

No. 3

AN ACT

HB 192

Providing property tax assistance to certain senior citizens, widows and permanently disabled persons with limited incomes; establishing uniform standards and qualifications for eligibility to receive assistance; imposing duties upon the Department of Revenue and making an appropriation.

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

Section 1. Short Title.—This act shall be known and may be cited as the “Senior Citizens Property Tax Assistance Act.”

Section 2. Declaration of Policy.—In recognition of the severe economic plight of certain senior citizens, widows and permanently disabled persons who are real property owners with fixed and limited incomes who are faced with rising living costs and constantly increasing tax burdens upon their homesteads, the General Assembly, pursuant to the mandates of the Constitutional Convention of 1968, considers it to be a matter of sound public policy to make special provisions for property tax assistance to that class of senior citizens, widows and permanently disabled persons who are real property taxpayers who are without adequate means of support to enable them to remain in peaceable possession of their homes and relieving their economic burden.

Section 3. Definitions.—As used in this act:

(1) “Income” means all income from whatever source derived, including but not limited to salaries, wages, bonuses, commissions, income from self-employment, alimony, support money, cash public assistance and relief, the gross amount of any pensions or annuities including railroad retirement benefits, all benefits received under the Federal Social Security Act (except Medicare benefits), all benefits received under State unemployment insurance laws and veterans’ disability payments, all interest received from the Federal or any State government, or any instrumentality or political subdivision thereof, realized capital gains, rentals, workmen’s compensation and the gross amount of loss of time insurance benefits, life insurance benefits and proceeds, and gifts of cash or property (other than transfers by gift between members of a household) in excess of a total value of three hundred dollars (\$300), but shall not include surplus food or other relief in kind supplied by a governmental agency or property tax assistance.

(2) “Household income” means all income received by the claimant and all other persons while residing in the homestead during a calendar year in which real property taxes are due and payable, but shall not include the income of residents not related to the claimant paying reasonable fixed rents.

(3) "Homestead" means a dwelling, and so much of the land surrounding it, not exceeding two acres, as is reasonably necessary for use of the dwelling as a home, occupied by a claimant. A homestead shall also include premises occupied by reason of ownership or lease in a cooperative housing corporation, mobile homes which are assessed as realty for local property tax purposes and the land, if owned by the claimant, upon which the mobile home is situated, and other similar living accommodations, as well as a part of a multi-dwelling or multi-purpose building and a part of the land upon which it is built. It shall also include premises occupied by reason of the claimant's ownership of a dwelling located on land owned by a nonprofit incorporated association, of which the claimant is a member, if the claimant is required to pay a pro rata share of the property taxes levied against the association's land. It shall also include premises occupied by a claimant if he is required by law to pay a property tax by reason of his ownership (including a possessory interest) in the dwelling, the land, or both. An owner includes a person in possession under a contract of sale, deed of trust, life estate, joint tenancy or tenancy in common.

(4) "Real property taxes" means all taxes on a homestead (exclusive of municipal assessments, delinquent charges, and interest) due and payable during a calendar year.

(5) "Claimant" means a person who files a claim for property tax assistance and was sixty-five years of age or over, or whose spouse (if a member of the household) was sixty-five years of age or over, during a calendar year in which real property taxes were due and payable or was a widow and was fifty years of age or over during a calendar year or part thereof in which real property taxes were due and payable, or was a permanently disabled person during a calendar year or part thereof in which real property taxes were due and payable. For the purposes of this act the term "widow" shall mean the surviving wife of a deceased individual and who has not remarried except as provided in subsection (c) of section 4 of this act. For the purposes of this act the term "permanently disabled person" shall mean a person who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to continue indefinitely, except as provided in subsection (c) of section 4 of this act.

(6) "Department" means the Department of Revenue.

Section 4. Property Tax Assistance.—(a) The amount of any claim for property tax assistance for real property taxes due and payable during any calendar year beginning January 1, 1971, and thereafter shall be determined in accordance with the following schedule:

Household Income	Percentage of Real Property Taxes Allowed as Assistance
\$ 0 - \$ 999	100 %
1,000 - 1,499	90
1,500 - 1,999	80
2,000 - 2,499	70
2,500 - 2,999	60
3,000 - 3,499	50
3,500 - 3,999	40
4,000 - 4,999	30
5,000 - 5,999	20
6,000 - 7,499	10

(b) No claim shall be allowed if the amount of property tax assistance computed in accordance with this section is less than ten dollars (\$10), and the maximum amount of assistance payable shall not exceed two hundred dollars (\$200).

(c) If a homestead is owned and occupied for only a portion of a year or is owned in part by a person who does not meet the qualifications for a claimant, exclusive of any interest owned by a claimant's spouse, or if the claimant is a widow who remarries, or if the claimant is a permanently disabled person who is no longer disabled, the department shall apportion the real property taxes in accordance with the period or degree of ownership or eligibility of the claimant in determining the amount of assistance for which a claimant is eligible.

Section 5. Filing of Claim.—A claim for property tax assistance shall be filed with the department within one hundred twenty days succeeding the end of the calendar year in which real property taxes were due and payable, except that no reimbursement on any such claim shall be made from the General Fund earlier than sixty-five days after the last day on which such claim may be filed. Only one claimant from a homestead each year shall be entitled to property tax assistance. If two or more persons are able to meet the qualifications for a claimant, they may determine who the claimant shall be. If they are unable to agree, the department shall determine to whom assistance is to be paid.

Section 6. Proof of Claim.—Each claim shall include reasonable proof of household income, the size and nature of the property claimed as a homestead and the tax receipt or other proof that the real property taxes on the homestead have been paid. If the claimant is a widow, an affidavit of such status shall be included. Proof that a claimant is eligible to receive disability benefits under the Federal Social Security Act shall constitute proof of disability under this act. No person who has been found not to be disabled by the social security administration shall be granted assistance under this act. A claimant not covered under the Federal Social Security Act shall be examined by a physician designated by the department and

such status determined using the same standards used by the social security administration. It shall not be necessary that such taxes were paid by the claimant. The first claim filed shall include proof that the claimant or his spouse was age sixty-five or over or fifty years or over in the case of a widow, during the calendar year in which real property taxes were due and payable.

Section 7. Incorrect Claim.—Whenever on audit of any claim, the department finds the claim to have been incorrectly determined, it shall redetermine the correct amount of the claim and notify the claimant of the reason of the redetermination and the amount of the corrected claim.

Section 8. In the event that the total amount of the claims exceeds the sum of sixty million dollars (\$60,000,000) in any one year, then the percentage allowed as assistance shall be reduced in the proportion that sixty million dollars (\$60,000,000) bears to the total amount of the claims in any one year

Section 9. Claim Forms and Rules and Regulations.—The department shall prescribe necessary rules and regulations and shall make available suitable forms for filing a claim.

Section 10. Fraudulent Claim; Conveyance to Obtain Benefits.—In any case in which a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full and a penalty of twenty-five per cent of the amount claimed shall be imposed. The penalty and the amount of the disallowed claim, if the claim has been paid, shall bear interest at the rate of one-half of one per cent per month from the date of the claim until repaid. The claimant and any person who assisted in the preparation or filing of a fraudulent claim shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars (\$1,000), or undergo imprisonment not exceeding one year, or both.

A claim shall be disallowed if the claimant received title to the homestead primarily for the purpose of receiving property tax assistance.

Section 11. Appeal.—Appeals from any action or determination of the department in administering this act shall be taken to the Board of Finance and Revenue, as otherwise provided by law. Appeals from the decision of the Board of Finance and Revenue may be taken to the Commonwealth Court in accordance with the act of June 4, 1945 (P.L.1388), known as the “Administrative Agency Law.”

Section 12. Effective Date.—This act shall take effect immediately, applicable to tax years beginning January 1, 1971, and thereafter.

APPROVED—The 11th day of March, A. D. 1971.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly
No. 3.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive style with a large initial "C" and a prominent "T" at the end.

Secretary of the Commonwealth.