

Petition Supporting

HB 1776, The Property Tax Independence Act

We, the undersigned individuals, are in favor of the total elimination of school property taxes through *The Property Tax Independence Act* or its successor legislation, which utilizes a broadened sales tax to fund public education. We believe this Plan will empower Pennsylvanians while eliminating burdensome school property taxes.

PLEASE PRINT CLEARLY

Printed Name	County	Signature	Email	Date

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Please mail or fax your completed petition to your State Representative and to:

Hon. Jim Cox
2909 Windmill Road
Suite 7
Sinking Spring, PA 19608

FAX: (610) 927-3584

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<http://www.ptcc.us>



TAX REPLACEMENT:

HB 1776, The Property Tax Independence Act, permanently replaces school district property taxes as well as local school district earned income taxes (EIT) and local school nuisance taxes such as the per capita tax.

The Property Tax Independence Act will completely replace all but a small portion of school taxes over a two year phase-in period. The remaining portion of the property tax, typically about 10% of the total tax bill for most school districts, will be used to service current long-term bond debt in your district and will be completely eliminated when all current bond debt is retired. Some districts with little or no long-term debt will have their property taxes totally replaced by the end of the two year phase-in.

The Property Tax Independence Act completely eliminates the taxing ability of local school boards. The only allowed tax will be an optional local EIT or personal income tax for major projects, and that will be subject to a no-exception taxpayer referendum.

HOW THE PLAN IS FUNDED:

The Property Tax Independence Act is funded through a moderate expansion of the sales tax base to include more goods and services that are not now taxed. Examples are landscaping, haircuts, sports and theater tickets, dry cleaning, candy and gum, magazines. The plan also increases the sales tax rate to 7%.

Proposed exemptions from sales tax include food stamp purchases, all utilities, home heating fuels, health, hospital, and dental services, prescription drugs, and home health care.

The plan increases the Pennsylvania personal income tax (PIT) by 0.92% from 3.07% to 3.99%. This is essentially a dollar-for-dollar swap for the elimination of the local 0.5% EIT and local nuisance taxes.

DISTRIBUTION TO THE SCHOOLS AND SPENDING CONTROLS:

Initially, The Property Tax Independence Act will fully fund all districts at their current per-pupil level. Under the first phase of the plan, all school districts will initially receive 100% funding sufficient to meet all financial obligations. A per-student expenditure level will be established for each district and this initial funding will receive yearly base increases indexed to the rate of inflation. Future additional upward or downward adjustments in funding will account for increases or decreases in student enrollment over time.

CONSTITUTIONAL AMENDMENT:

Proposed companion legislation to The Property Tax Independence Act will provide for a constitutional amendment which GUARANTEES that, once replaced, school property taxes would be gone forever and that a future legislature could never re-institute the taxing of our properties.

No tax should have the power to leave you homeless.

Further details are available at www.ptcc.us