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Sent via Electronic Mail

Honorable Steve Samuelson
PA House Finance Committee
34 East Wing
PO Box 202135
Harrisburg, PA 17120-2135

Honorable Keith Greiner
PA House Finance Committee
49 East Wing
PO Box 20243
Harrisburg, PA 17120-2043

Dear Chairman Samuelson and Chairman Greiner:

As the leading organization fighting for Pennsylvanians 50-plus, the purpose of this letter is to offer AARP Pennsylvania's support of House Bill 1100.

Because Pennsylvania's over 3.4 million older adults – including nearly 1.8 million AARP Pennsylvania members – are affected by the state's tax policies and program decisions, we hope that the Committee will keep in mind that protecting the home as an asset is essential to ensuring that all Pennsylvanians are financially secure and can age in their own homes. These are two key components of our advocacy agenda.

The property tax is one of the most burdensome taxes for many of Pennsylvania's low-income and older adults to absorb. It affects people directly as homeowners and indirectly as renters – as landlords may pass on tax burdens in the form of higher rents. At the same time, the property tax is an important source of tax revenue for Pennsylvania's local governments as it funds some of the most important and visible services to taxpayers, such as public schools, police, and fire.

Given that property taxes provide revenue for the public services that taxpayers value, effective property tax relief programs require policy makers to be strategic. To preserve revenue for essential services, property tax relief measures must also be efficient, targeting relief to those most in need. They must also be well-designed to specifically address the financial challenges faced by taxpayers who possess value in their home but may lack current cash flow to afford their property taxes.

AARP Pennsylvania supports House Bill 1100, because it keeps these critical provisions in mind. Moreover, House Bill 1100 preserves the commitment made over 50 years ago when the General Assembly created the Pennsylvania Lottery and dedicated its revenue solely to programs that benefit older Pennsylvanians. This partnership has generated nearly \$34 billion in funding that has provided critical support to older adults living in each of the state's 67 counties.

Among the vital programs that the lottery funds, the Property Tax Rent Rebate (PTRR) program is one of the most impactful. Since its inception in 1971, the PTRR program has delivered more than \$8 billion in property tax and rent relief. The program's benefits to Pennsylvanians 65 and older, widows and widowers 50 and older, and persons with disabilities 18 and older are often referred to as a "lifeline" as its support helps them to live and age in the comfort of their home – whether it is the home where they raised their children or the apartment they are now renting.

Unfortunately, the PTRR program is in desperate need of updating. The income limits for homeowners who qualify for the program have not been raised since 2006; and for renters, since 1985. Additionally, the PTRR program previously included a cost-of-living-adjustment (COLA) exclusion so that no beneficiary dropped out of the program simply due to a typically modest Social Security COLA. This COLA moratorium expired at the end of 2016. Year after year, PTRR beneficiaries lose this benefit by literally dollars and cents. At one time, the program delivered roughly 605,000 rebates in a single year. It is now anticipated that fewer than 430,000 rebates will be distributed for the most recent claim year.

AARP Pennsylvania supports House Bill 1100, which will expand the income limits for both renters and homeowners to \$45,000; increase the maximum standard rebate from \$650 to \$1,000; and tie the income limits to the cost of living, which means that persons who receive a rebate will not have to worry about losing their rebate just because of a Social Security COLA.

We urge you to seize this opportunity to support older Pennsylvania homeowners and renters by passing House Bill 1100 out of Committee and supporting its journey to enactment. We stand ready to work with you as you also consider additional solutions to the burdens created by rising property taxes in our state. If you have any further questions, please feel free to contact me or our Director of State Advocacy Teresa Osborne at 717-237-6482 or tosborne@aarp.org.

Sincerely,



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State Director
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