

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 299 Session of
2005

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CALTAGIRONE AND BELFANTI, FEBRUARY 8, 2005

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 8, 2005

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, providing for a real property tax
3 exemption on the basis of age.

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

6 Section 1. Chapter 85 of Title 53 of the Pennsylvania
7 Consolidated Statutes is amended by adding a subchapter to read:

8 SUBCHAPTER G

9 REAL PROPERTY TAX EXCLUSION

10 Sec.

11 8591. Declaration of policy.

12 8592. Definitions.

13 8593. Real property tax relief.

14 8594. State reimbursement.

15 8595. Regulations.

16 8596. Applicability.

17 § 8591. Declaration of policy.

1 The General Assembly finds and declares as follows:

2 (1) There is a severe economic plight of senior citizens
3 who are real property owners with fixed and limited incomes
4 and who are faced with rising living costs and constantly
5 increasing taxes which threaten their homesteads and self-
6 sufficiency.

7 (2) Pursuant to section 2(b)(ii) of Article VIII of the
8 Constitution of Pennsylvania, it is a matter of sound public
9 policy to provide such property owners with real property tax
10 relief to:

11 (i) enable them to remain in peaceable possession of
12 their homes; and

13 (ii) relieve their economic burdens.

14 § 8592. Definitions.

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

18 "Claimant." An individual who files a claim for real
19 property tax relief.

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

21 "Homestead." An owner-occupied dwelling and as much of the
22 land surrounding it as is reasonably necessary for use of the
23 dwelling as a home which is owned by the occupant. The term
24 includes all of the following:

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

27 (2) A mobile home assessed as realty for local real
28 property tax purposes and the land, if owned by the occupant,
29 upon which the mobile home is situated, and other similar
30 living accommodations.

(3) 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 occupant's ownership of a dwelling located on land owned by a nonprofit incorporated association, of which the occupant is a member, if the occupant is required to pay a pro rata share of the real property taxes levied against the association's land.

(5) Premises on which the occupant is required by law to pay a real property tax by reason of ownership, including a possessory interest, in the dwelling, the land or both.

For purposes of this definition, ownership includes a legal and an equitable interest.

"Household income." As defined in section 3(2) of the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act.

"Income." As defined in section 3(1) of the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act.

"Real property tax." Tax imposed upon a homestead by a political subdivision. The term excludes municipal assessments, delinquent charges and interest.

"Taxing authority." A political subdivision which imposes a real property tax.

§ 8593. Real property tax relief.

(a) Eligibility.--To be eligible for real property tax relief, a claimant must comply with the following:

(1) Be at least 65 years of age.

(2) Be domiciled in a homestead.

(b) Procedure.--Within two months of receipt of a real property tax bill, a claimant must do all of the following:

1 (1) File a claim for relief with the taxing authority on
2 a form provided by the department.

3 (2) Pay to the taxing authority an amount equal to 1% of
4 the claimant's household income for the prior taxable year.

5 (c) Amount.--

6 (1) Real property tax relief under this section consists
7 of the following reductions in the real property tax:

8 (i) For an eligible claimant who is under 70 years
9 of age, 25%.

10 (ii) For an eligible claimant who is at least 70
11 years of age but under 75 years of age, 35%.

12 (iii) For an eligible claimant who is at least 75
13 years of age, 50%.

14 (2) If a homestead is owned and occupied by an eligible
15 claimant for only a portion of a year, the taxing authority
16 shall apportion the real estate tax reduction in accordance
17 with the period for which the claimant is eligible.

18 (d) Determination.--

19 (1) Within 90 days of submission of the claim, the
20 taxing authority shall make a determination granting or
21 denying a claim based on the claim and supporting
22 documentation required by the taxing authority. Failure to
23 comply with the time requirement of this paragraph shall be
24 deemed granting the claim.

25 (2) This subsection is subject to 2 Pa.C.S. Ch. 7 Subch.
26 A (relating to judicial review of Commonwealth agency
27 action).

28 § 8594. State reimbursement.

29 (a) Report.--A taxing authority must report to the
30 department the amount of reductions granted under section 8593

1 (relating to real property tax relief) less payments received
2 under section 8593(b)(2), within 90 days of granting the
3 reduction.

4 (b) Payment.--The department shall pay the full amount
5 reported under subsection (a) to the taxing authority within 60
6 days of receipt of the report.

7 § 8595. Regulations.

8 The department may promulgate regulations necessary to
9 administer this subchapter.

10 § 8596. Applicability.

11 This subchapter shall apply to real property tax due after
12 June 30, 2005.

13 Section 2. This act shall take effect in 60 days.