

## PSEA on Senate Bill 76

In recent days you may have been contacted by members of the Pennsylvania Coalition of Taxpayers, who are asking you to sign on as a co-sponsor to SB 76. Before you do so, consider that the Property Tax Independence Act is a flawed piece of legislation that unfairly targets working class families, increases the tax burden on those who can least afford it and weakens your local schools. For these reasons, PSEA opposes this legislation and asks that you not lend your name or support to the proposal.

The concepts contained in Senate Bill 76 have been floating in the legislature for several decades, and they still fail to add up. The legislation, while purporting to solve the education funding crisis, would only serve to lock into place the current funding inequities and massive funding cuts of the past several years.

Beyond the aforementioned funding inequities, these proposals would have significant impact on average Pennsylvania taxpayers. The legislation would increase and expand the regressive Sales and Use Tax (SUT). As you may know, the SUT disproportionately impacts less wealthy households as a greater percentage of their income is dedicated toward paying this tax. This is particularly egregious given the fact that, under the bill, the sales tax would expand to cover basic necessities like food and clothing. At a time when Pennsylvania's economy continues to struggle, it makes little sense to increase taxes on those with the least discretionary income. This will only serve to exacerbate our economic divide and further slow job creation in the Commonwealth.

Even worse, this working class tax increase would occur at the same time commercial corporate properties will be provided with yet another tax break. In certain instances they will see tax reductions of hundreds of thousands of dollars on individual parcels. Once again, corporations will receive a massive tax break while working class families are asked to shoulder an even greater burden.

Notwithstanding the major deficiencies with this bill, PSEA does agree that school districts, on average, have been forced to over rely on property taxes. However, the answer is not a complete elimination of the tax, which would only serve to place 100% of the funding responsibility with the General Assembly. The answer is to implement a reasonable and equitable funding formula that will ease the burden currently imposed on certain homeowners across the state.

Please oppose Senate Bill 76.

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