

Defeat House Bill 1600! Another fraudulent property tax “relief” measure

House Bill 1600 has totally changed from its original version!

The original language of one of the bills that the PTCC and PCTA oppose, HB 1600, is DEAD. A gut-and-replace amendment by Rep. John Perzel (R-Philadelphia) that would take ALL gambling proceeds and give them to senior citizens earning less than \$40,000 passed on January 29, 2008. It totally replaced the original language in HB 1600, effectively killing the bill. For your reference, a synopsis of the original HB 1600 can be found later on this page.

If this amended bill gets through final passage in the House and is passed by the Senate and signed by the Governor, and since this bill uses ALL of the available gambling proceeds that were originally slated for broad-based property tax reduction, any property tax “relief” from gaming money that you’ve been expecting for two years will be eliminated if you do not meet the guidelines above. This is good news for low-income seniors who are having problems just staying in their homes and we think that this goes a long way towards helping the most vulnerable group in our society. However, the flip side is that the House has reneged on its promise of property tax relief for all homeowners that it made to the taxpayers of Pennsylvania two years ago with Act 1. This is ironic since they could have given elimination to ALL homeowners through HB 1275 but refused to do so.

Further, consider this:

- This bill requires the entire projected \$1.2 billion in gambling money to meet the current funding for the identified group of recipients.
- Casino revenues have a finite limit and will eventually flatten over time, with zero to minimal growth.
- Property taxes will continue to rise unabated.
- The largest single generation in US history, the baby boomers, are just now starting to retire and will dramatically increase the number of beneficiaries under this plan during the next ten years.

Considering these facts, this plan simply won't work. Where will the money then come from to fund this plan as property taxes rise and the number of recipients expands? Raise other taxes or reinstate a portion of the property tax for recipients? Many seniors who will initially get the full amount will be very disappointed and financially hurt when the subsidy is reduced as more new recipients come on line.

This proposal has been widely criticized as election-year politics and has been the subject of many negative newspaper editorials throughout the state. The amendment is obviously pandering to the senior vote during an election year, but what really irritates me about the Perzel amendment is that it is more of the same "divide and conquer" strategy. I'm sure that these lawmakers feel that with the passage of this bill the seniors (the biggest voting bloc) will be satisfied and they won't have to deal with the issue any more. If this is true, we'll just have to prove to them that this strategy won't work.

The PTCC and PCTA oppose this new HB 1600 as vigorously as we did the original version.

The original HB 1600 (RIP)

On July 17, 2007, Representatives David Levdansky (D-39, Allegheny/Washington) and Mario Scavello (R-176, Monroe) introduced House Bill 1600, another valueless, fraudulent property tax "relief" measure.

Being advertised as a "good first step" (how many times have we heard THAT?!), HB 1600 is exactly the same as the Act 1 referendum that was resoundingly thrashed at the polls in May, 2007. It imposes a 0.5% increase in the sales tax to 6.5% and a .22% increase in the state income tax to 3.29% in return for an approximate \$414 homestead exemption. The legislators who support this bill are telling us that it will offer an average 40%-50% reduction in property taxes, but this is absolutely untrue and is simply more smoke and mirrors to try to gain taxpayer acceptance (and votes in 2008!).

HB 1600 is based on EXACTLY the same principle as the Act 1 tax shift. It imposes new, permanent taxes in exchange for minimal temporary "relief" that will quickly be eaten up by relentlessly rising property taxes. HB 1600 will not only leave taxpayers with their same burdensome property tax bills PLUS additional new taxes, it also will do nothing to address the antiquated, crumbling education finance system, the cost of education, or equitable funding for public schools. It is another valueless Band-Aid approach that will again leave Pennsylvania homeowners without true, effective property tax reform and is actually a tax INCREASE in disguise.

Further, unlike the Act 1 referendum where voters had a voice in rejecting the measure, HB 1600 can be enacted and jammed down our throats with no input whatsoever from taxpayers. The House Finance Committee held seven dog-and-pony-show hearings on House Bill 1600; they pretty much worked against the sponsors of this useless legislation. The lawmakers who are promoting this measure received mostly negative comments from both taxpayers and those who testified at the hearings, with many of the hearings turning raucous because of loud taxpayer discontent with this old, tired, valueless "solution" to the property tax crisis. On September 6 the [Reading Eagle](#) hammered the Committee in a scathing [editorial](#) because the Committee turned deaf ears to the taxpayers' wishes.

I am astonished at the arrogance of these legislators who think that they can again ignore the taxpayers while they regurgitate the same old plan that has failed three times in the past and still expect us to fall for their charade. Their utter disregard for the intelligence of Pennsylvania taxpayers is incomprehensible and they must be told unequivocally that we WILL NOT tolerate any more of their misguided halfway measures.

It is notable that a number of the original co-sponsors of HB 1600 withdrew their co-sponsorship of this bill after realizing that the measure is valueless. We send our heartfelt thanks to these representatives for the courage and integrity they exhibited by doing this.

The most pressing concern with HB 1600 is that if it is enacted the legislature will tell us that they have given us property tax relief and nothing more will be done for the foreseeable future. As much as they like to tell us that this is another "first step", we know that if HB 1600 passes it will be the LAST step towards true education finance reform for a very long time.

We MUST fight this measure in any way possible.

Please call, write, or e-mail your district's Representative to let them know that you do not want HB 1600 in any manner whatsoever and that you will hold them accountable in the 2008 elections if they support this bill. Further, let them know that you DO NOT CARE if a statewide tax such as the sales tax is raised as long as it ELIMINATES school property taxes. We must get these messages to the legislators NOW!

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