

# Taxpayers Association

*of the Brandywine Heights Area School District  
Member of the Pennsylvania Coalition of Taxpayer Associations*

## Brandywine Tax Study Commission Goes to Work

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ACT I of 2006 was adopted on June 27, 2006. The law applies to all PA school districts. The law was designed to reduce real estate property taxes through state-wide sharing of gambling revenue. The provision of the new law requires a front-end voter referendum on tax shifting. The referendum will be required to appear on the May 2007 Primary Ballot.

As required in the Act each school district must establish a Local Tax Study Commission. The members of the Tax Commission are appointed from resident volunteers by the District's School Board. The commission is expected to reflect the diversity of the District by age, occupation and socio-economic status. No members of the Commission may be an officer, employee or relative of an employee of the school district.

The Commission is charged with making recommendation on the method and rate for the front-end referendum question on shifting taxes from property tax to income tax. The Commission must study existing taxes and how adoption of changes in the tax policies will effect the community and District finances while reducing property taxes.

The Brandywine Commission was appointed September 21, 2006 and comprised of nine members. District is required to provide support such as secretarial, legal and accounting analysis. The commission has a budget of \$5000.00 for expenses only. None of the Commissioners receive payment for serving. Reimbursement for mileage and other approved expenses are allowed. The public is invited to attend and make comment at all meetings. The meetings are held in the second floor Large Group Room of the Middle School. Dates and time are advertised at least 72 hours in advance in local newspapers. Meeting dates can also be obtained by calling the middle school secretary, Mrs. Confer, at 610 682-5100.

The Commission is working on what dollar amount of property taxes will be shifted to an increase in the existing Earned Income Tax, (EIT), adding a Personal Income Tax (PIT) or moving to a total PIT. Personal income taxes include taxing interest and dividend income in addition to wages.

The type and rate of tax must be equal to the amount of property tax reduction. Thus the tax "shift" not tax reduction.

If gambling revenues come trickling in , not before 2008, additional property tax reductions would be seen in your tax bill. Recent projections are reported to be much less than originally predicted. (Imagine that, the governor may have overstated the possibilities)

The Commission must complete their work by December 13, 2006.

What's in it for you? If you are one of the 3301 property owners that submitted the application and were approved for a homestead or farmstead exclusion back in 2004 under ACT 72 you are eligible for a reduction in your property tax. If you are a renter you will see an increase in your income taxes one way or another. If you are a business owner you will see an increase in your net profits tax.

Now the bottom line. The school board does not need to accept the Commission's recommendation. The board can impose which tax "they" see fit. A waste of time? We'll see.

The general feeling of members of tax commissions across the state is that ACT I is a farce, matching that of Brandywine's members. In the long run the relief is diluted to a point of insignificance as more eligible property owners apply for the exclusion while you pay out more in income taxes over time.

The nine member commission includes six members of the Brandywine Taxpayers Association. The members are committed to represent all residents and taxpayers of the Brandywine School District, property owners or not.

As the meetings progress towards a public hearing for the formal recommendation to the School Board we'll try to keep everyone abreast of the particulars. However, there is nothing better than hearing it from the Horse's Mouth". Try to attend the meetings. In the end, you the voters will have the final say next May in the voting booth. Understanding the facts and truth about ACT I before you vote is your responsibility.

The real answer still lies with the Plan For PA's Future, House Bill HB2929 (Commonwealth Caucus Plan) that "TOTALLY ELIMINATES" school property taxes. Contact your representative and demand his support in Repealing ACT I by Enacting HB2929.