

PROPERTY TAX

Independence Act

LIBERTY EQUALITY PROSPERITY

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:

- Abolish school property taxes on all homesteads, farmsteads, and businesses.
- Eliminate school property taxes via a two-year phase-out. The first year after enactment, school property taxes will be frozen at their current levels. The second year will bring complete elimination except for those school districts that retain long-term debt obligations.
- Increase the current sales tax from 6% to 7%, providing a predictable and stable funding source that will automatically increase revenue in sync with economic growth.
- Increase the state income tax from 3.07% to 4.95%.
- Fully fund all districts by replacing the property tax dollar-for-dollar at each district's current level. Each district will receive the resources it needs regardless of the local ability to pay.
- Create a dedicated lock-box account for all property tax replacement revenues – separate from the General Fund.
- Completely eliminate the taxing ability of school boards. Voters will finally gain true local control. Any requests for additional revenue from school districts must be presented via a no-exception ballot referendum.
- Finally put a stop to out of control and ever increasing school budgets and property taxes.



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