



Senate Finance Committee

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BILL SUMMARY

SENATE BILL 763, PN 840 (BROWNE)

Summary:

This legislation amends the Local Tax Enabling Act to clarify that residential tenant leases are not subject to tax under this act.

The Commonwealth Court affirmed a lower court's decision permitting Millersville Borough to tax residential tenant leases on a yearly basis. This residential tenant lease transaction tax adversely affects efforts to sustain affordable housing by unfairly singling out tenant occupied properties for this increased tax burden. This legislation clarifies that tenant leases are not subject to tax.

Prior legislation:

None.