

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2303 Session of  
2020

INTRODUCED BY MIHALEK, READSHAW, LONGIETTI, PASHINSKI,  
YOUNGBLOOD, BERNSTINE, WILLIAMS, REESE AND ROEBUCK,  
FEBRUARY 24, 2020

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 24, 2020

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 Secretary of the  
13 United States Department of Housing and Urban Development under  
14 section 3(b)(2) of the United States Housing Act of 1937 (50  
15 Stat. 888, 42 U.S.C. § 1437a(b)(2)).

16 \* \* \*

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

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

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

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

30 (4) The Rental Assistance Demonstration program administered

1 by the United States Department of Housing and Urban Development  
2 under the Consolidated and Further Continuing Appropriations  
3 Act, 2012 (Public Law 112-55, 125 Stat. 552).

4 \* \* \*

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

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

9 \* \* \*

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

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