

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 627 Session of 2021

INTRODUCED BY FONTANA, COLLETT AND COSTA, MAY 11, 2021

REFERRED TO FINANCE, MAY 11, 2021

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," providing for supplemental  
11 senior citizen property tax rebate assistance.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. The act of June 27, 2006 (1st Sp.Sess., P.L.1873,  
15 No.1), known as the Taxpayer Relief Act, is amended by adding a  
16 chapter to read:

17 CHAPTER 13-A

18 SUPPLEMENTAL SENIOR CITIZEN PROPERTY

19 TAX REBATE ASSISTANCE

20 Section 1301-A. Scope of chapter.

21 This chapter provides senior citizens with assistance in the  
22 form of supplemental property tax rebates.

23 Section 1302-A. Definitions.

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

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

"Claimant." A person who files a claim for a supplemental property tax and:

(1) was at least 66 years of age or whose spouse, if a member of the household, was at least 66 years of age during a calendar year in which real property taxes were due and payable; and

(2) occupied the homestead for a period of at least six years immediately preceding the calendar year when the rebate is claimed.

"Department." The Department of Revenue of the Commonwealth.

"Homestead." An owned dwelling, and so much of the land surrounding it, as is reasonably necessary for the use of the dwelling as a home, occupied by a claimant. The term includes, but is not limited to:

(1) Premises occupied by reason of ownership in a cooperative housing corporation.

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

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

(4) Premises occupied by reason of the claimant's ownership of a dwelling located on land owned by a nonprofit incorporated association, of which the claimant is a member,

1 if the claimant is required to pay a pro rata share of the  
2 property taxes levied against the association's land.

3 (5) Premises occupied by a claimant if the claimant is  
4 required by law to pay a property tax by reason of the  
5 claimant's ownership, including a possessory interest, in the  
6 dwelling, the land or both. An owner includes a person in  
7 possession under a contract of sale, deed of trust, life  
8 estate, joint tenancy or tenancy in common or by reason of  
9 statutes of descent and distribution.

10 "Household income." All income received by a claimant and  
11 the claimant's spouse while residing in the homestead during the  
12 calendar year for which a rebate is claimed.

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

15 (1) Salaries, wages, bonuses, commissions, income from  
16 self-employment, alimony, support money, cash public  
17 assistance and relief.

18 (2) The gross amount of a pension or annuity, including  
19 50% of railroad retirement benefits for calendar year 2017  
20 and any year thereafter.

21 (3) Fifty percent of all benefits received under the  
22 Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.),  
23 except Medicare benefits, for calendar year 2017 and any year  
24 thereafter.

25 (4) Benefits received under State unemployment insurance  
26 laws and veterans' disability payments.

27 (5) Interest received from the Federal or any state  
28 government or an instrumentality or political subdivision  
29 thereof.

30 (6) Realized capital gains and rentals.

- 1       (7) Workers' compensation.
- 2       (8) The gross amount of loss of time insurance benefits,  
3       life insurance benefits and proceeds, except the first \$5,000  
4       of the total of death benefit payments.
- 5       (9) Gifts of cash or property, other than transfers by  
6       gift between members of a household, in excess of a total  
7       value of \$300.

8       The term does not include surplus food or other relief in kind  
9       supplied by a governmental agency, property tax rebate or an  
10       inflation dividend.

11       "Real property taxes." Taxes on a homestead, exclusive of  
12       municipal assessments, delinquent charges and interest, due and  
13       payable during a calendar year.

14       "Secretary." The Secretary of Revenue of the Commonwealth.  
15       Section 1303-A. Property tax rebate.

16       (a) Schedule of rebates.--The amount of a claim for property  
17       tax rebate for real property taxes due and payable during  
18       calendar year 2017 and any year thereafter shall be determined  
19       in accordance with the following schedule:

<u>Household Income</u>	<u>Amount of Real Property Taxes</u> <u>Allowed as Rebate</u>
<u>\$0 - \$50,000</u>	<u>\$200</u>

23       (b) Limitation on claims.--No claim may be allowed if the  
24       amount of property tax rebate computed in accordance with this  
25       section is less than \$10, and the maximum amount of property tax  
26       rebate payable may not exceed \$200.

27       (c) Apportionment.--If a homestead is owned and occupied for  
28       only a portion of a year or is owned in part by a person who  
29       does not meet the qualifications for a claimant, exclusive of  
30       any interest owned by a claimant's spouse, the department shall

apportion the real property taxes in accordance with the period or degree of ownership or eligibility of the claimant in determining the amount of rebate for which a claimant is eligible.

Section 1304-A. Filing of claim.

(a) General rule.--Except as otherwise provided in subsection (b), a claim for property tax rebate shall be filed with the department on or before June 30 of the year next succeeding the end of the calendar year in which real property taxes were due and payable.

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

(c) Payments from State Lottery Fund.--No reimbursement on a claim may be made from the State Lottery Fund earlier than the day following June 30 provided in this chapter on which that claim may be filed with the department.

(d) Eligibility of claimants.--

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

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

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

Section 1305-A. Proof of claim.

(a) Contents.--A claim shall include:

(1) Reasonable proof of household income.

(2) The size and nature of the property claimed as a

1 homestead.

2 (3) The tax receipt or other proof that the real  
3 property taxes on the homestead have been paid.

4 (4) Reasonable proof of occupancy of the homestead for a  
5 period of at least 10 years immediately preceding the  
6 calendar year when the rebate is claimed.

7 (b) Direct payment of taxes not required.--It shall not be  
8 necessary that the taxes were paid directly by the claimant if  
9 the taxes have been paid when the claim is filed.

10 (c) Proof of age on first claim.--The first claim filed  
11 shall include proof that the claimant or the claimant's spouse  
12 was at least 66 years of age during the calendar year in which  
13 real property taxes were due and payable.

14 Section 1306-A. Incorrect claim.

15 Whenever on audit of a claim the department finds the claim  
16 to have been incorrectly determined, it shall redetermine the  
17 correct amount of the claim and notify the claimant of the  
18 reason for the redetermination and the amount of the corrected  
19 claim.

20 Section 1307-A. Funds for payment of claims.

21 Approved claims shall be paid from the State Lottery Fund  
22 established under the act of August 26, 1971 (P.L.351, No.91),  
23 known as the State Lottery Law.

24 Section 1308-A. Claim forms and rules and regulations.

25 (a) General rule.--The department shall:

26 (1) Prescribe necessary rules and regulations for the  
27 implementation of this chapter.

28 (2) Receive applications.

29 (3) Determine the eligibility of claimants.

30 (4) Hear appeals.

1       (5) Disburse payments.

2       (6) Make available suitable forms for the filing of  
3       claims.

4       (b) Report to General Assembly.--In addition to any rules  
5       and regulations prescribed under subsection (a), the department  
6       shall collect the following information and issue a report,  
7       including the information to the chair and minority chair of the  
8       Appropriations Committee of the Senate and the chair and  
9       minority chair of the Appropriations Committee of the House of  
10       Representatives, by September 30, 2018, and September 30 of each  
11       year thereafter:

12           (1) The total number of claims that will be paid in the  
13           fiscal year in which the report is issued with the  
14           information provided by school district, by county and for  
15           each household income level under section 1303-A(a).

16           (2) The total amount of rebates paid in the fiscal year  
17           in which the report is issued with the information provided  
18           by school district, by county and for each household income  
19           level under section 1303-A(a).

20       Section 1309-A. Fraudulent claims and conveyances to obtain  
21       benefits.

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

29       (b) Criminal penalty.--The claimant and any person who  
30       assisted in the preparation or filing of a fraudulent claim

commits a misdemeanor of the third degree and, upon conviction,  
shall be sentenced to pay a fine not exceeding \$1,000 or to  
imprisonment not exceeding one year, or both.

(c) Disallowance for receipt of title.--A claim shall be  
disallowed if the claimant received title to the homestead  
primarily for the purpose of receiving a property tax rebate.  
Section 1310-A. Petition for redetermination.

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

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

(c) Extension of time for filing.--

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

(2) The department shall hold hearings as may be  
necessary for the purpose of redetermination. A claimant who  
has duly filed a petition for redetermination shall be  
notified by the department of the time and place of the  
hearing.

(d) Time period for decision.--The department shall, within  
six months of receiving a filed petition for redetermination,  
dispose of the matters raised by the petition and shall mail  
notice of the department's decision to the claimant.

Section 1311-A. Review by board.



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

6     (b) Effect of no decision from department.--The failure of  
7     the department to officially notify the claimant of a decision  
8     within the six-month period provided under section 1310-A(d)  
9     shall act as a denial of the petition. A petition for review may  
10    be filed with the board within 120 days after written notice is  
11    officially received by the claimant that the department has  
12    failed to dispose of the petition within the six-month period.

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

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

25    (e) Relief authorized by board.--The board may sustain the  
26    action taken by the department on the petition for  
27    redetermination or it may take other action as it shall deem  
28    necessary and consistent with the provisions of this chapter.

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

1 Section 1312-A. Appeal.

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

5 Section 2. This act shall take effect immediately.