

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL****No. 39**Special Session No. 1 of  
2005

INTRODUCED BY WILT, DENLINGER, ROHRER, LEH, YEWCIC, ALLEN,  
ARMSTRONG, BALDWIN, BASTIAN, BIRMELIN, BUNT, CALTAGIRONE,  
CAPPELLI, CLYMER, CREIGHTON, DIVEN, FORCIER, GILLESPIE,  
GOODMAN, HARRIS, HERSHEY, KAUFFMAN, MACKERETH, MARSICO,  
McILHATTAN, R. MILLER, S. MILLER, MUSTIO, PICKETT, PYLE,  
QUIGLEY, RAPP, ROBERTS, SATHER, SAYLOR, SCHRODER, SEMMEL,  
STEIL, STERN AND T. STEVENSON, OCTOBER 24, 2005

REFERRED TO COMMITTEE ON APPROPRIATIONS, OCTOBER 24, 2005

## AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),  
2 entitled "An act empowering cities of the second class,  
3 cities of the second class A, cities of the third class,  
4 boroughs, towns, townships of the first class, townships of  
5 the second class, school districts of the second class,  
6 school districts of the third class and school districts of  
7 the fourth class including independent school districts, to  
8 levy, assess, collect or to provide for the levying,  
9 assessment and collection of certain taxes subject to maximum  
10 limitations for general revenue purposes; authorizing the  
11 establishment of bureaus and the appointment and compensation  
12 of officers, agencies and employes to assess and collect such  
13 taxes; providing for joint collection of certain taxes,  
14 prescribing certain definitions and other provisions for  
15 taxes levied and assessed upon earned income, providing for  
16 annual audits and for collection of delinquent taxes, and  
17 permitting and requiring penalties to be imposed and  
18 enforced, including penalties for disclosure of confidential  
19 information, providing an appeal from the ordinance or  
20 resolution levying such taxes to the court of quarter  
21 sessions and to the Supreme Court and Superior Court,"  
22 restricting the power of certain school districts to levy,  
23 assess and collect taxes.

24 The General Assembly of the Commonwealth of Pennsylvania

25 hereby enacts as follows:

26 Section 1. The act of December 31, 1965 (P.L.1257, No.511),

1 known as The Local Tax Enabling Act, is amended by adding a  
2 section to read:

3 Section 1.1. Restriction on Authority to Levy Taxes.--(a)  
4 Except as provided in subsections (b) and (c), the authority of  
5 any school district of the second, third and fourth class  
6 including any independent school district to levy, assess and  
7 collect any tax under this act shall for the school year  
8 beginning July 1, 2007, and any subsequent school year, expire  
9 at midnight on June 30, 2007.

10 (b) Each school district of the second class, each school  
11 district of the third class and each school district of the  
12 fourth class shall continue to have the power to levy a realty  
13 transfer tax under this act or the act of March 4, 1971 (P.L.6,  
14 No.2), known as the "Tax Reform Code of 1971," at a rate equal  
15 to or less than the rate in effect on July 1, 2005. Any division  
16 of the proceeds of the tax with any municipality which decreases  
17 the percentage payable to the school district after July 1,  
18 2005, shall be void and unenforceable. The tax, or portion of  
19 the proceeds thereof payable to the school district, shall be  
20 transmitted to the Department of Revenue for deposit into the  
21 Education Operating Fund beginning July 1, 2006.

22 (c) The provisions of subsection (a) shall not prevent or  
23 interfere with any action of any school district of the second,  
24 third and fourth class including any independent school district  
25 to collect any tax imposed under the authority of this act for  
26 any school year prior to the school year beginning July 1, 2006.

27 Section 2. This act shall take effect immediately.