

## The PCTA School Property Tax Elimination Plan Quick Facts

### TAX ELIMINATION:

The PCTA School Property Tax Elimination Plan permanently eliminates all school district property taxes as well as eliminating local school district earned income taxes (EIT) and local school nuisance taxes such as the per capita tax.

The PCTA School Property Tax Elimination Plan 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 that will be subject to a no-exception taxpayer referendum.

### HOW THE PLAN IS FUNDED:

The PCTA School Property Tax Elimination Plan is funded through an expansion of the sales tax base to include more goods and services that are not now taxed. Examples are lawn mowing, landscaping, haircuts, sports and theater tickets, dry cleaning, candy and gum, magazines. The PCTA plan does not raise the sales tax rate above the current 6%.

Proposed exemptions from sales tax include food and clothing, health, hospital, and dental services, prescription drugs, and home health care.

The plan increases the Pennsylvania personal income tax (PIT) by 0.50% from 3.07% to 3.57%. This is essentially a dollar-for-dollar swap for the elimination of the local 0.5% EIT.

**Important Fact:** If your school property taxes are \$1500 per year, you would need to spend an ADDITIONAL \$25,000 annually on newly-taxed items to equal your eliminated property tax. If your school property tax is \$3000 per year, you would need to spend an ADDITIONAL \$50,000 annually on newly-taxed services to equal your eliminated property tax.

### DISTRIBUTION TO THE SCHOOLS AND SPENDING CONTROLS:

Initially, the PCTA School Property Tax Elimination Plan will fully fund all districts at their current per-pupil level. The plan then will provide upward equity adjustments to bring less affluent districts to a statewide per-pupil benchmark level without reducing funding to other districts, thus leveling the playing field between wealthier and poorer districts.

Under the first phase of the plan, all school districts will be held harmless and 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.

**Important Fact:** Statewide, current school district budgets increase, on average, at twice the rate of inflation.

### CONSTITUTIONAL AMENDMENT:

Proposed companion legislation to the PCTA School Property Tax Elimination Plan will provide for a constitutional amendment which GUARANTEES that, once eliminated, 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](http://www.ptcc.us)