

A property tax plan being touted by a group of Senators who call themselves The Commonwealth Caucus, WON'T save money for most Pennsylvanians and is a BAD IDEA in general for our state.

Under their plan the sales tax would be reduced to 4%, but all clothing and food, and other currently tax exempt item would be subject to sales taxes. This merely shifts the tax burden from the rich to the poor--a reverse Robin Hood. According to statistics developed in a national study conducted for the City Of Washington, DC:

A family of 4 with \$25,000 annual income pays--

6% sales tax--NO new food\clothing tax-- \$459 annually.

4% sales tax--WITH ALL food\clothing taxed --\$590 annually.



A family of 4 with \$50,000 income would pay--

6% sales tax-NO new food\clothing tax--\$561 annually

4% sales tax--WITH ALL food\clothing tax--\$654 annually.

A family of 4 with \$75,000 income would pay--

6% sales tax--NO new food\clothing tax--\$840

4% sales tax--WITH ALL food\clothing tax--\$980

A family of 4 with \$100,000 income would pay--

6% sales tax--NO new food\clothing tax--\$1,211

4% sales tax--WITH ALL food\clothing tax--\$1,207

As the chart shows, only those families with an income over \$100,000 would realize any savings, and even the \$100,000-income family would save only \$4 per year.

Among the other problems with this plan, it abolishes ONLY SCHOOL property tax...but leaves in place the county and municipal property taxes. Therefore, every homestead will have to be assessed and reassessed just as before, keeping the sizable bureaucracy in the assessment offices--especially in more populous counties--in place. Sheriff sales of homes for back taxes will continue.

Cutting the sales tax to four percent means out-of-staters visiting Pennsylvania will likely pay less sales taxes into our state coffers as they travel through--unless they buy food for home consumption--which most tourists and visitors don't do, or clothing; those who regularly visit our outlet malls to escape clothing taxes in New York and West Virginia, for example, would be less likely make the journey to Pennsylvania. Those living just outside the border of Pennsylvania, in states that now tax food, would be less likely to continue their regular trek into Pennsylvania grocery stores since food would be now taxed 4% here. Sales taxes can be controlled simply by wiser purchasing. Purchase high priced items pay more...purchase lower priced items, pay less.

Reducing the sales tax means those participating in the underground economy--working under the table, or selling illegal substances, etc. would pay less in sales tax. Therefore, we recover less money from these individuals than we now do.

Lastly, it is important to note that those Pennsylvania families who own homes would now pay a sales tax on food and clothing, AND would still pay both municipal and county property taxes. One would need to add hundreds of additional dollars per year per family to the 4% sales tax figures above.

S.T.O.P. urges Pennsylvanians to reject any plan that taxes basic food and clothing. We believe essentials like food for home consumption, basic clothing and medications should remain SALES TAX FREE. And, because SHELTER is a basic necessity as well, it should not be taxed either.

Learn more about the S.T.O.P. plan to abolish ALL property taxes on homesteads...by visiting www.grandoldusa.com or by writing to Talking Points, c/o Bob Logue, KDKA Radio, Pittsburgh, PA 15222.

Let's make Pennsylvania *America's Only Home Free State*, and a very desirable place for young families, retirees and others to live. And, let's give Pennsylvania's economy a major boost!