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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 236 Session of  
2023

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INTRODUCED BY HILL-EVANS, CIRESI, HANBIDGE, PROBST, McNEILL,  
GUENST, KINSEY, HARKINS, M. MACKENZIE, SANCHEZ, MADDEN,  
R. MACKENZIE, BURGOS AND PARKER, MARCH 10, 2023

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REFERRED TO COMMITTEE ON FINANCE, MARCH 10, 2023

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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," providing for veterans property tax rebate and  
11 rent rebate assistance; establishing the Veterans Property  
12 Tax Rebate and Rent Rebate Assistance Account; and making an  
13 appropriation.

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

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

19 ARTICLE XXIX-I

20 VETERANS PROPERTY TAX REBATE

21 AND RENT REBATE ASSISTANCE

22 Section 2901-I. Scope of article.

23 This article relates to veterans property tax rebate and rent

1 rebate assistance.

2 Section 2902-I. Definitions.

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

6 "Board." The Board of Finance and Revenue of the  
7 Commonwealth.

8 "Claim." A claim for a property tax rebate or rent rebate  
9 under this article.

10 "Claimant." An individual who is a veteran honorably  
11 discharged from the armed forces of the United States, including  
12 the National Guard, within the past three years and who files a  
13 claim.

14 "DD214." A United States Department of Defense Report of  
15 Separation Form 214 or a similarly effective form issued by the  
16 Department of Defense relating to separation from military  
17 service.

18 "DD215." A United States Department of Defense Incomplete  
19 Awards, Decorations and Discharges Form 215 or similarly  
20 effective form issued by the Department of Defense to correct  
21 errors or make additions to a DD214 in order to ensure that a  
22 veteran has accurate discharge documentation.

23 "Department." The Department of Revenue of the Commonwealth.

24 "Homestead." As follows:

25 (1) A dwelling, whether owned or rented, and so much of  
26 the land surrounding it as is reasonably necessary for the  
27 use of the dwelling as a home, occupied by a claimant.

28 (2) The term includes:

29 (i) Premises occupied by reason of ownership or  
30 lease in a cooperative housing corporation.

1           (ii) A mobile home that is assessed as realty for  
2           local property tax purposes and the land, if owned or  
3           rented by the claimant, upon which the mobile home is  
4           situated, and other similar living accommodations.

5           (iii) A part of a multidwelling or multipurpose  
6           building and a part of the land upon which it is built.

7           (iv) Premises occupied by reason of a claimant's  
8           ownership or rental of a dwelling located on land owned  
9           by a nonprofit incorporated association of which the  
10           claimant is a member, if the claimant is required to pay  
11           a pro rata share of the property taxes levied against the  
12           association's land.

13           (v) Premises occupied by a claimant if the claimant  
14           is required by law to pay a property tax by reason of the  
15           claimant's ownership or rental, including a possessory  
16           interest, in the dwelling, the land or both. Ownership  
17           includes possession under a contract of sale, deed of  
18           trust, life estate, joint tenancy or tenancy in common or  
19           by reason of statutes of descent and distribution.

20           "Property tax rebate." A rebate under this article for real  
21           property taxes.

22           "Real property taxes." All taxes on a homestead, exclusive  
23           of municipal assessments, delinquent charges and interest, due  
24           and payable during a calendar year.

25           "Rent in lieu of property taxes." Rent due and payable  
26           during a calendar year to a landlord in connection with the  
27           occupancy of a homestead, irrespective of whether the amount  
28           constitutes payment solely for the right of occupancy or  
29           otherwise.

30           "Rent rebate." A rebate under this article for rent in lieu

1 of property taxes.

2 "Secretary." The Secretary of Revenue of the Commonwealth.

3 "Veteran." An individual who served in the armed forces of  
4 the United States, including the National Guard.

5 Section 2903-I. Establishment of program.

6 The Veterans Property Tax Rebate and Rent Rebate Assistance  
7 Program is established in the department and shall be  
8 administered as provided in this article.

9 Section 2904-I. Property tax rebate and rent rebate.

10 (a) Schedule of rebates.--The following apply:

11 (1) As follows:

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

|                           | <u>Amount of Real Property Taxes</u> |
|---------------------------|--------------------------------------|
| <u>Household Income</u>   | <u>Allowed as Rebate</u>             |
| 18 <u>\$ 0 - \$ 8,000</u> | <u>\$650</u>                         |
| 19 <u>8,001 - 15,000</u>  | <u>500</u>                           |
| 20 <u>15,001 - 18,000</u> | <u>300</u>                           |
| 21 <u>18,001 - 35,000</u> | <u>250</u>                           |

22 (ii) The supplemental amount for a claimant with a  
23 household income equal to or less than \$30,000 and an  
24 eligible claim for a property tax rebate for real  
25 property taxes due and payable during a calendar year and  
26 whose real property taxes exceed 15% of the claimant's  
27 household income shall be equal to 50% of the base amount  
28 determined under subparagraph (i). A claimant who is a  
29 resident of a city of the first class, a city of the  
30 second class A or a school district of the first class A

1 shall be ineligible for the supplemental amount under  
2 this subparagraph.

3 (2) The amount of a claim for a rent rebate for rent due  
4 and payable during a calendar year shall be determined in  
5 accordance with the following:

|                           | <u>Amount of Rent in Lieu of</u> |
|---------------------------|----------------------------------|
|                           | <u>Property Taxes</u>            |
| <u>Household Income</u>   | <u>Allowed as Rebate</u>         |
| 9 <u>\$ 0 - \$ 8,000</u>  | <u>\$650</u>                     |
| 10 <u>8,001 - 15,000</u>  | <u>500</u>                       |
| 11 <u>15,001 - 18,000</u> | <u>300</u>                       |
| 12 <u>18,001 - 35,000</u> | <u>250</u>                       |

13 (b) Limitations on claims.--

14 (1) No claim during a calendar year shall be allowed if  
15 the amount of the property tax rebate or rent rebate,  
16 computed in accordance with this section, is less than \$10.

17 (2) During a calendar year, the maximum amount of the  
18 property tax rebate or rent rebate shall not exceed the  
19 lesser of:

20 (i) the amount of a claim under subsection (a); or

21 (ii) either of the following:

22 (A) the amount of real property taxes actually  
23 paid; or

24 (B) twenty percent of the gross amount actually  
25 paid in cash or its equivalent in any calendar year  
26 regarding the rent in lieu of property taxes.

27 (3) No claim shall be allowed if the claimant is a  
28 tenant of an owner of real property exempt from real property  
29 taxes.

30 (c) Apportionment and public assistance.--

1       (1) If a claim relates to a homestead owned or rented  
2 and occupied for only a portion of a year or owned or rented  
3 in part by a person who does not meet the qualifications for  
4 a claimant, exclusive of an interest owned or leased by a  
5 claimant's spouse, the department shall apportion the real  
6 property taxes or rent in accordance with the period or  
7 degree of ownership or leasehold or eligibility of the  
8 claimant in determining the amount of rebate for which a  
9 claimant is eligible.

10       (2) A claimant who receives public assistance from the  
11 Department of Human Services shall not be eligible for a rent  
12 rebate during those months within which the claimant receives  
13 public assistance.

14       (d) Government subsidies.--Rent in lieu of property taxes  
15 shall not include subsidies provided by or through a  
16 governmental agency.

17 Section 2905-I. Filing of claim.

18       (a) General rule.--Except as otherwise provided in  
19 subsection (b), a claim must be filed with the department on or  
20 before June 30 of the year following the end of the calendar  
21 year in which real property taxes or rent in lieu of property  
22 taxes was due and payable.

23       (b) Exception.--A claim filed after the June 30 deadline  
24 until December 31 of the same calendar year shall be accepted by  
25 the secretary if funds are available to pay the benefits to the  
26 late filing claimant.

27       (c) Payments.--No reimbursement on a claim shall be made  
28 earlier than July 1 of the calendar year in which the claim was  
29 filed.

30       (d) Eligibility of claimants.--

1       (1) Only one claimant from a homestead each year shall  
2 be entitled to the property tax rebate or rent rebate.

3       (2) If two or more persons are able to meet the  
4 qualifications for a claimant, they may determine who the  
5 claimant shall be. If they are unable to determine who the  
6 claimant shall be, the department shall determine to whom the  
7 property tax rebate or rent rebate is to be paid.

8 Section 2906-I. Proof of claim.

9       (a) Contents.--Each claim shall include:

10       (1) A DD214 or DD215, issued within the last three  
11 years.

12       (2) The size and nature of the property claimed as a  
13 homestead.

14       (3) Rent receipts, tax receipt or other proof that the  
15 real property taxes on the homestead have been paid or that  
16 the rent in connection with the occupancy of a homestead has  
17 been paid.

18       (4) Other information as required by the department.

19       (b) Direct payment of taxes or rent not required.--Rent or  
20 real property taxes do not need to have been paid directly by  
21 the claimant if the rent or real property taxes have been paid  
22 on or before the filing of the claim.

23 Section 2907-I. Incorrect claim.

24       If on audit of a claim the department finds the claim to have  
25 been incorrectly determined, the department shall redetermine  
26 the correct amount of the claim and shall notify the claimant of  
27 the reason for the redetermination and the amount of the  
28 corrected claim.

29 Section 2908-I. Funds for payment of claims.

30       (a) Establishment.--The Veterans Property Tax Rebate and

1 Rent Rebate Assistance Account is established as a restricted  
2 account in the State Treasury. The account shall be for the  
3 purpose of funding property tax rebates and rent rebates under  
4 this article.

5 (b) Transfer.--The sum of \$40,000,000 is transferred from  
6 the General Fund to the account.

7 (c) Appropriation.--Money transferred to the account is  
8 appropriated on a continuing basis to the Department of Revenue  
9 for use in funding property tax rebates and rent rebates as  
10 specified under this article.

11 Section 2909-I. Rules and regulations and procedures generally.

12 (a) Promulgation and administration.--

13 (1) The secretary shall prescribe necessary rules and  
14 regulations to carry out the provisions of this article, in  
15 consultation with the Secretary of Community and Economic  
16 Development.

17 (2) The department shall receive all applications,  
18 determine the eligibility of claimants, hear appeals,  
19 disburse payments and make available suitable forms for the  
20 filing of claims.

21 (b) Report to General Assembly.--In addition to any rules  
22 and regulations prescribed under subsection (a), the department  
23 shall collect the following information and issue a report  
24 including the information to the chairperson and minority  
25 chairperson of the Appropriations Committee of the Senate and  
26 the chairperson and minority chairperson of the Appropriations  
27 Committee of the House of Representatives by September 30, 2025,  
28 and September 30 of each year thereafter:

29 (1) The total number of claims under this article made  
30 in the fiscal year in which the report is issued, categorized



1 by school district and by county.

2 (2) The total amount of rebates under this article paid  
3 in the fiscal year in which the report is issued, categorized  
4 by school district and by county.

5 Section 2910-I. Fraudulent claims and conveyances to obtain  
6 benefits.

7 (a) Civil penalty.--If a claim is excessive or otherwise  
8 fraudulent, the claim shall be disallowed in full, and a penalty  
9 of 25% of the amount claimed shall be imposed. The penalty and  
10 the amount of the disallowed claim, if the claim has been paid,  
11 shall bear interest at the rate of 1.5% per month from the date  
12 of the claim until repaid.

13 (b) Criminal penalty.--A claimant and any person who assists  
14 in the preparation or filing of the claim described in  
15 subsection (a) commits a misdemeanor of the third degree and,  
16 upon conviction thereof, shall be sentenced to pay a fine not  
17 exceeding \$1,000 or to imprisonment not exceeding one year, or  
18 both.

19 (c) Disallowance for receipt of title.--A claim shall be  
20 disallowed if the claimant received title to the homestead  
21 primarily for the purpose of receiving a property tax rebate.

22 Section 2911-I. Petition for redetermination.

23 (a) Right to file.--If the department denies, corrects or  
24 takes any other adverse action regarding a claim, the claimant  
25 may, within 90 days after the date that the department mailed  
26 written notice to the claimant of the adverse action, file with  
27 the department a petition for redetermination on a form supplied  
28 by the department.

29 (b) Contents.--The petition under subsection (a) shall:

30 (1) State the grounds upon which the claimant alleges

1 that the action is erroneous or unlawful, in whole or part.

2 (2) Contain an affidavit or affirmation that the facts  
3 contained in the petition are true and correct.

4 (c) Extension of time for filing.--An extension of time for  
5 filing the petition under subsection (a) may be allowed for  
6 cause but may not exceed 120 days.

7 (d) Hearings.--

8 (1) Subject to subsection (e), the department shall hold  
9 any necessary hearing on petitions under subsection (a).

10 (2) The department shall provide the claimant notice of  
11 any hearing on the claimant's petition under subsection (a).  
12 Notice shall include the date, time and place of the hearing.

13 (e) Time period for determination.--Within six months after  
14 receiving a claimant's petition under subsection (a), the  
15 department shall dispose of the matters raised in the petition  
16 and shall mail notice to the claimant of the department's  
17 determination.

18 Section 2912-I. Review by board.

19 (a) Right to review.--Within 90 days after the date of  
20 official receipt by the claimant of notice mailed by the  
21 department of its decision under section 2911-I, the claimant  
22 who is adversely affected by the decision may by petition  
23 request the board to review the action.

24 (b) Effect of no decision from department.--

25 (1) Failure of the department to officially notify the  
26 claimant of a decision within the six-month period under  
27 section 2911-I(e) shall act as a denial of the petition.

28 (2) A petition for review may be filed with the board  
29 within 120 days after written notice is officially received  
30 by the claimant that the department has failed to dispose of

1 the petition within the six-month period.

2 (c) Contents of petition for redetermination.--A petition  
3 for review under this section shall state the reasons for review  
4 or shall incorporate by reference the petition for  
5 redetermination under section 2911-I. The petition shall be  
6 supported by affidavit that the facts stated in the petition for  
7 review are correct and true.

8 (d) Decision.--

9 (1) The board shall dispose of each petition for review  
10 under this section within six months after the petition has  
11 been received.

12 (2) If the board fails to dispose of a petition for  
13 review within six months, the action taken by the department  
14 regarding the petition for redetermination shall be deemed  
15 sustained.

16 (3) The board may sustain the action taken by the  
17 department on the petition for redetermination or may take  
18 other action as the board deems necessary and consistent with  
19 provisions of this article.

20 (e) Notice.--Written notice of the action of the board on a  
21 claimant's petition for review under this section shall be  
22 mailed to the department and the claimant.

23 Section 2913-I. Appeal.

24 A claimant aggrieved by a decision of the board may appeal  
25 the decision of the board in the manner provided by law for  
26 appeals from decisions of the board in tax cases.

27 Section 2. This act shall take effect July 1, 2024, or  
28 immediately, whichever is later.