
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2438 Session of
2022

INTRODUCED BY MERCURI, JAMES, MILLARD, MIZGORSKI, ROTHMAN AND
RYAN, MARCH 22, 2022

REFERRED TO COMMITTEE ON FINANCE, MARCH 22, 2022

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 general provisions, providing for electronic
11 tax lien filing and centralized repository; and making a
12 related repeal.

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

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

18 Section 3003.25. Electronic Tax Lien Filing and Centralized
19 Repository.--(a) Commonwealth taxes administered by the
20 Department of Revenue shall be a lien upon the property,
21 franchises and rights to property, real and personal, tangible
22 and intangible, including after-acquired property, of a
23 corporation, association or person upon the posting of the

1 liability under subsection (g), and shall be considered
2 recorded, and, unless otherwise provided in this act, have
3 priority from that point in time. The lien shall be a statutory
4 lien, encumbering the property, franchises and rights to the
5 property throughout this Commonwealth, without the need for the
6 lien to be reduced to judgment, filed with a county
7 prothonotary, or revived.

8 (b) If the property, franchises and rights to property of a
9 corporation, association or person are sold at a judicial sale,
10 all taxes due the Commonwealth shall be allowed and fully paid
11 out of the proceeds of the sale before any other obligation,
12 judgment, mortgage, claim or lien, including real estate taxes
13 and local and municipal claims, and excepting costs of the sale
14 and of the writ upon which the sale was made, but shall be
15 subordinate to mortgages or other liens, including real estate
16 taxes and local and municipal claims which had already been
17 established by statute, or existing and duly recorded or entered
18 of record prior to the posting of the tax lien on the
19 repository.

20 (c) A judicial sale from a senior priority claim shall
21 divest a Commonwealth tax lien from the property actually sold
22 at that sale only to the extent the Commonwealth tax lien
23 remains unpaid after all distributions have been made, but the
24 Commonwealth tax lien shall, in all other respects, continue to
25 encumber any and all property the corporation, association or
26 person owns that was not included in the judicial sale,
27 including after-acquired property, until such time as the
28 Commonwealth tax lien is satisfied in its entirety.

29 (d) All liens filed by the Department of Revenue shall be
30 Commonwealth tax liens, and nothing in this section shall be

1 construed to prohibit the Department of Revenue, at its
2 discretion, from releasing a Commonwealth tax lien upon receipt
3 of adequate consideration.

4 (e) Inheritance tax liens shall arise as of the date of
5 death and attach to the decedent's real property and need not be
6 included in the repository established under this section. The
7 lien shall remain until the taxes and interest are paid in full
8 or until the lien is released under Article XXI.

9 (f) The Department of Revenue shall not be required to file
10 a Commonwealth tax lien with a prothonotary of this Commonwealth
11 in order for the department to collect on the lien, via any
12 method available at law, except for a writ of execution filed by
13 the Commonwealth.

14 (g) The Department of Revenue shall maintain a searchable
15 centralized repository of all Commonwealth tax liens due and
16 owing to the Commonwealth. The repository shall be posted to the
17 Department of Revenue's publicly accessible Internet website.
18 Liabilities due to the Commonwealth for taxes administered by
19 the Department of Revenue may be posted to the repository within
20 seven days of the settlement, determination or assessment
21 becoming final. The Department of Revenue shall not be required
22 to refile or revive a Commonwealth tax lien. The repository
23 shall be updated no less than once every seven days. The
24 publication of the repository and disclosure of information
25 contained in the repository shall be used only for official
26 purposes under section 731 of the act of April 9, 1929 (P.L.343,
27 No.176), known as The Fiscal Code.

28 (h) (1) In order for the Commonwealth to collect on a
29 Commonwealth tax lien by executing on property, unless otherwise
30 provided by law, the Commonwealth tax lien must be filed of

1 record with the prothonotary of the respective county where the
2 property or rights to property the Department of Revenue seeks
3 to execute upon is located. The Department of Revenue may, at
4 any time, transmit to the prothonotary of the applicable county,
5 where the property the department seeks to execute upon is
6 located, a certified copy of the lien posted on the repository,
7 to be entered of record by the prothonotary and indexed as
8 judgments are now indexed, upon which record is lawful for writs
9 of execution to be directly issued without the issuance and
10 prosecution to judgment of writs of scire facias: Provided, that
11 not less than ten days before the issuance of execution on the
12 lien, notice of the filing and effect of the lien shall be sent
13 by first class and registered or certified mail to the
14 taxpayer's last known post office address.

15 (2) No prothonotary shall require as a condition precedent
16 to the entry of the lien, payment of the costs incident to the
17 entry.

18 (3) The indexing and filing of the Commonwealth tax lien by
19 the prothonotary shall not change or otherwise affect the
20 priority status of the lien, unless otherwise provided in this
21 act.

22 (4) Nothing in this section shall be construed to require
23 the Department of Revenue to file a Commonwealth tax lien in
24 order to proceed with a wage garnishment under section 3003.15
25 or a bank attachment under section 3003.22.

26 (i) A prothonotary who wilfully fails to carry out a duty
27 imposed by this section commits a misdemeanor and shall, upon
28 conviction, be sentenced to pay a fine not exceeding one
29 thousand dollars (\$1,000) and costs of prosecution, or to
30 undergo imprisonment not exceeding one year, or both.

1 Section 2. Repeals are as follows:

2 (1) The General Assembly declares that the repeal under
3 paragraph (2) is necessary to effectuate this act.

4 (2) Section 213 of the act of April 9, 1929 (P.L.343,
5 No.176), known as The Fiscal Code, is repealed.

6 Section 3. A tax lien of the Commonwealth created prior to
7 January 1, 2024, shall not be impaired, shall remain in full
8 force and effect and shall retain the priority under the
9 provision of law imposing the tax lien, without the necessity of
10 refiling or revival.

11 Section 4. This act shall take effect January 1, 2024.