

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1387 Session of 2023

INTRODUCED BY KUTZ, CABELL, FLEMING, HOGAN, IRVIN, MERCURI, MULLINS, ROWE, ZIMMERMAN AND T. JONES, JUNE 13, 2023

AS REPORTED FROM COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 21, 2024

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in realty transfer tax, further providing for
11 excluded transactions; AND, IN LOCAL REAL ESTATE TRANSFER <--
12 TAX, FURTHER PROVIDING FOR IMPOSITION.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 1102-C.3 of the act of March 4, 1971
16 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
17 by adding a clause to read:

18 Section 1102-C.3. Excluded Transactions.--The tax imposed by
19 section 1102-C shall not be imposed upon:

20 * * *

21 (26) A transfer of real estate to a first-time home buyer.
22 FOR A TRANSFER UNDER THIS CLAUSE IN WHICH MORE THAN ONE <--

1 INDIVIDUAL IS RECORDED ON THE DEED OF REAL ESTATE AT THE TIME OF
2 TRANSFER, EACH INDIVIDUAL MUST BE A FIRST-TIME HOME BUYER TO
3 QUALIFY FOR THE EXCLUSION PROVIDED BY THIS CLAUSE. For the
4 purposes of this clause, the term "first-time home buyer" shall
5 mean an individual who will reside in this Commonwealth and be
6 domiciled in a single-family residence transferred under this
7 clause and has not owned or purchased, directly or through a
8 trust, limited liability company, partnership or other legal
9 entity, either individually or jointly, a single-family
10 residence prior to the transfer, including a manufactured home,
11 trailer, mobile home or unit in a condominium, cooperative or
12 planned community-, IN THIS COMMONWEALTH OR ANY OTHER STATE. <--

13 SECTION 2. SECTION 1101-D OF THE ACT IS AMENDED TO READ:

14 SECTION 1101-D. IMPOSITION.--(A) THE DULY CONSTITUTED
15 AUTHORITIES OF THE FOLLOWING POLITICAL SUBDIVISIONS--CITIES OF
16 THE SECOND CLASS, CITIES OF THE SECOND CLASS A, CITIES OF THE
17 THIRD CLASS, BOROUGHs, INCORPORATED TOWNS, TOWNSHIPS OF THE
18 FIRST CLASS, TOWNSHIPS OF THE SECOND CLASS, SCHOOL DISTRICTS OF
19 THE FIRST CLASS A, SCHOOL DISTRICTS OF THE SECOND CLASS, SCHOOL
20 DISTRICTS OF THE THIRD CLASS AND SCHOOL DISTRICTS OF THE FOURTH
21 CLASS, IN ALL CASES INCLUDING INDEPENDENT SCHOOL DISTRICTS--MAY,
22 IN THEIR DISCRETION, BY ORDINANCE OR RESOLUTION, FOR GENERAL
23 REVENUE PURPOSES, LEVY, ASSESS AND COLLECT OR PROVIDE FOR THE
24 LEVYING, ASSESSMENT AND COLLECTION OF A TAX UPON A TRANSFER OF
25 REAL PROPERTY OR AN INTEREST IN REAL PROPERTY WITHIN THE LIMITS
26 OF THE POLITICAL SUBDIVISION, REGARDLESS OF WHERE THE
27 INSTRUMENTS MAKING THE TRANSFERS ARE MADE, EXECUTED OR DELIVERED
28 OR WHERE THE ACTUAL SETTLEMENTS ON THE TRANSFER TAKE PLACE, TO
29 THE EXTENT THAT THE TRANSACTIONS ARE SUBJECT TO THE TAX IMPOSED
30 BY ARTICLE XI-C. A TAX IMPOSED UNDER THIS ARTICLE SHALL BE

1 SUBJECT TO RATE LIMITATIONS PROVIDED BY SECTION 5, SECTION 8 AND
2 SECTION 17 OF THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511),
3 KNOWN AS "THE LOCAL TAX ENABLING ACT."

4 (B) THE EXCLUSION PROVIDED UNDER SECTION 1102-C.3(26) SHALL
5 NOT APPLY TO A TAX IMPOSED UNDER THIS ARTICLE.

6 Section 2 3. This act shall take effect in 60 days.

<--