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## Pennsylvania's Failed Public School Funding System

**SHERIFF  
SALE**

A Plan for Complete  
**Property Tax  
Elimination**



## Property Taxes: Why Hasn't Something Been Done?

One of the biggest concerns of area residents is property taxes. Pennsylvania's system of funding public education is regressive, unbalanced and in great need of reform. It is completely inequitable to fund public education and local government services based on property ownership.

Since my election to office, I have been working to find a solution to eliminate property taxes once and for all. I believe an alternative funding mechanism is necessary in Pennsylvania.

Property tax reform will not be without its challenges. People need to remember this will be a tax shift – not a total abolition of all funding for public schools and local governments.

Though it is hard for some to understand, many areas of the state do not have a property tax problem. Homeowners in some regions of the state have never experienced the frequent and extraordinary tax increases our residents have seen, and some school districts are seeing their enrollment decline rather than grow.

Throughout the years, the General Assembly's efforts have been focused on *school* property taxes. There have been attempts to address the problem, but they have been hampered by concerns about the distribution of funding and the replacement of property taxes with an alternative source. There is also a hesitancy to expand the size and scope of state government which would, under previous property tax elimination plans, be the sole collector and distributor of public school funds.

With these issues in mind, legislation has been introduced to provide local tax diversification, so local taxing authorities – public schools, counties and municipalities – can employ a variety of alternatives to property taxes.

## How House Bill 2230 Will Eliminate Property Taxes

The plan would allow counties to enact, through voter referendum, a 1 percent sales tax at the county level. The proceeds of this sales tax would be used to reduce school property tax millage rates.

The legislation also would give counties, municipalities and school districts the ability to levy a local income tax – either a Personal Income Tax (PIT) or Earned Income Tax (EIT). These taxes better reflect a resident's ability to pay and would be used as a replacement for property taxes.

Every local government opting to levy an income tax would have its property taxes frozen at the newly reduced level. Every dollar generated through these taxes would be a dollar eliminated from the overall property tax burden, with a minimum reduction of 30 percent to a maximum of complete property tax elimination.

PIT and EIT tax increases would be limited to the rate of inflation.

The reason this plan will work is because it is **not a one-size-fits-all mandate from Harrisburg**. It allows local governments and citizens to have a say in the process. **It also allows local dollars to stay in the community, rather than sending them to state government to dole out.**

Property tax elimination has been one of my top priorities because I understand how burdensome these taxes are, especially for citizens living on fixed incomes. I want to find a realistic and lasting solution to help older Pennsylvanians stay in their homes and to equitably fund our public schools and local governments. **Property owners alone should not be forced to shoulder the burden for these important government services, and under this plan they won't be.**

