



Senate Finance Committee

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BILL SUMMARY

SENATE BILL 778, PN 874 (SENATOR FONTANA)

Summary:

This legislation amends the New Home Construction Local Tax Abatement Act, to change the deadline by which homeowners must apply for a property tax exemption.

Specifically, this legislation provides that the time period for filing the form shall be between the time the building permit is issued and six months following the date of the initial occupancy of the property. The initial occupancy shall be presumed to have occurred on the date of the issuance of a certificate of occupancy or on the closing date on which the applicant purchased the property, whichever occurs later.

Prior Legislation:

This legislation was introduced by Senator Fontana as Senate Bill 1425 during the 2007-08 legislative session. Senate Bill 1425 was reported from the Senate Finance Committee on July 3, 2008.

Current Law:

Current law requires that the application for a property tax exemption be filed between the time the person desiring tax exemption secured the building permit and when the occupancy permit is issued, or if no building permit or other notification of improvement is required, prior to the time the structure is assessed for tax purposes.

However, in a situation in which developers are building multiple homes simultaneously and then selling the homes after completion, the time window for filing the exemption is either partially or completely expired by the time the new homeowner becomes aware of its existence.