

City of Philadelphia



Philadelphia Tax Reform Commission Municipal Services Building, Room 1440 Philadelphia

(Resolution No. 001)

RESOLUTION

WHEREAS, the Philadelphia Home Rule Charter amendment establishing the Philadelphia Tax Reform Commission mandates that the Commission "make recommendations related to state-wide tax reform, including public education funding, that will enhance and improve the overall tax structures in Philadelphia and all other counties in the Commonwealth of Pennsylvania;" and

WHEREAS, the Charter amendment stipulates that "the Commission's work shall be guided by the principle that Philadelphia's tax structure should enhance and improve Philadelphia's ability to compete with other jurisdictions in the region and throughout the nation in attracting new residents, businesses and jobs and retaining current residents, businesses and jobs;" and

WHEREAS, the Rendell Administration has proposed a program of statewide tax reform that will provide funds from the Commonwealth of Pennsylvania permitting the City of Philadelphia to reduce Philadelphia's resident wage tax to 3.7415 percent by Fiscal Year 2008 and to increase Commonwealth funding of the School District of Philadelphia by \$282 million by Fiscal Year 2006; to raise \$282 million for the School District of Philadelphia locally would require a 37 percent property tax increase; and

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RESOLUTION NO. 001 continued

WHEREAS, an Econsult Corporation analysis of the Governor's statewide tax reform plan commissioned by the Philadelphia Tax Reform Commission has concluded that, "the Rendell tax reform proposal is likely to increase the size of the Philadelphia economy and increase the city's property values" and "increase City revenues so that wage taxes plus the state aid to the city will significantly exceed baseline revenue forecasts;" and

WHEREAS, the Econsult analysis concludes further that "increases in property values would allow the city to generate additional funds for both the City and School District without increasing tax rates;" now therefore

RESOLVED, that the Philadelphia Tax Reform Commission supports the Rendell Administration's proposal to use funds from the Commonwealth of Pennsylvania to help the City of Philadelphia reduce its resident wage tax to 3.7415 percent by Fiscal Year 2008 and to increase Commonwealth funding of the School District of Philadelphia by \$282 million by Fiscal Year 2006.

The Philadelphia Tax Reform Commission further urges the Pennsylvania General Assembly to give serious consideration to the Econsult analysis of these proposed statewide tax reforms in making its final decision.

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RESOLUTION NO. 001 continued

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Philadelphia Tax Reform Commission on the fifth of June, 2003.

Edward A. Schwartz
COMMISSION CHAIRMAN

Christopher Dwyer
COMMISSION EXECUTIVE DIRECTOR

Introduced by: Chairman Schwartz