
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 759 Session of
2021

INTRODUCED BY DeLUCA, McNEILL, CIRESI, DELLOSO, HENNESSEY,
WEBSTER, O'MARA AND PISCIOTTANO, MARCH 3, 2021

REFERRED TO COMMITTEE ON FINANCE, MARCH 3, 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," in State funds formula, further
11 providing for certification and calculation of minimum and
12 maximum modifiers and for Property Tax Relief Reserve Fund,
13 providing for senior citizen tax relief and further providing
14 for State property tax reduction allocation.

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

17 Section 1. Section 503(e)(2) introductory paragraph of the
18 act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as
19 the Taxpayer Relief Act, is amended and the subsection is
20 amended by adding a paragraph to read:

21 Section 503. Certification; calculation of minimum and maximum
22 modifiers.

23 * * *

24 (e) Distribution.--

1 * * *

2 (2) For fiscal year 2009-2010 [and each fiscal year
3 thereafter] through fiscal year 2020-2021, the secretary
4 shall distribute the difference between the amount certified
5 under subsection (a) (1) (i) and the sum of all of the
6 following:

7 * * *

8 (3) For fiscal year 2021-2022 and each fiscal year
9 thereafter, the secretary shall distribute the difference
10 between the amount certified under subsection (a) (1) (i) and
11 the sum of all of the following:

12 (i) The difference between the sum of:

13 (A) the amount of approved claims to be paid in
14 the next fiscal year under section 1304(a) (2) (i) and
15 (3); and

16 (B) the amount of approved claims paid in the
17 2006-2007 fiscal year under section 1304(a) (1).

18 (ii) The sum of all of the following:

19 (A) The amount sufficient to fund reimbursements
20 to eligible school districts under section 324. The
21 amount deducted under this clause shall be calculated
22 based on the information provided by school districts
23 under subsection (b) (2).

24 (B) The amount of approved claims under section
25 704.

26 (C) The amount of approved claims under section
27 1304(a) (2) (ii).

28 (D) The amount of payments to school districts
29 under section 504.1.

30 Section 2. Section 504(d) (1) of the act is amended to read:

1 Section 504. Property Tax Relief Reserve Fund.

2 * * *

3 (d) Transfers.--

4 (1) The secretary may authorize a transfer from the
5 Property Tax Relief Reserve Fund to the fund if the amount
6 for distribution under section 503(e) in 2021 is less than
7 the amount for distribution under section 503(e) [made in the
8 prior year. The] in 2020 or any year thereafter. Beginning in
9 2022 and each year thereafter, the amount of the transfer
10 under this subsection shall be equal to the difference
11 between the amount for distribution under section 503(e) and
12 the amount for distribution under section 503(e) made in the
13 prior year.

14 * * *

15 Section 3. The act is amended by adding a section to read:

16 Section 504.1. Senior citizen tax relief.

17 (a) Tax freeze.--Notwithstanding any other provision of law,
18 an eligible claimant shall be entitled to a freeze of school
19 property taxes imposed by a school district on the person's
20 homestead and may not be required to pay a school property tax
21 increase in excess of the claimant's base payment.

22 (b) Application.--An eligible claimant must apply for the
23 tax freeze under subsection (a) by filing the following with the
24 school district imposing the school property tax on a form
25 prescribed by the department:

26 (1) A request for the tax freeze and a copy of the most
27 recent school property tax bill.

28 (2) Certification that the claimant or the claimant's
29 spouse is the owner of the homestead upon which the school
30 property taxes are imposed.

1 (3) Receipts showing prompt payment of the current
2 year's school property tax liability.

3 (c) Timing.--

4 (1) The application under subsection (b) must be filed
5 within 45 days of the date the school property tax under
6 subsection (b)(1) is due.

7 (2) Within 15 days of receipt of an application, the
8 school district shall determine the claimant to be eligible
9 or ineligible. A determination of ineligibility under this
10 paragraph is subject to 2 Pa.C.S. Ch. 7 Subch. B (relating to
11 judicial review of local agency action).

12 (d) Termination.--

13 (1) Subject to paragraph (2), the tax rate on and the
14 assessment of school property tax shall become current on the
15 sale or transfer of the real property subject to the tax,
16 including any transfer under a recorded real property sales
17 contract.

18 (2) A tax freeze under this section shall remain in
19 effect upon the transfer of the affected real property to a
20 surviving spouse if, at the time of the death of the
21 claimant, the surviving spouse is at least 65 years of age or
22 will be 65 years of age within six months of the date of
23 death of the claimant.

24 (e) Commonwealth payment.--

25 (1) Beginning April 2021 and each April thereafter, the
26 secretary shall pay school districts, from the fund, the
27 amount of each eligible claimant's increase in school
28 property taxes in excess of the claimant's base payment.
29 Payments under this section shall be made prior to a
30 distribution of funds under subsection 504(c).

1 (2) The school district shall provide notification and
2 documentation to the department of the total balance due to
3 the local taxing authorities for increases in school property
4 tax for eligible claimants.

5 (3) The department shall certify the total amount due to
6 increase in school property tax for each school district.

7 (f) Funding senior property tax relief.--

8 (1) For the purpose of assisting with senior property
9 tax relief under this section, and subject to paragraph (2),
10 a tax of 6% is imposed on the following:

11 (i) Printed advertising materials circulated with a
12 newspaper as defined under section 204(30) of the Tax
13 Reform Code, regardless of where or by whom the printed
14 advertising material was produced.

15 (ii) The sale at retail or use, as those terms are
16 defined under section 201 of the Tax Reform Code, of mail
17 order catalogs and direct mail advertising literature or
18 materials, such as envelopes, address labels and a one-
19 time license to use a list of names and mailing addresses
20 for each delivery of direct mail advertising literature
21 or materials, through the United States Postal Service.

22 (iii) Printed advertising materials circulated with
23 a magazine as defined under section 204(50) of the Tax
24 Reform Code, regardless of where or by whom the printed
25 advertising material was produced.

26 (2) Paragraph (1) shall apply notwithstanding the
27 following provisions of the Tax Reform Code:

28 (i) The last sentence of section 204(30).

29 (ii) Section 204(35).

30 (iii) The last sentence of section 204(50).

1 (3) A purchaser may claim a credit for taxes paid under
2 Article II of the Tax Reform Code.

3 (4) Parts III, IV, VI and VII of Article II of the Tax
4 Reform Code are incorporated by reference into this
5 subsection insofar as they are applicable to the tax imposed
6 by this subsection.

7 (5) No later than April 1, 2021, and each April 1
8 thereafter, the secretary shall certify the amount of money
9 collected from the taxes imposed under this subsection and
10 interest earned on that money. The money collected from the
11 taxes imposed under this subsection, and interest earned on
12 the money, shall be transferred into the fund for purposes of
13 tax relief under this section.

14 (6) The Department of Revenue may promulgate rules and
15 regulations for the implementation and administration of this
16 subsection.

17 (g) Definitions.--The following words and phrases when used
18 in this section shall have the meanings given to them in this
19 subsection unless the context clearly indicates otherwise:

20 "Base payment."

21 (1) Except as specified in paragraph (2), the amount of
22 school property tax paid by the eligible claimant either in
23 the tax year beginning January 1, 2020, or in the first tax
24 year during which the claimant first becomes eligible,
25 whichever occurs later, on the principal residence in which
26 the claimant has maintained continuous occupancy and
27 ownership since either January 1, 2020, or the date the
28 claimant first becomes eligible.

29 (2) If the claimant purchases a principal residence
30 after January 1, 2020, or after the date upon which the

1 claimant first becomes eligible, the amount of school
2 property tax paid during the tax year in which the purchase
3 was made.

4 "Base year." The tax year under paragraph (1) or (2) of the
5 definition of "base payment."

6 "Eligible claimant." An individual who meets all of the
7 following for the base year and each succeeding year up to and
8 including the year for which the freeze is sought:

9 (1) Was at least 65 years of age or whose spouse, if a
10 member of the household, was at least 65 years of age during
11 the base year.

12 (2) Has held a homestead exemption for the previous five
13 years.

14 (3) Has paid the full amount of property taxes due for
15 each succeeding year up to and including the year for which
16 the freeze is sought.

17 "Homestead." As defined in section 302.

18 "School property tax." The property tax levied by a school
19 district on the homestead of an eligible claimant. The term does
20 not include a penalty, interest or a payment made in lieu of
21 tax.

22 "School property tax increase." The increase in school
23 property tax levied in a calendar year over school property tax
24 levied in the base year.

25 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),
26 known as the Tax Reform Code of 1971.

27 Section 4. Section 505(a) of the act is amended by adding a
28 paragraph and the section is amended by adding a subsection to
29 read:

30 Section 505. State property tax reduction allocation.

1 (a) Administration.--The department shall do all of the
2 following:

3 * * *

4 (2.1) Prior to calculating the property tax reduction
5 under paragraph (3), calculate the amount due to school
6 districts under section 504.1.

7 * * *

8 (a.1) Initial payment.--For the fiscal year commencing July
9 1, 2020, and July 1 of each year thereafter, prior to making a
10 payment under subsection (b), the department shall pay to each
11 school district the amount due under section 504.1(e).

12 * * *

13 Section 5. This act shall take effect immediately.