

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1286 Session of 2024

INTRODUCED BY L. WILLIAMS, TARTAGLIONE, HAYWOOD, FONTANA,
CAPPELLETTI, COSTA AND MILLER, JULY 17, 2024

REFERRED TO FINANCE, JULY 17, 2024

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, further providing for
11 definitions and for excluded transactions.

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

14 Section 1. Section 1101-C of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
16 by adding definitions to read:

17 Section 1101-C. Definitions.--The following words when used
18 in this article shall have the meanings ascribed to them in this
19 section:

20 "Affordable housing." Housing that is rented to a low-income
21 household and is owned, operated or managed, developed, created,
22 acquired, owned or operated by an agency or instrumentality of

1 the United States, the Commonwealth, a municipality, including a
2 housing authority, or an owner entity. The term shall not
3 include real estate transferred solely for the construction of
4 an administrative or maintenance building.

5 * * *

6 "Housing authority." A housing authority created under the
7 act of May 28, 1937 (P.L.955, No.265), referred to as the
8 Housing Authorities Law.

9 * * *

10 "Low-income household." A household with a total income at
11 or below eighty per cent of the area median income, adjusted for
12 household size, as determined annually by the United States
13 Secretary of Housing and Urban Development under 42 U.S.C. §
14 1437a(b) (2) (A) (relating to rental payments).

15 * * *

16 "Owner entity." An entity that is owned or controlled by a
17 housing authority or an affiliate of a housing authority, or a
18 partnership or limited liability company in which the housing
19 authority or an affiliate of the housing authority has an
20 ownership interest and is receiving financial assistance from
21 the United States or the Commonwealth through or from:

22 (1) The United States Department of Housing and Urban
23 Development or a predecessor or successor agency of the United
24 States Department of Housing and Urban Development.

25 (2) A low-income housing tax credit under 26 U.S.C. § 42
26 (relating to low-income housing credit).

27 (3) The Housing Affordability and Rehabilitation Enhancement
28 Fund.

29 (4) The Rental Assistance Demonstration program administered
30 by the United States Department of Housing and Urban Development

1 under 42 U.S.C. § 1437f (relating to low-income housing
2 assistance).

3 * * *

4 Section 2. Section 1102-C.3 of the act is amended by adding
5 a clause to read:

6 Section 1102-C.3. Excluded Transactions.--The tax imposed by
7 section 1102-C shall not be imposed upon:

8 * * *

9 (26) A transfer of real estate between a housing authority
10 to an owner entity which is utilizing the real estate for the
11 purpose of providing affordable housing. An exemption under this
12 clause may not be granted unless the conveyance document,
13 including a deed or lease, or a separately recorded restrictive
14 covenant contains a restrictive use provision of at least 20
15 years which requires the grantee or any successor in title from
16 using all or a portion of the real estate conveyed for providing
17 affordable housing and which provides for the exemption under
18 this clause to be revoked upon failure of the grantee or any
19 successor in title to comply with the restrictive use provision.

20 Section 3. This act shall take effect in 60 days.