Property Taxes for Homeowners in Pennsylvania are In-line With Property Taxes in Neighboring States

Notes: ¹Median property taxes as a percentage of median home values. ²Median property taxes as a percentage of the median income of homeowners.
Source: Keystone Research Center based on American Community Survey data.
After Falling For 10 Years, Annual Increases in School Property Tax Rates Have Been Rising Since 2013-14

Average percent change from the previous year 1999-00 to 2016-17 in school property tax millage rates & property taxes collected.

<table>
<thead>
<tr>
<th>Year</th>
<th>Millage Rates</th>
<th>Property Taxes Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>2001-02</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>2002-03</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>2003-04</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>2004-05</td>
<td>1%</td>
<td>-1%</td>
</tr>
<tr>
<td>2005-06</td>
<td>0%</td>
<td>-2%</td>
</tr>
<tr>
<td>2006-07</td>
<td>1%</td>
<td>-3%</td>
</tr>
<tr>
<td>2007-08</td>
<td>2%</td>
<td>-4%</td>
</tr>
<tr>
<td>2008-09</td>
<td>-5%</td>
<td>-6%</td>
</tr>
<tr>
<td>2009-10</td>
<td>-4%</td>
<td>-5%</td>
</tr>
<tr>
<td>2010-11</td>
<td>-3%</td>
<td>-4%</td>
</tr>
<tr>
<td>2011-12</td>
<td>-2%</td>
<td>-3%</td>
</tr>
<tr>
<td>2012-13</td>
<td>-1%</td>
<td>-2%</td>
</tr>
<tr>
<td>2013-14</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>2014-15</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>2015-16</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>2016-17</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

The sharp decline in property taxes collected in 2008-09 reflect the impact of the Great Recession.

Note: The state average annual change in school property tax millage rates is calculated from the change in millage rates in each school district after excluding districts located in counties that reassessed property taxes in the previous year. The state average annual change in school property taxes collected include all school districts.

Source: Keystone Research Center analysis based on Pennsylvania Department of Community and Economic Development and Department of Education data.
Map 1. Average Annual Change in Millage Rates by School District

Note: These districts shifted away from property taxes to other local taxes between 1999-00 and 2014-15; as a result, property tax millage rate changes may be lower than average due to a reliance on other local revenue sources to fund schools.

Source: Keystone Research Center
Map 2. Average Annual Change in Property Taxes Collected by School District

Note: These districts shifted away from property taxes to other local taxes between 1999-00 and 2014-15; as a result, the change in property taxes collected may be lower than average due to a reliance on other local revenue sources to fund schools.

Source: Keystone Research Center
Locally Raised School Revenues Have Grown Faster Than State and Federal Revenues in the Last 16 Years in Pennsylvania

Local, state, federal revenue per student indexed to 1999-2000 (=100).

Source: Keystone Research Center analysis based on Pennsylvania Department of Education data.
Deep Cuts in 2011-12 to the State Subsidy for Education Spending Have Been Followed by Six Years of Modest Increases

Changes in the State Subsidy for Basic Education since 2010-11.

Source: Pennsylvania Budget and Policy Center state budget line item data.
Change in State Spending for all PreK to 12 Education Budget Line Items

Changes in state spending for all education related line items since 2010-11.

Source: Pennsylvania Budget and Policy Center state budget line item data.
Note: Property taxes in these school districts account for less than 60% of local school revenues and therefore are not a complete measure of the local tax effort to fund schools. For example, Philadelphia and Reading have relatively low property taxes, but adding in other local taxes these two districts have the 27th and 8th highest school-district tax effort in the Commonwealth.

Source: Keystone Research Center
Note: Property taxes in these school districts account for less than 60% of local school revenues and therefore are not a complete measure of the local tax effort to fund schools. For example, Philadelphia and Reading have relatively low property taxes, but adding in other local taxes these two districts have the 27th and 8th highest school-district tax effort in the Commonwealth.

Source: Keystone Research Center
Map 5. Difference in Per Student Funding Between Distributing State Funds to Schools Through the Education Funding Formula and Through School Property Tax Elimination

Source: Keystone Research Center
Replacing Local Property Taxes with State Funds Delivers More Dollars Per Student to Affluent School Districts than Poor School Districts

The states 500 school districts are broken down into four groups of 125 school districts based on the percent of children under 18 living below the poverty line. The highest poverty districts are in the 1st quartile and the lowest poverty districts in the 4th quartile. The dollar amounts plotted for each quartile represent the enrollment weighted average of new state funds under property tax elimination based on 2014-15 data.

- **High Poverty 1st Quartile**: $3,721
- **High to Moderate Poverty 2nd Quartile**: $6,363
- **Moderate to Low Poverty 3rd Quartile**: $7,670
- **Low Poverty 4th Quartile**: $10,703

*Source: Keystone Research Center analysis of data from the Pennsylvania Department of Education.*
If the New State Funds to Finance Property Tax Elimination were Distributed According to the State Funding Formula, State Aid Would Favor Children with the Highest Need

The states 500 school districts are broken down into four groups of 125 school districts based on the percent of children under 18 living below the poverty line. The highest poverty districts are in the 1st quartile and the lowest poverty districts in the 4th quartile. The dollar amounts plotted for each quartile represent the enrollment weighted average of new state funds after distributing the same total of state dollars under property tax elimination but via the funding formula, all figures are based on 2014-15 district level data on property taxes collected.

Source: Keystone Research Center analysis of data from the Pennsylvania Department of Education.
Middle Class Taxpayers See the Biggest Tax Increase Under School Property Tax Elimination

Tax change as a percentage of income.

Source: Institute on Taxation and Economic Policy.
Property Tax elimination Shifts the Tax Burden to Middle Income Families, Taxing Income from Wealth Shifts the Burden to the Highest Earners

Tax change as a percentage of income.

1 Increase the personal income tax rate to 4.95%; increase the sales tax rate to 7%; expanding coverage of the sales tax to previously untaxed goods like food and services. ² Reduce the personal income tax rate on salaries and interest to 2.8%, raise the personal income tax rate on income that is not wages or interest to 6.5%

Source: Institute on Taxation and Economic Policy.
The Property Tax in Pennsylvania, like the Sales Tax, Imposes the Highest Tax Burden on the Lowest Income Families

Sales, excise, and property taxes as a share of family income for non-elderly taxpayers in Pennsylvania

Map B1. County, Municipal & School Property Taxes as a Share of Mean Family Incomes by School District

Source: Keystone Research Center
Map B2. County and Municipal Property Taxes as a Share of Mean Family Incomes by School District

Source: Keystone Research Center