

Charitable Exemption Begins on Tax Assessment Day

The Commonwealth Court of Pennsylvania held that a trial court correctly held that a charitable exemption in Allegheny County begins only on the next assessment day, not when the property was acquired. *Global Links v. Keystone Oaks School District*, No. 1511 C.D. 2014 (Pa. Commw. May 8, 2015).

The charity purchased the property on July 3, 2012. Subsequently, the taxpayer applied for a property tax exemption with the county Office of Property Assessments (OPA). The OPA approved the taxpayer's tax-exempt status for 2013, but not for any portion of 2012 because the taxpayer did not own the property as of January 1, 2012. The OPA relied on the Tax Assessment Day Rule, which provides that the taxable status of a property becomes fixed as of the assessment day of each year. The rule is stated in *Halkett Co. v. City of Philadelphia*, 175 A. 299 (Pa. Super. 1934). The taxpayer appealed to the assessment board and then to the trial court. The taxpayer argued that section 505(b) of the General County Assessment Law, which calls for mid-year tax roll changes when property is exchanged between taxed and tax-exempt entities, eliminated the Tax Assessment Day Rule. 72 P.S. § 5020-505(b). The trial court disagreed, holding that the assessment provisions for a Second Class County, namely Allegheny County, were not amended to include such a provision and therefore, the Tax Assessment Day Rule still applies.

On appeal, the Commonwealth Court agreed with the trial court on the grounds that section 505(b) of the General County Assessment Law is inconsistent with Section 10 of the Second Class County Assessment Law. The General County Assessment Law does not apply to Second Class Counties when inconsistent with the provisions of the Second Class County Assessment Law. 72 P.S. §5452.20.

To discuss any questions you may have regarding the opinion discussed in this Alert, or how it may apply to your particular circumstances, please contact: Joseph C. Bright at jbright@cozen.com or 215.665.2053, Dan A. Schulder at dschulder@cozen.com or 717.703.5905, Cheryl A. Upham at cupham@cozen.com or 215.665.4193 or Jaime Reichardt at jreichardt@cozen.com or 215.665.3729.



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