

State of Pennsylvania Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

Real property in Pennsylvania is assessed at its actual value, which is declared to be the price for which the property would sell (utilizing the current or base year market value) (72 P.S. § 5020-402, 72 P.S. § 5341.13, 72 P.S. § 5354.602, 72 P.S. § 37504; 53Pa.C.S. § 8842(b)(1)(i)). The price at which the property may actually have been sold is considered, but is not controlling. The value is determined by considering a property's (1) actual sales price, (2) rental value, (3) sales of similar property, (4) the use to which the property is put, and (5) general market conditions.

Real Property Defined

There is no statutory definition of real property or real estate in Pennsylvania. In general, improvements of a permanent nature attached to the land are considered realty. Taxable real property includes houses, land, house trailers and mobile homes permanently attached to land, ground rents, parking lots, factories, ferries, wharves, structures that enclose and protect machinery and equipment, and all other real estate not exempt by law (72 P.S. § 5020-201, 72 P.S. § 5354.201). No sign or sign structure, primarily used to support or display a sign, will be assessed as real property by a county or by a municipality located within the county, regardless of whether the sign or sign structure has become affixed to real estate (16P.S. § 1770.9).

Personal Property Defined

Exempt. The Pennsylvania statutes and regulations do not identify any tests or guidelines for distinguishing real property from tangible personal property. Machinery, tools, appliances, and other equipment contained in a mill, mine, factory, or industrial establishment are not considered real estate.

Intangible Property Taxes

A personal property tax is imposed, however, on certain classes of intangible personal property, unless specifically exempt (72 P.S. § 4821). Taxable intangible personal property includes mortgages, notes, bonds, judgments, articles of agreement and accounts bearing interest, public loans, loans issued by corporations, associations, companies or limited partnerships, shares of stock of banks, corporations, associations, companies or limited partnerships, and money loaned in other states and other moneyed capital (72 P.S. § 4821).

