






OCT 19 2011

Senate of Pennsylvania

TO: All Senators

FROM: Senator Dave Argall   
Senator Mike Folmer   
Senator Jeffrey E. Piccola 

DATE: October 19, 2011

SUBJECT: Property Tax Elimination

In the near future we will be introducing legislation that will eliminate the burden of property taxes on Pennsylvania's citizens.

Our legislation will provide for the total elimination of property taxes to be phased in over a two year period and will provide for replacement revenue from the following sources:

1. Expansion of the sales tax to include more taxable items.
2. Increased state personal income tax (PIT) equivalent to the local school district earned income tax (EIT) (generally 0.5%) The local school district earned income tax will also be eliminated under this proposal.
3. Utilization of Act 1 revenue currently allocated to property tax relief.
4. Incorporation of revenue currently used for the Property Tax/Rent Rebate program. With the school property tax elimination, this benefit will no longer be necessary.

The anticipated revenue from the replacement revenue is estimated at \$13 billion. This revenue will be placed in a segregated lockbox account to ensure that it will not be used for any other purposes.

If you would like to co-sponsor this legislation, please contact Susan Bentzel at 7-2637 or at [sbentzel@pasen.gov](mailto:sbentzel@pasen.gov).