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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1939 Session of  
2024

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INTRODUCED BY WEBSTER, KINSEY, MADDEN, SANCHEZ, PROBST, BURGOS,  
DELLOSO, BRENNAN, CEPEDA-FREYTIZ, HILL-EVANS AND CERRATO,  
JANUARY 3, 2024

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REFERRED TO COMMITTEE ON FINANCE, JANUARY 3, 2024

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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, providing for deductions.

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

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

16 Section 1102-C.7. Deductions.--(a) For taxable years  
17 beginning after December 31, 2024, where there is a transfer of  
18 residential property to a buyer collecting Supplemental Security  
19 Income benefits or with a household income not greater than 215%  
20 of the Federal poverty level, an amount equal to the tax paid at  
21 the time of transfer shall be deductible from the taxable income

1 of the buyer.

2 (b) For taxable years beginning after December 31, 2024,  
3 where there is a transfer of residential property to a buyer for  
4 use as a primary residence for a purchase price not greater than  
5 80% of the median purchase price of a residential property in  
6 the county in which the transfer is completed, an amount equal  
7 to the tax paid at the time of transfer shall be deductible from  
8 the taxable income of the buyer and the taxable income of the  
9 seller.

10 (c) For the purpose of establishing the median purchase  
11 price of a residential property, each county office of the  
12 recorder of deeds shall submit to the department no later than  
13 January 31, 2025, and each January 31 thereafter, documentation  
14 establishing the median purchase price of a residential property  
15 for the preceding calendar year.

16 (d) If the deduction allowed under this section is greater  
17 than the amount of tax due, no refund or carryover credit shall  
18 be allowed.

19 Section 2. This act shall take effect in 60 days.