



## GOP leader vows vote next week on property tax reform

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After four decades of tinkering around the edges of the issue, the state House is planning to vote next week on legislation to grant significant school property tax relief to homeowners.

House Majority Leader Dave Reed, R-Indiana, promises a vote on property tax reform in that chamber next week.

File photo/PennLive.com

House Majority Leader Dave Reed, R-Indiana, told reporters on Wednesday that he wants to see this issue be part of the upcoming budget negotiations. Moving a plan out of the House is a way to get that conversation started with the Senate and Gov. Tom Wolf.

While hopeful that a plan crafted by the House Republicans passes, he said if it doesn't, he is willing to put Wolf's property tax relief plan up for a vote.

Both plans, though different, call for shifting the bulk of the school funding burden off the property tax and on to an increased state personal income tax and sales tax rate.

"We need to find out whether we can move forward with this or not and whether the PIT and sales tax are realistic possibilities to property tax reform," Reed said.

Under the House Republican plan that Rep. Stan Saylor, R-Red Lion, will offer, midstate districts would see property tax reductions of between 37 and 80 percent while under the governor's plan, that range would 16.8 and 155 percent. (See the list below to see where your school district falls.)

Admittedly, the Republicans' plan falls short of eliminating property taxes altogether as a contingent of GOP lawmakers would prefer, Reed said he hopes they would see the GOP plan as "a stepping stone to get to complete elimination."

Senate President Pro Tempore Joe Scarnati, R-Jefferson County, clearly falls into that camp of wanting to eliminate the property tax.

"We continue to think unless you are doing a complete elimination of property tax you are giving a permanent tax increase with a temporary reduction," he said on Wednesday. But he added, "If the House sends us something over we'll take a look at it."

The House Republican plan, tweaked after negotiations with Gov. Tom Wolf and House Democrats over the past two weeks, would allow suburban districts to fare better than they would under Wolf's property tax proposal.

"It's a more balanced approach that recognizes not just low-income areas but low-income and high tax areas," Reed said.

It targets more relief to growing school districts, such as those in York and Monroe counties and the suburban counties of Philadelphia and Pittsburgh, than those districts would see under Wolf's plan, he said.

Wolf's proposal directs the most relief to school districts with the highest tax rates using a bipartisan-supported formula that is already used to distribute slots tax revenue, said Wolf spokesman Jeff Sheridan.

The House GOP plan calls for raising the 3.07 percent personal income tax rate to 3.7 percent and raising the 6 percent state sales tax rate to 7 percent.

Wolf's plan would raise the income tax to 3.7 percent as well but proposes raising the sales tax to 6.6 percent and broadening the base of items subject to the tax.

The House GOP plan also grants some relief to commercial property owners. The administration maintains that its plan does that as well.

Added all up, Wolf's plan provides for \$3.8 billion in property tax relief while the House GOP plan offers \$5 billion in relief because it uses all the new revenue raised for property tax relief. Wolf's plan directs a portion of the new revenue from the higher state taxes to increase funding for schools.

As a result of the talks with the administration, Reed said Saylor agreed to use \$125 million from the increased revenue from the sales tax to expand the state's property tax and rent rebate program that benefits low to low middle-income senior citizens and disabled individuals.

Wolf's plan provides up to \$500 rebates for renters with incomes of \$50,000 or less.

The administration would prefer to continue talks with the House Republicans to narrow the differences between the plans, Sheridan said.

Since Reed acknowledged that he is uncertain that either the House GOP plan or the governor's plan have the votes to pass, Sheridan said, "I don't see how it's productive to put it to a vote for the sake of putting it

to a vote when it seems like we could actually try to achieve something on behalf of the people of Pennsylvania."

### Property Tax Plans Sheet



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