

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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

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INTRODUCED BY WILT, DENLINGER, ROHRER, LEH, YEWIC, 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

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AS REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, NOVEMBER 14, 2005

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## 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:

1 Section 1. The act of December 31, 1965 (P.L.1257, No.511),  
2 known as The Local Tax Enabling Act, is amended by adding a  
3 section to read:

4 Section 1.1. Restriction on Authority to Levy Taxes.--(a)  
5 Except as provided in subsections (b) and (c), the authority of  
6 any school district of the second, third and fourth class  
7 including any independent school district to levy, assess and  
8 collect any tax under this act shall for the school year <—  
9 beginning July 1, 2007, and any subsequent school year, expire  
10 at midnight on June 30, 2007. EXPIRE AT MIDNIGHT ON DECEMBER 31, <—  
11 2007.

12 (b) Each school district of the second class, each school  
13 district of the third class and each school district of the  
14 fourth class shall continue to have the power to levy a realty  
15 transfer tax under this act or the act of March 4, 1971 (P.L.6,  
16 No.2), known as the "Tax Reform Code of 1971," at a rate equal  
17 to or less than the rate in effect on July 1, 2005. Any division  
18 of the proceeds of the tax with any municipality which decreases  
19 the percentage payable to the school district after July 1,  
20 2005, shall be void and unenforceable. The tax, or portion of  
21 the proceeds thereof payable to the school district, shall be  
22 transmitted to the Department of Revenue for deposit into the  
23 Education Operating Fund beginning July 1, 2006 JANUARY 1, 2008. <—

24 (c) The provisions of subsection (a) shall not prevent or  
25 interfere with any action of any school district of the second,  
26 third and fourth class including any independent school district  
27 to collect any tax imposed under the authority of this act for <—  
28 any school year prior to the school year beginning July 1, 2006.  
29 THAT IS LEVIED AND ASSESSED PRIOR TO JANUARY 1, 2008. <—

30 Section 2. This act shall take effect immediately.