

\$20 Million from PA Lottery Fund to Benefit Estates of Deceased PA Property Owners

On August 2, 2016, the Commonwealth Court approved a settlement whereby \$20 million was removed from the PA Lottery Fund to create a class fund. The fund is to be used to pay real estate tax rebates to the estates of certain deceased Pennsylvania homeowners under the Senior Citizens Property Tax and Rent Rebate Assistance chapter of the Taxpayer Relief Act. This settlement was the result of six years of litigation in the case of *Muscarella v. Commonwealth*, Commonwealth Court 10 F.R. 2011.

Previously precluded by regulation, estates of decedents can now claim rebates from the class fund if the decedent died in the years 2004-2009 and the decedent paid their real estate property taxes in the year of death and received a property tax rebate in the year before death. Claims could range up to \$975 per decedent, with an average of approximately \$400. It is likely all valid claims will be paid.

A website has been set up at www.PAREbateSettlement.com to obtain a form to file a claim. Inquiries can be addressed to Muscarella@sterneisenberg.com or 215-710-0407. The settlement amount of \$20 million will be used to pay qualified claimants, class counsels' attorneys' fees of \$6 million and their expenses, and a payment to the class representative. After all claims, attorneys' and other fees and costs are paid in full, the remaining funds, if any, will be returned to the PA Lottery Fund.

The filing deadline for potential claimants is March 2, 2017. Members of the public, attorneys, accountants and others in the Commonwealth are encouraged to reach out to their acquaintances, clients and associates about this settlement so all potential claimants can get their claims paid. Claimants will not have to pay any Pennsylvania taxes on those payments.

Attorneys Richard F. Stern of Stern & Eisenberg of Warrington, PA and Mitchell A. Kramer of Kramer and Kramer of Rydal, PA, represent the class. Jessica S. Davis, Senior Deputy Attorney General, represents the Commonwealth.