

PROPERTY TAX

Independence Act

The Property Tax Independence Act (also known as HB/SB 76) will eliminate all school property taxes across the Commonwealth and replace those taxes with funding from a single state source. The most important provision is that it is tax revenue neutral. To provide absolute fairness, the legislation has been crafted to ensure that the tax swap provision of the plan does not raise one dollar more than is already collected.

The Property Tax Independence Act will:

- In the first year, freeze school property taxes at current levels.
- In the second year, eliminate school property taxes on all homesteads, farmsteads, and businesses in areas where school districts **do not** have long term debt obligations. Homesteads, farmsteads, and businesses in areas where school districts **do** have long-term debt obligations will see school property taxes reduced 82 percent, on average. In this case, all school property taxes will be eliminated once all long term debt obligations are met. **In either of the above scenarios all school property taxes will be eliminated.**
- Require an expansion of taxable items and an increase in the sales tax (SUT) by 1 percent. The state income tax (PIT) will also increase by 1.88 percent. This tax swap will provide a predictable and stable funding source that will automatically increase revenue in sync with economic growth.
- Fully fund all school districts by replacing the property tax with a dollar-for-dollar swap. Current funding levels will be maintained guaranteeing each school district will receive all necessary resources.
- Create a dedicated lock-box account for all replacement revenues which will be transparent and separate from the General Fund.
- Eliminate the taxing ability of school boards. Voters gain true local control within their school district via a no-exception ballot referendum. Requests for additional revenue from school districts (via a local EIT or PIT only) must be approved by taxpayers.
- Accomplish true transparency of school district budgets.



Scan the qr code to the left or go to www.ptccgrassroots.net/petition to sign the online 76 Petition.