

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 113 Session of 2023

INTRODUCED BY CIRESI, HADDOCK, PROBST, SMITH-WADE-EL, KINKEAD, BENHAM, SALISBURY, McNEILL, KRAJEWSKI, MERSKI, SAPPEY, D. WILLIAMS, MADDEN, HILL-EVANS, CERRATO, HANBIDGE, PISCIOTTANO, GUENST, SANCHEZ, KENYATTA, PARKER, MENTZER, VENKAT, CEPEDA-FREYTIZ, PASHINSKI, T. DAVIS, DELLOSO, BURGOS, KHAN, DEASY, O'MARA AND OTTEN, MARCH 8, 2023

REFERRED TO COMMITTEE ON FINANCE, MARCH 8, 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 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.

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

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

12 (1.1) Except as provided in paragraph (2), a resident of  
13 a city of the first class, a city of the second class A or a  
14 school district of the first class A who is eligible to  
15 receive a property tax rebate under Chapter 13 through  
16 calendar year 2022 and who has a household income, as defined  
17 under section 1303, equal to or less than \$30,000 shall be  
18 eligible to receive an additional property tax rebate equal  
19 to 50% of the amount that the individual is eligible to  
20 receive under Chapter 13.

21 (1.2) Except as provided in paragraph (2), a resident of  
22 a city of the first class, a city of the second class A or a  
23 school district of the first class A who is eligible to  
24 receive a property tax rebate under Chapter 13 during  
25 calendar year 2023 and thereafter and whose real property  
26 taxes exceed 15% of the claimant's household income, as  
27 defined under section 1303, shall be eligible to receive an  
28 additional property tax rebate equal to 50% of the amount  
29 that the individual is eligible to receive under Chapter 13.

30 \* \* \*

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

3 Section 1303. Definitions.

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

7 \* \* \*

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

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

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

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

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

29 [(iii) Eligibility in the property tax and rent  
30 rebate program pursuant to subparagraph (ii) shall expire

1 on December 31, 2016.]

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

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

7 (6) Realized capital gains and rentals.

8 (7) Workers' compensation.

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

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

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

22 \* \* \*

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

25 Section 1304. Property tax; and rent rebate.

26 (a) Schedule of rebates.--

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

1 schedule:

2 Percentage of Real Property Taxes or  
3 Rent Rebate in Lieu of

4 Household Income Property Taxes Allowed as Rebate

5	\$ 0 - \$ 4,999	100%
6	5,000 - 5,499	100
7	5,500 - 5,999	90
8	6,000 - 6,499	80
9	6,500 - 6,999	70
10	7,000 - 7,499	60
11	7,500 - 7,999	50
12	8,000 - 8,499	40
13	8,500 - 8,999	35
14	9,000 - 9,999	25
15	10,000 - 11,999	20
16	12,000 - 12,999	15
17	13,000 - 15,000	10

18 (2) The following apply:

19 (i) The base amount of any claim for property tax  
20 rebate for real property taxes due and payable during  
21 calendar [year 2006 and thereafter] years 2006 through  
22 2022 shall be determined in accordance with the following  
23 schedule:

24	Household Income	Amount of Real Property Taxes Allowed as Rebate
25	\$ 0 - \$ 8,000	\$650
26	8,001 - 15,000	500
27	15,001 - 18,000	300
28	18,001 - 35,000	250
29		

30 (ii) [The] Through calendar year 2022, the

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

13 (iii) The base amount of any claim for property tax  
14 rebate for real property taxes due and payable during  
15 calendar year 2023 and thereafter shall be determined in  
16 accordance with the following schedule:

<u>Amount of Real Property Taxes</u>	
<u>Household Income</u>	<u>Allowed as Rebate</u>
<u>\$ 0 - \$ 12,000</u>	<u>\$800</u>
<u>12,001 - 25,000</u>	<u>600</u>
<u>25,001 - 35,000</u>	<u>375</u>
<u>35,001 - 50,000</u>	<u>300</u>

23 (iv) During calendar year 2023 and thereafter, the  
24 supplemental amount for a claimant with an eligible claim  
25 for property tax rebate for real property taxes due and  
26 payable during the calendar year preceding the first year  
27 in which a payment under section 505(b) is made and each  
28 year thereafter and whose real property taxes exceed 15%  
29 of the claimant's household income shall be equal to 50%  
30 of the base amount determined under subparagraph (iii). A

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

5 (3) The following apply:

6 (i) The amount of any claim for rent rebate in lieu  
7 of property taxes for rent due and payable during  
8 calendar [year 2006 and thereafter] years 2006 through  
9 2022 shall be determined in accordance with the  
10 following:

	<u>Amount of Rent Rebate in</u>
	<u>Lieu of Property Taxes</u>
<u>Household Income</u>	<u>Allowed as Rebate</u>
14 \$ 0 - \$ 8,000	\$650
15 8,001 - 15,000	500

16 (ii) The amount of any claim for rent rebate in lieu  
17 of property taxes for rent due and payable during  
18 calendar year 2023 and thereafter shall be determined in  
19 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>
23 <u>\$ 0 - \$ 12,000</u>	<u>\$800</u>
24 <u>12,001 - 25,000</u>	<u>600</u>

25 \* \* \*

26 Section 1308. Funds for payment of claims.

27 \* \* \*

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

1           \* \* \*

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

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

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

12           \* \* \*

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