

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 86 Session of  
2023

---

INTRODUCED BY PHILLIPS-HILL, MARTIN, STEFANO, J. WARD, MASTRIANO  
AND BAKER, JANUARY 12, 2023

---

REFERRED TO FINANCE, JANUARY 12, 2023

---

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 senior citizens property tax  
11 and rent rebate assistance, further providing for  
12 definitions.

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

15 Section 1. The definition of "income" in section 1303 of the  
16 act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as  
17 the Taxpayer Relief Act, is amended to read:

18 Section 1303. Definitions.

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

22 \* \* \*

23 "Income." All income from whatever source derived,

1 including, but not limited to:

2 (1) Salaries, wages, bonuses, commissions, income from  
3 self-employment, alimony, support money, cash public  
4 assistance and relief.

5 (2) The gross amount of any pensions or annuities,  
6 including railroad retirement benefits for calendar years  
7 prior to 1999 and 50% of railroad retirement benefits for  
8 calendar years 1999 and thereafter. For a person who receives  
9 a payment from a qualified plan under the Internal Revenue  
10 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.) and  
11 deposits all or a portion of the payment in another qualified  
12 plan under the Internal Revenue Code of 1986 within 60 days  
13 after receipt of the payment, the amount deposited shall be  
14 excluded from income.

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

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

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

30 (4) All benefits received under State unemployment

1 insurance laws.

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

5 (6) Realized capital gains and rentals.

6 (7) Workers' compensation.

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

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

13 The term does not include surplus food or other relief in kind  
14 supplied by a governmental agency, property tax or rent rebate,  
15 inflation dividend, Federal veterans' disability payments or  
16 State veterans' benefits.

17 \* \* \*

18 Section 2. The amendment of the definition of "income" in  
19 section 1303 of the act shall apply to calendar years beginning  
20 after December 31, 2024.

21 Section 3. This act shall take effect in 60 days.