



ELINOR Z. TAYLOR
MEMBER, 156TH DISTRICT
HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

1(b)

TAX REFORM

Act. 145
of 1988
=

~~Three~~

major problems

- #4. Phila is the favored to winner. - all Pa support in official state govt.
- #5. personal income means earned + unearned income
- #6. cost to implement 604 Million - over next 5 yrs

#1 - The Name - what re for a means - tax cut - / my taxes go down yours go up - more tax reform - tax shift

#2 - lack of understanding - special interest groups - speaking for individuals ARRP

#3 - threat of a change and what it means to us / distrust in government

1-cw/

School district as early as July 1, 1990



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Your vote on May 16th will Jan. 1 1991

- 1- Constitutional change - implemented - beginning 1991
- 1- Give every municipality & school district a major role in determining local taxes

2. authorized business ~~property~~ to be taxed at a different rate than residential ~~individuals~~

jurisdiction will be able to increase residential property tax after they are reduced, as long as they uniformly increase business tax at the same time.

3. authorize appointment of a Local Tax Study Commission — composed of local taxpayers — no elected officials
4. Commission must hold public hearings —
5. .. makes recommendation to local governing bodies.

Are we asking our voters to vote for "a pig in a poke" —

1-b. (cont)



#7. Wage tax Reductions insignificant -
decreased - 0.46% from 4.96% to 4.5%.

#8.

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2.



More than
current ~~property~~ tax
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those who oppose —

1) tax reform is a tax increase in disguise based on — 2 ~~assumptions~~ facts

- a) new tax → max. combined rate of 2.25%
- b) property tax reduced ^{only} 25% ^{reduced initially} 1 time

Revenues derived from personal income tax are to be used to offset revenues lost from repealed taxes —

With ~~some~~ ^{some} exception - Act 145 requires local govt imposing an unearned income tax to reduce millage rate by at least 25%. if in subsequent years local govt raises rate of unearned income tax, there must be a corresponding reduction in property tax — Who bare this burden?

loop hole — 2. ~~terms in effect for only 4 years~~
tax limits is only for 4 years
revenue

3.



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proponents. those who say Yes -
often accuse those of us who say No of
scare tactics -

Yes - it is scary for those who have saved
for their future - whose income is now threatened!

To say - well - SS, pensions and other retirement
benefits are exempt is NOT enough -

we find little comfort in knowing that welfare payments & disability
benefits are exempt. And then to add salt to the wound - then
the ones that want a yes vote say - Yes, it's true interest + dividends
will be subject to tax - however your investment would not be taxed.

WONDERFUL!!! Which Sr. citizens will be exempt those whose total
annual income is less than \$15,000

4.



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those who support-

1- believe it replace the current archaic system - with a more equitable one

2. they say our current system is confusing and this will be simpler! - No way -

3. I say equitable for whom?? Those who have worked and saved for their future.

4. If system is so simple - why so many

unanswerable questions.

5- proponents

Not so - Jarvis dictates that choose not to avoid to raise not lower property tax

claim property taxes will decrease. to impose p.10 tax will be to replace - wage tax + nuisance tax.

5/



In an effort to simplify a very complex issue - I have prepared for you a check list -

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What have I done as your Rep. - I tried to support & I introduced measures that would have benefitted my constituents - they were defeated! mainly on a partisan vote - sometimes on a city/rural marriage against those of us in the suburbs.

2) I vote No on the final vote

3) Newsletter - even though it may benefit me & my husband 90% of our income is 55./persons.



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In closing -
I hope this referendum is defeated
because it increases rather than
reforms local taxes - if defeated -
hopefully a non-partisan, cooperative effort will be
possible to work out "real" tax reform + protect
citizens from sky rocketing taxes

**OFFICIAL BALLOT QUESTION
MUNICIPAL PRIMARY
MAY 16, 1989**

JOINT RESOLUTION NO. 1

Shall Article VIII, Section 2 (b) of the Pennsylvania Constitution be amended to allow for legislation which would require or permit local government units to reduce residential real estate tax rates to the extent of additional revenues obtained from personal income taxes, while keeping all other changes in real estate tax rates uniform?



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The wording is Constitutional
language which will become part of our
Pa. Constitution if approved.

translated into
understandable language -

Do you favor lower property taxes in exchange
for higher income taxes? -

major thrust - shift from residential + farm real
estate owners to owners of plant + office business and all
individuals

(1)

102 majority

203
85
117

Do we need a taxpayer's revolt in Pa.

Let's examine the situation and some of the ways Calif. Propantion as it affects Penna.

First Taxation is a function of spending - it can be represented by a coin \perp on one side we have the option of cutting taxes + on the other cutting spending.

The urgent need at the moment in Pa., as I see it, is to put a cap on state spending which will force the tax cut - We can + we must cut government - And believe me it is easier to find legislators who will cut and oppose taxes than a legislator who is willing to cut spending.

The dissatis faction Americans / Penna - feel over the growth in taxes and the size of government is no longer a mood of the people. It is now the focus of an identifiable, nationwide movement, which hopes to convert that mood into constitutional limits on state revenues + state spending

The average taxpayer, according to the Tax Foundation, had to work until May 6th of this year before he began to work for himself

Louis Harris, the pollster, asserts "the Am. people are broadly fed-up with the old pressure method of running our government for one special interest after another."

Prop 13 has awoken the people voters, legislators alike - perhaps the agitation will start to turn into activity -

Prop. 13 - in Calif. - began through the process of initiative & referendum - Pa. Constitution does not provide for such a procedure - An initiative is a process by which a proposal either for a Constitutional amendment or a statute is placed on the ballot. - A referendum, on the other hand, will call a measure enacted by the legislature into question by the general public - through a referendum the public can approve or reject, either in part, ~~or~~ or on the whole, action of the legislature. A referendum usually must be proposed within 60-90 days after the adjournment of the session at which the statute in question was enacted.

The governor does not have veto power over a initiative or a referendum
HB-2578 is an example of one legislative proposal that would allow constitutional changes in Pa. to come about through initiatives & referendums.