

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2721 Session of 2022

INTRODUCED BY CIRESI, T. DAVIS, MADDEN, KINSEY, KENYATTA, McNEILL, RABB, O'MARA, FIEDLER, DELLOSO, D. WILLIAMS, GUENST, NEILSON, SAPPEY, SANCHEZ, LONGIETTI, PARKER, ROZZI, MALAGARI, KIRKLAND, HILL-EVANS, WEBSTER, DEASY, WARREN, DALEY AND BROOKS, JUNE 30, 2022

REFERRED TO COMMITTEE ON FINANCE, JUNE 30, 2022

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 tax relief in cities of the
 11 first class, further providing for supplemental senior
 12 citizen tax reduction; and, in senior citizens property tax
 13 and rent rebate assistance, further providing for
 14 definitions, for property tax and rent rebate and for funds
 15 for payment of claims.

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

18 Section 1. Section 704(a)(1) of the act of June 27, 2006
 19 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief
 20 Act, is amended and the subsection is amended by adding
 21 paragraphs to read:

22 Section 704. Supplemental senior citizen tax reduction.

23 (a) Eligibility.--Beginning in the first year in which a

1 payment under section 505(b) is made and each year thereafter,
2 the following apply:

3 [(1) Except as provided in paragraph (2), any resident
4 of a city of the first class, a city of the second class A or
5 a resident of a school district of the first class A who is
6 eligible to receive a property tax rebate under Chapter 13
7 and has a household income, as defined under section 1303,
8 equal to or less than \$30,000 shall be eligible to receive an
9 additional property tax rebate equal to 50% of the amount the
10 individual is eligible to receive under Chapter 13.]

11 (1.1) Except as provided in paragraph (2), a resident of
12 a city of the first class, a city of the second class A or a
13 school district of the first class A who is eligible to
14 receive a property tax rebate under Chapter 13 through
15 calendar year 2021 and who has a household income, as defined
16 under section 1303, equal to or less than \$30,000 shall be
17 eligible to receive an additional property tax rebate equal
18 to 50% of the amount that the individual is eligible to
19 receive under Chapter 13.

20 (1.2) Except as provided in paragraph (2), a resident of
21 a city of the first class, a city of the second class A or a
22 school district of the first class A who is eligible to
23 receive a property tax rebate under Chapter 13 during
24 calendar year 2022 and thereafter and whose real property
25 taxes exceed 15% of the claimant's household income, as
26 defined under section 1303, shall be eligible to receive an
27 additional property tax rebate equal to 50% of the amount
28 that the individual is eligible to receive under Chapter 13.

29 * * *

30 Section 2. The definition of "income" in section 1303 of the

1 act is amended to read:

2 Section 1303. Definitions.

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

6 * * *

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

9 (1) Salaries, wages, bonuses, commissions, income from
10 self-employment, alimony, support money, cash public
11 assistance and relief.

12 (2) The gross amount of any pensions or annuities,
13 including railroad retirement benefits for calendar years
14 prior to 1999 and 50% of railroad retirement benefits for
15 calendar years 1999 and thereafter.

16 (3) (i) All benefits received under the Social Security
17 Act (49 Stat. 620, 42 U.S.C. § 301 et seq.), except
18 Medicare benefits, for calendar years prior to 1999, and
19 50% of all benefits received under the Social Security
20 Act, except Medicare benefits, for calendar years 1999
21 and thereafter.

22 (ii) Notwithstanding any other provision of this act
23 to the contrary, persons who, as of December 31, [2012]
24 2020, are eligible for the property tax or rent rebate
25 shall remain eligible if the household income limit is
26 exceeded due solely to a Social Security cost-of-living
27 adjustment.

28 [(iii) Eligibility in the property tax and rent
29 rebate program pursuant to subparagraph (ii) shall expire
30 on December 31, 2016.]

1 (4) All benefits received under State unemployment
2 insurance laws.

3 (5) All interest received from the Federal or any state
4 government or any instrumentality or political subdivision
5 thereof.

6 (6) Realized capital gains and rentals.

7 (7) Workers' compensation.

8 (8) The gross amount of loss of time insurance benefits,
9 life insurance benefits and proceeds, except the first \$5,000
10 of the total of death benefit payments.

11 (9) Gifts of cash or property, other than transfers by
12 gift between members of a household, in excess of a total
13 value of \$300.

14 The term does not include surplus food or other relief in kind
15 supplied by a governmental agency, property tax or rent rebate,
16 inflation dividend, Federal veterans' disability payments or
17 State veterans' benefits. Income shall be reduced by the face
18 amount of property taxes paid by the claimant on the claimant's
19 primary residence regardless of whether the taxes were paid in
20 the discount, face or penalty period.

21 * * *

22 Section 3. Sections 1304(a) and 1308(b)(4) of the act are
23 amended to read:

24 Section 1304. Property tax; and rent rebate.

25 (a) Schedule of rebates.--

26 (1) The amount of any claim for property tax rebate or
27 rent rebate in lieu of property taxes for real property taxes
28 or rent due and payable during calendar years 1985 through
29 2005 shall be determined in accordance with the following
30 schedule:

Percentage of Real Property Taxes or
Rent Rebate in Lieu of

Household Income	Property Taxes Allowed as Rebate
\$ 0 - \$ 4,999	100%
5,000 - 5,499	100
5,500 - 5,999	90
6,000 - 6,499	80
6,500 - 6,999	70
7,000 - 7,499	60
7,500 - 7,999	50
8,000 - 8,499	40
8,500 - 8,999	35
9,000 - 9,999	25
10,000 - 11,999	20
12,000 - 12,999	15
13,000 - 15,000	10

(2) The following apply:

(i) The base amount of any claim for property tax rebate for real property taxes due and payable during calendar [year 2006 and thereafter] years 2006 through 2021 shall be determined in accordance with the following schedule:

Household Income	Amount of Real Property Taxes Allowed as Rebate
\$ 0 - \$ 8,000	\$650
8,001 - 15,000	500
15,001 - 18,000	300
18,001 - 35,000	250

(ii) [The] Through calendar year 2021, the supplemental amount for a claimant with a household

1 income equal to or less than \$30,000 and an eligible
 2 claim for property tax rebate for real property taxes due
 3 and payable during the calendar year preceding the first
 4 year in which a payment under section 505(b) is made and
 5 each year thereafter and whose real property taxes exceed
 6 15% of the claimant's household income shall be equal to
 7 50% of the base amount determined under subparagraph (i).
 8 A claimant who is a resident of a city of the first
 9 class, a city of the second class A or a school district
 10 of the first class A shall be ineligible for the
 11 supplemental amount under this subparagraph.

12 (iii) The base amount of any claim for property tax
 13 rebate for real property taxes due and payable during
 14 calendar year 2022 and thereafter shall be determined in
 15 accordance with the following schedule:

	<u>Amount of Real Property Taxes</u>
<u>Household Income</u>	<u>Allowed as Rebate</u>
18 <u>\$ 0 - \$ 12,000</u>	<u>\$650</u>
19 <u>12,001 - 25,000</u>	<u>500</u>
20 <u>25,001 - 35,000</u>	<u>300</u>
21 <u>35,001 - 50,000</u>	<u>250</u>

22 (iv) During calendar year 2022 and thereafter, the
 23 supplemental amount for a claimant with an eligible claim
 24 for property tax rebate for real property taxes due and
 25 payable during the calendar year preceding the first year
 26 in which a payment under section 505(b) is made and each
 27 year thereafter and whose real property taxes exceed 15%
 28 of the claimant's household income shall be equal to 50%
 29 of the base amount determined under subparagraph (iii). A
 30 claimant who is a resident of a city of the first class,

1 a city of the second class A or a school district of the
2 first class A shall be ineligible for the supplemental
3 amount under this subparagraph.

4 (3) The following apply:

5 (i) The amount of any claim for rent rebate in lieu
6 of property taxes for rent due and payable during
7 calendar [year 2006 and thereafter] years 2006 through
8 2021 shall be determined in accordance with the
9 following:

	<u>Amount of Rent Rebate in</u>
	<u>Lieu of Property Taxes</u>
<u>Household Income</u>	<u>Allowed as Rebate</u>
\$ 0 - \$ 8,000	\$650
8,001 - 15,000	500

15 (ii) The amount of any claim for rent rebate in lieu
16 of property taxes for rent due and payable during
17 calendar year 2022 and thereafter shall be determined in
18 accordance with the following:

	<u>Amount of Rent Rebate in</u>
	<u>Lieu of Property Taxes</u>
<u>Household Income</u>	<u>Allowed as Rebate</u>
<u>\$ 0 - \$ 12,000</u>	<u>\$650</u>
<u>12,001 - 25,000</u>	<u>500</u>

24 * * *

25 Section 1308. Funds for payment of claims.

26 * * *

27 (b) Transfers.--The Secretary of the Budget shall transfer
28 the following amounts from the Property Tax Relief Fund to the
29 State Lottery:

30 * * *

1 (4) For fiscal year 2009-2010 and each fiscal year
2 thereafter, all of the following:

3 (i) The difference between the sum of the amount of
4 approved claims to be paid in the next fiscal year under
5 section 1304(a)(2)(i) or (iii) and [(3)] (3)(i) or (ii)
6 and the amount of approved claims paid in fiscal year
7 2006-2007 under section 1304(a)(1).

8 (ii) The sum of the amount of approved claims to be
9 paid in the next fiscal year under sections 704 and
10 1304(a)(2)(ii) or (iv), if any.

11 * * *

12 Section 4. This act shall take effect in 60 days.