

Just the Facts

Property Tax Independence Act

The proposed Property Tax Independence Act would raise state personal income and sales taxes and expand the sales tax base to reduce school property taxes. Its impact varies depending on where you live. While property taxes would be reduced, not every Pennsylvanian's taxes will be cut. Many will pay MORE.

Reducing school property taxes means the state must fill in the funding gaps for local school districts with **\$14 billion** in higher personal income and sales taxes.

There will be winners and losers

State government will provide nearly all local school district revenue, but not every district ends up a winner.

59%

of school districts will send more money to Harrisburg than they get back in property tax relief.

Property taxes will not go away

Even after paying higher personal income and sales taxes, PA taxpayers in 488 school districts will continue to pay school property taxes on construction and other debt.

43%



of school districts will continue to pay at least 20 percent or more of current school property taxes.

Even federal taxes will rise

Taxpayers will lose a federal tax deduction for property taxes, meaning taxpayers in even more districts will pay more in total state and federal taxes.

↑ Taxpayers in **318 PA districts** ↑
will pay more in state and federal taxes.

Individuals fund business breaks

Not all businesses pay personal income taxes, but they will get the same property tax break that individual property owners do. That means that individual taxpayers will pay higher personal income and sales taxes to cover the cost of school property tax relief for businesses.



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What's the story in Senate District 35?

\$209,678,691 - \$146,779,942 = \$62,898,749

How much SD 35 taxpayers will pay in higher PIT, sales, and federal taxes

How much SD 35 taxpayers paid in school property taxes in 2014

How much more SD 35 taxpayers will pay in total state and federal taxes, after school property taxes are reduced

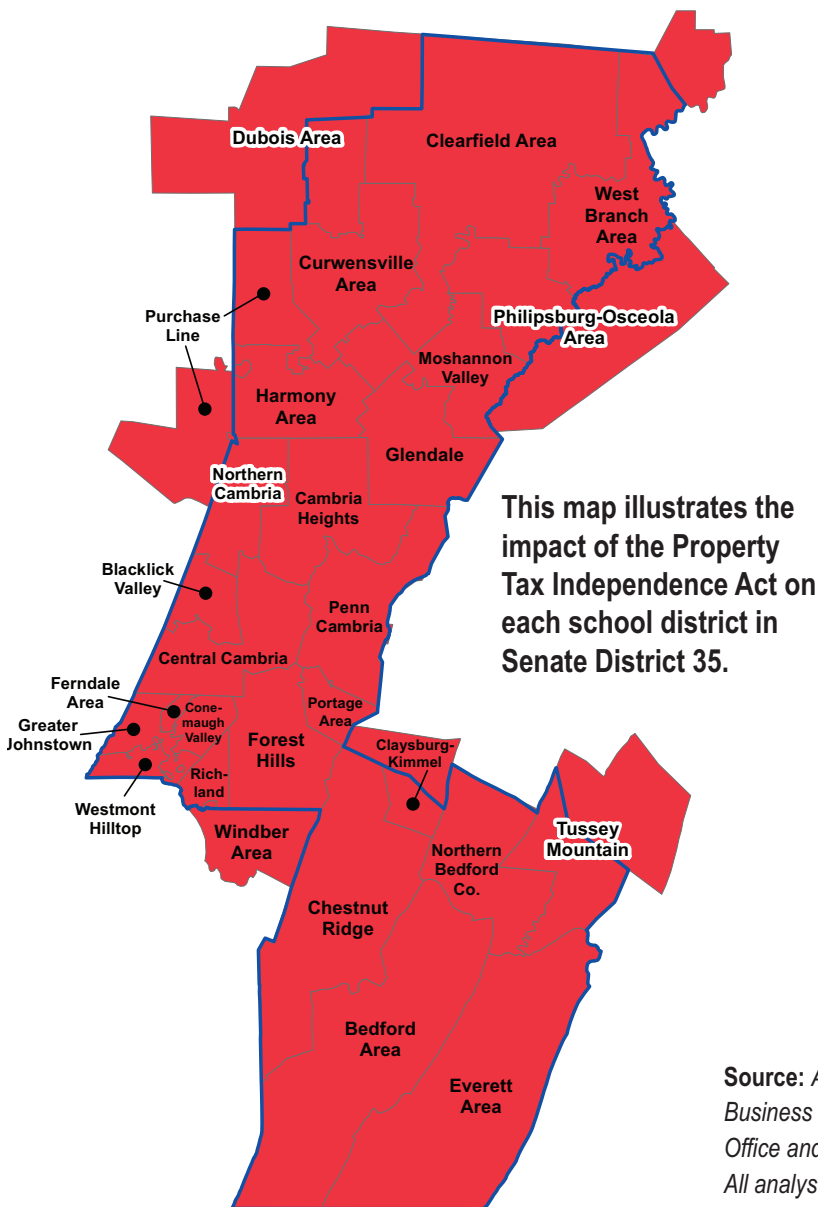
School district by school district in SD 35

Taxpayers in 28 of 28 school districts

in Senate District 35 will pay more in state and federal taxes than they pay now in school property taxes.

Taxpayers in 23 of 28 school districts

in Senate District 35 will continue to pay 20 percent or more of their current school property taxes.



KEY

- School districts that will pay more in state and federal taxes under the Property Tax Independence Act than they paid in school property taxes in 2014
- School districts that will pay less in state and federal taxes under the Property Tax Independence Act than they paid in school property taxes in 2014

Source: Analysis by the Pennsylvania Association of School Business Officials, using data from the Independent Fiscal Office and Pennsylvania Department of Education. All analyses are based on FY 2014-15 data.

