

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 968 Session of 2017

INTRODUCED BY MASSER, DRISCOLL, JAMES, PICKETT, FREEMAN, WATSON, SAINATO, A. HARRIS, NEILSON AND WHEELAND, MARCH 27, 2017

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 20, 2018

AN ACT

1 Amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
2 No.1), entitled "An act providing for taxation by school
3 districts, for the State funds formula, for tax relief in
4 first class cities, for school district choice and voter
5 participation, for other school district options and for a
6 task force on school cost reduction; making an appropriation;
7 prohibiting prior authorized taxation; providing for
8 installment payment of taxes; restricting the power of
9 certain school districts to levy, assess and collect taxes;
10 and making related repeals," in senior citizens property tax
11 and rent rebate assistance, further providing for the
12 definition of "income." "INCOME" AND PROVIDING FOR THE <--
13 DEFINITION OF "SOCIAL SECURITY SUBSTITUTE PENSION."

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The definition of "income" in section 1303 of the
17 act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as
18 the Taxpayer Relief Act, amended November 2, 2016 (P.L.969, <--
19 No.117), is amended AND THE SECTION IS AMENDED BY ADDING A <--
20 DEFINITION to read:

21 Section 1303. Definitions.

22 The following words and phrases when used in this chapter
23 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 \* \* \*

3 "Income." All income from whatever source derived,  
4 including, but not limited to:

5 (1) Salaries, wages, bonuses, commissions, income from  
6 self-employment, alimony, support money, cash public  
7 assistance and relief.

8 (2) The gross amount of any pensions or annuities,  
9 including railroad retirement benefits for calendar years  
10 prior to 1999 and 50% of railroad retirement benefits for  
11 calendar years 1999 and thereafter.

12 (3) (i) All benefits received under the Social Security  
13 Act (49 Stat. 620, 42 U.S.C. § 301 et seq.), except  
14 Medicare benefits, for calendar years prior to 1999, and  
15 50% of all benefits received under the Social Security  
16 Act, except Medicare benefits, for calendar years 1999  
17 and thereafter.

18 (ii) Notwithstanding any other provision of this act  
19 to the contrary, persons who, as of December 31, 2012,  
20 are eligible for the property tax or rent rebate shall  
21 remain eligible if the household income limit is exceeded  
22 due solely to a Social Security cost-of-living  
23 adjustment.

24 (iii) Eligibility in the property tax and rent  
25 rebate program pursuant to subparagraph (ii) shall expire  
26 on December 31, 2016.

27 ~~(iv) For those receiving pension benefits through~~ <--  
28 ~~the Federal Civil Service Retirement System that accrued~~  
29 ~~during a period of employment for which the beneficiary~~  
30 ~~was not required to make contributions under the Social~~

~~Security Act, the beneficiary shall exclude from income  
an amount determined by the department which shall equal  
50% of the average retired worker Social Security payment  
for the previous calendar year for which the data is  
available as determined by the Social Security  
Administration and published on the Social Security  
Administration's publicly accessible Internet website.~~

(IV) SOCIAL SECURITY SUBSTITUTE PENSIONS FOR  
CALENDAR YEARS PRIOR TO 2018 AND 50% OF SOCIAL SECURITY  
SUBSTITUTE PENSIONS FOR CALENDAR YEARS 2018 AND  
THEREAFTER. THE AMOUNT OF A SOCIAL SECURITY SUBSTITUTE  
PENSION SHALL NOT EXCEED THE MAXIMUM FEDERAL OLD AGE AND  
SURVIVOR BENEFIT PAYMENTS, LESS ANY FEDERAL OLD AGE AND  
SURVIVOR BENEFIT PAYMENTS RECEIVED UNDER THE SOCIAL  
SECURITY ACT FOR EMPLOYMENT COVERED UNDER THE SOCIAL  
SECURITY ACT.

<--

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

(5) All interest received from the Federal or any state government or any instrumentality or political subdivision thereof.

(6) Realized capital gains and rentals.

(7) Workers' compensation.

(8) The gross amount of loss of time insurance benefits, life insurance benefits and proceeds, except the first \$5,000 of the total of death benefit payments.

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

The term does not include surplus food or other relief in kind

1 supplied by a governmental agency, property tax or rent rebate,  
2 inflation dividend, Federal veterans' disability payments or  
3 State veterans' benefits.

4 \* \* \*

5 "SOCIAL SECURITY SUBSTITUTE PENSION." A PENSION THAT IS <--  
6 PROVIDED IN LIEU OF OLD AGE AND SURVIVOR BENEFIT PAYMENTS UNDER  
7 THE SOCIAL SECURITY ACT (49 STAT. 620, 42 U.S.C. § 301 ET SEQ.)  
8 TO A PERSON WHOSE EMPLOYMENT WAS NOT COVERED UNDER THE SOCIAL  
9 SECURITY ACT.

10 \* \* \*

11 Section 2. This act shall take effect ~~in 60 days~~ <--  
12 IMMEDIATELY. <--