ~~20~~ 13. Effective date.

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9 This act shall take effect immediately.