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PRODUCT & SERVICE GUIDE

Pennsylvania group wants elimination of property tax

They revenue-neutral legislation proposes to eliminate school property taxes and raise the state income to 4.34 percent and sales taxes to 7 percent in its place.

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The phones could be busier today at the offices of Pennsylvania state lawmakers yet to support to two bills that would eliminate school property taxes and replace them with other tax increases after nearly 100 people attended a meeting on the pending legislation.

David Baldinger, administrator of the Pennsylvania Coalition of Taxpayer Associations, explained the bills and what was necessary to secure passage of the legislation in Harrisburg.

He singled out members of the Northeastern Pennsylvania delegation who do not support the bills that have bipartisan backing: state Reps. Phyllis Mundy, D-Kingston; Eddie Day Pashinski, D-Wilkes-Barre; Mike Carroll, D-Avoca, and Sid Michaels Kavulich, D-Taylor, and state Sens. John Blake, D-Archbald, and John Gordner, R-Berwick.

“If you want to see the bills enacted you will have to let them know you will not settle for anything less,” Baldinger said.

Pushing for the legislation are state Sens. John Yudichak, D-Plymouth Township; Lisa Baker, R-Lehman Township, and state Reps. Karen Boback, R-Harveys Lake;

Gerald Mullery, D-Newport Township, and Tarah Toohil, R-Butler Township.

The House and Senate bills are numbered 76 and labeled The Property Tax Independence Act.

The revenue-neutral legislation proposes to eliminate school property taxes and raise the state income to 4.34 percent and sales taxes to 7 percent in its place. The elimination would be phased in to allow school districts to pay off long-term debt. Should additional money be needed by the districts for capital improvements, a referendum would have to be put on the ballot for voters to decide whether to fund the projects through personal or earned income taxes. Future funding increases for the districts would be tied to the Consumer Price Index.

Baldinger said the bills, although imperfect, aim to get rid of an antiquated tax system and address a pressing issue for voters.

“This is not something that was cooked up by the Harrisburg politicians,” he said. “This is the people’s bill.”

He went into detail about the legislation and how it would expand the list of items and services to be subjected to a sales tax, including clothing valued over \$50, dry cleaning, haircuts, candy and gum. Food items not on the Women, Infants and Children program also would be taxed. Exemptions include, utilities, home heating fuels, tuition, health, hospital and dental services and prescription medication.

The legislation was good for homeowners, putting more disposable income in their pockets and attractive to businesses looking to expand or locate in the state, Baldinger said.

Instead of selectively designating areas of the state as Keystone Opportunity Zones that provide tax benefits to businesses and industries, the entire state would open up under once the legislation is passed.

“Let them all come here with a property tax abatement forever,” he said.

Gov. Tom Corbett could assure himself of reelection if he signed the legislation eliminating school property taxes, Baldinger added.

Audience members enthusiastic about the legislation and property owners frustrated with seeing their school district taxes ever increasing questioned what needed to be done.

“How can we help you get this out of committee and get it to a vote?” asked Tom Dombrowski of Kingston Township.

“The only way we’re going to do that is pressure on the legislators,” Baldinger replied.

Frank Scavo of Old Forge, who ran as a Republican against Blake in 2010 for the seat held by former state Sen. Bob Mellow, D-Peckville, urged people to call the legislators opposed to the legislation.

“Pressure on these guys, that’s the only thing that’s going to work,” he said.

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