
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2119 Session of
2019

INTRODUCED BY PASHINSKI, MURT, T. DAVIS, BURGOS, KOSIEROWSKI,
KINSEY, SCHLOSSBERG, STURLA, MULLERY, RABB, SNYDER, HILL-
EVANS, MADDEN, KORTZ, McNEILL, DELLOSO, CALTAGIRONE, JOHNSON-
HARRELL, YOUNGBLOOD AND HOHENSTEIN, DECEMBER 10, 2019

REFERRED TO COMMITTEE ON FINANCE, DECEMBER 10, 2019

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in sales and use tax, further providing for
11 definitions; in personal income tax, further providing for
12 imposition of tax; and providing for Universal Property Tax
13 Rebate Program.

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

16 Section 1. Section 201(k) of the act of March 4, 1971
17 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
18 by adding clauses to read:

19 Section 201. Definitions.--The following words, terms and
20 phrases when used in this Article II shall have the meaning
21 ascribed to them in this section, except where the context
22 clearly indicates a different meaning:

1 * * *

2 (k) "Sale at retail."

3 * * *

4 (20) The rendition for a consideration of hair cutting,
5 styling, shampooing, coloring or waving, facial hair, shaving or
6 trimming, facial services, hair removal services, makeup
7 application services, nail-care services, massage, nonmedical
8 diet and weight reduction services and similar personal care
9 services.

10 (21) The rendition for a consideration of services relating
11 to day spas, saunas, ear piercing, steam baths, nonmedical hair
12 replacement, hair-weaving, tanning and tattoo services.

13 (22) The rendition for a consideration of services for
14 buildings and dwellings, including janitorial, custodial,
15 housekeeping/cleaning/maid, cleaning building exteriors, window
16 cleaning, landscaping, arborist, lawn fertilizing, garden
17 maintenance, lawn mowing, mulching, seeding, plant and shrub
18 maintenance in buildings, tree and shrub pruning, trimming and
19 removal, weed control (except crop), turf installation,
20 landscape design, installation of walkways, retaining walls,
21 decks, fences and ponds, snow plowing/removal, carpet and
22 upholstery cleaning, exterminating and pest control, swimming
23 pool cleaning, chimney cleaning, ventilation duct cleaning,
24 drain or gutter cleaning and driveway cleaning.

25 (23) The rendition for consideration of admission to a
26 sporting event, theatrical, musical or dance event or other
27 performing arts event, unless the event is sponsored by an
28 elementary or secondary school or post-secondary educational
29 institution.

30 * * *

1 Section 2. Section 302 of the act is amended to read:

2 Section 302. Imposition of Tax.--(a) Every resident
3 individual, estate or trust shall be subject to, and shall pay
4 for the privilege of receiving each of the classes of income
5 hereinafter enumerated in section 303, a tax upon each dollar of
6 income received by that resident during that resident's taxable
7 year at the rate of three and [seven] forty-nine hundredths per
8 cent.

9 (b) Every nonresident individual, estate or trust shall be
10 subject to, and shall pay for the privilege of receiving each of
11 the classes of income hereinafter enumerated in section 303 from
12 sources within this Commonwealth, a tax upon each dollar of
13 income received by that nonresident during that nonresident's
14 taxable year at the rate of three and [seven] forty-nine
15 hundredths per cent.

16 Section 3. The act is amended by adding an article to read:

17 ARTICLE XXIX-I

18 UNIVERSAL PROPERTY TAX AND

19 RENT REBATE ASSISTANCE

20 Section 2901-I. Scope of article.

21 This article provides individuals with assistance in the form
22 of property tax and rent rebates.

23 Section 2902-I. Definitions.

24 The following words and phrases when used in this article
25 shall have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

27 "Board." The Board of Finance and Revenue of the
28 Commonwealth.

29 "Claimant." A person who files a claim for property tax
30 rebate or rent rebate in lieu of property taxes.

1 "Department." The Department of Revenue of the Commonwealth.
2 "Homestead." A dwelling, whether owned or rented, and so
3 much of the land surrounding it, as is reasonably necessary for
4 the use of the dwelling as a home, occupied by a claimant. The
5 term includes, but is not limited to:

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

8 (2) A mobile home that is assessed as realty for local
9 property tax purposes and the land, if owned or rented by the
10 claimant, upon which the mobile home is situated, and other
11 similar living accommodations.

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

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

19 (5) Premises occupied by a claimant if the claimant is
20 required by law to pay a property tax by reason of the
21 claimant's ownership or rental, including a possessory
22 interest, in the dwelling, the land or both. An owner
23 includes a person in possession under a contract of sale,
24 deed of trust, life estate, joint tenancy or tenancy in
25 common or by reason of statutes of descent and distribution.

26 "Real property taxes." All taxes on a homestead, exclusive
27 of municipal assessments, delinquent charges and interest, due
28 and payable during a calendar year.

29 "Rent rebate in lieu of property taxes." Twenty percent of
30 the gross amount actually paid in cash or its equivalent in any

1 calendar year to a landlord in connection with the occupancy of
2 a homestead by a claimant, irrespective of whether the amount
3 constitutes payment solely for the right of occupancy or
4 otherwise.

5 "Secretary." The Secretary of Revenue of the Commonwealth.
6 Section 2903-I. Establishment of program.

7 The Universal Property Tax Rebate Program is established in
8 the department and shall be administered as provided in this
9 article.

10 Section 2904-I. Property tax and rent rebate.

11 (a) Amounts.--

12 (1) The amount of any claim for property tax rebate for
13 real property taxes due and payable during a calendar year
14 shall be \$800.

15 (2) The amount of any claim for rent rebate in lieu of
16 property taxes due and payable during a calendar year shall
17 be \$50.

18 (b) Limitations on claims.--

19 (1) No claim during a calendar year shall be allowed if
20 the amount of property tax or rent rebate computed in
21 accordance with this section is less than \$10.

22 (2) During a calendar year, the maximum amount of
23 property tax or rent rebate in lieu of property taxes payable
24 shall not exceed the lesser of:

25 (i) the amount of a claim under subsection (a); or

26 (ii) (A) the amount of real property taxes actually
27 paid; or

28 (B) twenty percent of gross rent actually paid.

29 As applicable.

30 (3) No claim shall be allowed if the claimant is a

1 tenant of an owner of real property exempt from real property
2 taxes.

3 (c) Apportionment and public assistance.--

4 (1) If a claim relates to a homestead owned or rented
5 and occupied for only a portion of a year or owned or rented
6 in part by a person who does not meet the qualifications for
7 a claimant, exclusive of an interest owned or leased by a
8 claimant's spouse, the department shall apportion the real
9 property taxes or rent in accordance with the period or
10 degree of ownership or leasehold or eligibility of the
11 claimant in determining the amount of rebate for which a
12 claimant is eligible.

13 (2) A claimant who receives public assistance from the
14 Department of Human Services shall not be eligible for rent
15 rebate in lieu of property taxes during those months within
16 which the claimant receives public assistance.

17 (d) Government subsidies.--Rent shall not include subsidies
18 provided by or through a governmental agency.

19 Section 2905-I. Filing of claim.

20 (a) General rule.--Except as otherwise provided in
21 subsection (b), a claim for property tax or rent rebate must be
22 filed with the department on or before the 30th day of June of
23 the year next succeeding the end of the calendar year in which
24 real property taxes or rent was due and payable.

25 (b) Exception.--A claim filed after the June 30 deadline
26 until December 31 of such calendar year shall be accepted by the
27 secretary if funds are available to pay the benefits to the late
28 filing claimant.

29 (c) Payments.--No reimbursement on a claim shall be made
30 earlier than the day following the 30th day of June provided in

1 this article on which that claim may be filed with the
2 department.

3 (d) Eligibility of claimants.--

4 (1) Only one claimant from a homestead each year shall
5 be entitled to the property tax or rent rebate.

6 (2) If two or more persons are able to meet the
7 qualifications for a claimant, they may determine who the
8 claimant shall be.

9 (3) If they are unable to agree, the department shall
10 determine to whom the rebate is to be paid.

11 Section 2906-I. Proof of claim.

12 (a) Contents.--Each claim shall include:

13 (1) The size and nature of the property claimed as a
14 homestead.

15 (2) The rent, tax receipt or other proof that the real
16 property taxes on the homestead have been paid or rent in
17 connection with the occupancy of a homestead has been paid.

18 (3) Other information as required by the department.

19 (b) (Reserved).

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

24 Section 2907-I. Incorrect claim.

25 Whenever on audit of a claim the department finds the claim
26 to have been incorrectly determined, the department shall
27 redetermine the correct amount of the claim and notify the
28 claimant of the reason for the redetermination and the amount of
29 the corrected claim.

30 Section 2908-I. (Reserved).

1 Section 2909-I. Claim forms and rules and regulations.

2 (a) General rule.--Necessary rules and regulations shall be
3 prescribed by the secretary, in consultation with the Secretary
4 of Community and Economic Development. The department shall
5 receive all applications, determine the eligibility of
6 claimants, hear appeals, disburse payments and make available
7 suitable forms for the filing of claims.

8 (b) Report to General Assembly.--In addition to any rules
9 and regulations prescribed under subsection (a), the department
10 shall collect the following information and issue a report
11 including such information to the chairperson and minority
12 chairperson of the Appropriations Committee of the Senate and
13 the chairperson and minority chairperson of the Appropriations
14 Committee of the House of Representatives by September 30, 2020,
15 and September 30 of each year thereafter:

16 (1) The total number of claims which will be paid in the
17 fiscal year in which the report is issued with the
18 information provided by school district and by county.

19 (2) The total amount of rebates paid in the fiscal year
20 in which the report is issued with the information provided
21 by school district and by county.

22 Section 2910-I. Fraudulent claims and conveyances to obtain
23 benefits.

24 (a) Civil penalty.--In any case in which a claim is
25 excessive and was filed with fraudulent intent, the claim shall
26 be disallowed in full, and a penalty of 25% of the amount
27 claimed shall be imposed. The penalty and the amount of the
28 disallowed claim, if the claim has been paid, shall bear
29 interest at the rate of 1.5% per month from the date of the
30 claim until repaid.

1 (b) Criminal penalty.--The claimant and any person who
2 assisted in the preparation or filing of a fraudulent claim
3 commits a misdemeanor of the third degree and, upon conviction
4 thereof, shall be sentenced to pay a fine not exceeding \$1,000
5 or to imprisonment not exceeding one year, or both.

6 (c) Disallowance for receipt of title.--A claim shall be
7 disallowed if the claimant received title to the homestead
8 primarily for the purpose of receiving property tax rebate.
9 Section 2911-I. Petition for redetermination.

10 (a) Right to file.--A claimant whose claim is either denied,
11 corrected or otherwise adversely affected by the department may
12 file with the department a petition for redetermination on forms
13 supplied by the department within 90 days after the date of
14 mailing of written notice by the department of the action.

15 (b) Contents.--The petition shall state the grounds upon
16 which the claimant alleges that the departmental action is
17 erroneous or unlawful, in whole or part, and shall contain an
18 affidavit or affirmation that the facts contained in the
19 petition are true and correct.

20 (c) Extension of time for filing.--

21 (1) An extension of time for filing the petition may be
22 allowed for cause but may not exceed 120 days.

23 (2) The department shall hold such hearings as may be
24 necessary for the purpose of redetermination, and each
25 claimant who has duly filed such petition for redetermination
26 shall be notified by the department of the time when and the
27 place where a hearing in the claimant's case will be held.

28 (d) Time period for decision.--The department shall, within
29 six months after receiving a filed petition for redetermination,
30 dispose of the matters raised by such petition and shall mail

1 notice of the department's decision to the claimant.

2 Section 2912-I. Review by Board of Finance and Revenue.

3 (a) Right to review.--Within 90 days after the date of
4 official receipt by the claimant of notice mailed by the
5 department of its decision on a petition for redetermination
6 filed with it, the claimant who is adversely affected by the
7 decision may by petition request the board to review the action.

8 (b) Effect of no decision from department.--The failure of
9 the department to officially notify the claimant of a decision
10 within the six-month period provided for by section 2911-I shall
11 act as a denial of the petition, and a petition for review may
12 be filed with the board within 120 days after written notice is
13 officially received by the claimant that the department has
14 failed to dispose of the petition within the six-month period.

15 (c) Contents of petition for redetermination.--A petition
16 for redetermination filed shall state the reasons upon which the
17 claimant relies or shall incorporate by reference the petition
18 for redetermination in which the reasons were stated. The
19 petition shall be supported by affidavit that the facts stated
20 in the petition are correct and true.

21 (d) Time period for decision.--The board shall act in
22 disposition of petitions filed with it within six months after
23 they have been received, and, in the event of failure of the
24 board to dispose of a petition within six months, the action
25 taken by the department upon the petition for redetermination
26 shall be deemed sustained.

27 (e) Relief authorized by board.--The board may sustain the
28 action taken by the department on the petition for
29 redetermination or may take other action as the board deems
30 necessary and consistent with provisions of this article.

1 (f) Form of notice.--Notice of the action of the board shall
2 be given by mail to the department and to the claimant.

3 Section 2913-I. Appeal.

4 A claimant aggrieved by a decision of the board may appeal
5 from the decision of the board in the manner provided by law for
6 appeals from decisions of the board in tax cases.

7 Section 4. This act shall take effect in 60 days.