

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1355 Session of
2022

INTRODUCED BY BOSCOLA, FONTANA, COLLETT, PHILLIPS-HILL,
BARTOLOTTA, BREWSTER, KANE, COSTA, TARTAGLIONE, STEFANO, MUTH
AND SCHWANK, OCTOBER 14, 2022

REFERRED TO FINANCE, OCTOBER 14, 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) of the act of June 27, 2006 (1st
19 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, is
20 amended to read:

21 Section 704. Supplemental senior citizen tax reduction.

22 (a) Eligibility.--Beginning in the first year in which a
23 payment under section 505(b) is made and each year thereafter,
24 the following apply:

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

9 (1.1) Except as provided in paragraph (2), a resident of
10 a city of the first class, a city of the second class A or a
11 school district of the first class A who is eligible to
12 receive a property tax rebate under Chapter 13 through
13 calendar year 2021 and who has a household income, as defined
14 under section 1303, equal to or less than \$30,000 shall be
15 eligible to receive an additional property tax rebate equal
16 to 50% of the amount that the individual is eligible to
17 receive under Chapter 13.

18 (1.2) Except as provided in paragraph (2), a resident of
19 a city of the first class, a city of the second class A or a
20 school district of the first class A who is eligible to
21 receive a property tax rebate under Chapter 13 during
22 calendar year 2022 and thereafter and whose real property
23 taxes exceed 15% of the claimant's household income, as
24 defined under section 1303, shall be eligible to receive an
25 additional property tax rebate equal to 50% of the amount
26 that the individual is eligible to receive under Chapter 13.

27 (2) An additional rebate under paragraph [(1)] (1.1) or
28 (1.2) may not exceed the difference between the property tax
29 paid by the eligible resident and the rebate received by the
30 eligible resident under Chapter 13 for the same tax year.

1 * * *

2 Section 2. The definition of "income" in section 1303 of the
3 act is amended to read:

4 Section 1303. Definitions.

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

8 * * *

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

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

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

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

24 (ii) Notwithstanding any other provision of this act
25 to the contrary, persons who, as of December 31, [2012]
26 2022, are eligible for the property tax or rent rebate
27 shall remain eligible if the household income limit is
28 exceeded due solely to a Social Security cost-of-living
29 adjustment.

30 [(iii) Eligibility in the property tax and rent

1 rebate program pursuant to subparagraph (ii) shall expire
2 on December 31, 2016.]

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

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

8 (6) Realized capital gains and rentals.

9 (7) Workers' compensation.

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

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

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

23 * * *

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

26 Section 1304. Property tax; and rent rebate.

27 (a) Schedule of rebates.--

28 (1) The amount of any claim for property tax rebate or
29 rent rebate in lieu of property taxes for real property taxes
30 or rent due and payable during calendar years 1985 through

2005 shall be determined in accordance with the following schedule:

Percentage of Real Property Taxes or Rent Rebate in Lieu of Property Taxes Allowed as Rebate		
Household Income		
\$ 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:

Amount of Real Property Taxes Allowed as Rebate		
Household Income		
\$ 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 income equal to or less than \$30,000 and an eligible claim for property tax rebate for real property taxes due and payable during the calendar year preceding the first year in which a payment under section 505(b) is made and each year thereafter and whose real property taxes exceed 15% of the claimant's household income shall be equal to 50% of the base amount determined under subparagraph (i). A claimant who is a resident of a city of the first class, a city of the second class A or a school district of the first class A shall be ineligible for the supplemental amount under this subparagraph.

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

<u>Amount of Real Property Taxes</u>	
<u>Household Income</u>	<u>Allowed as Rebate</u>
<u>\$ 0 - \$ 15,000</u>	<u>\$650</u>
<u>15,001 - 25,000</u>	<u>500</u>
<u>25,001 - 35,000</u>	<u>300</u>
<u>35,001 - 50,000</u>	<u>250</u>

(iv) During calendar year 2022 and thereafter, the supplemental amount for a claimant with an eligible claim for property tax rebate for real property taxes due and payable during the calendar year preceding the first year in which a payment under section 505(b) is made and each year thereafter and whose real property taxes exceed 15% of the claimant's household income shall be equal to 50%

of the base amount determined under subparagraph (iii). A claimant who is a resident of a city of the first class, a city of the second class A or a school district of the first class A shall be ineligible for the supplemental amount under this subparagraph.

(3) The following apply:

(i) The amount of any claim for rent rebate in lieu of property taxes for rent due and payable during calendar [year 2006 and thereafter] years 2006 through 2021 shall be determined in 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>
\$ 0 - \$ 8,000	\$650
8,001 - 15,000	500

(ii) The amount of any claim for rent rebate in lieu of property taxes for rent due and payable during calendar year 2022 and thereafter shall be determined in 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>
\$ 0 - \$ 15,000	\$650
<u>15,001 - 30,000</u>	<u>500</u>

* * *

Section 1308. Funds for payment of claims.

* * *

(b) Transfers.--The Secretary of the Budget shall transfer the following amounts from the Property Tax Relief Fund to the

1 State Lottery:

2 * * *

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

5 (i) The difference between the sum of the amount of
6 approved claims to be paid in the next fiscal year under
7 section 1304(a)(2)(i) or (iii) and [(3)] (3)(i) or (ii)
8 and the amount of approved claims paid in fiscal year
9 2006-2007 under section 1304(a)(1).

10 (ii) The sum of the amount of approved claims to be
11 paid in the next fiscal year under sections 704 and
12 1304(a)(2)(ii) or (iv), if any.

13 * * *

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