

1401 JFK Blvd, Room 1440
Municipal Services Building
Philadelphia, PA 19102
Tel: (215) 686-2140
Fax: (215) 686-2123

Edward A. Schwartz
Chairman

FOR IMMEDIATE RELEASE
June 6, 2003

Contact: Robin Leary
(215) 686-2142
(215) 275-1297 cell

Tax Reform Commission endorses Governor Rendell's tax and school funding plans

PHILADELPHIA, PA (June 6, 2003)– The Philadelphia Tax Reform Commission (TRC), Philadelphia's tax reform advocate, announced yesterday their support for Pennsylvania Governor Edward G. Rendell's local property and wage tax relief programs and the administration's recommendations to broaden Pennsylvania support for local schools. The Commission voted 12-0 to endorse and promote the Governor's plan, citing a significant increase in state funding for the School District of Philadelphia by 2006 and an overall resident wage tax reduction to less than 4 percent by 2008.

This support is based upon an analysis conducted by the Econsult Corporation on the impact of the Governor's plan on Philadelphia that was commissioned by the TRC. According to its preliminary report, "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."

The Commission's mandate of making recommendations that will improve the overall tax structure in Philadelphia and enhance Philadelphia's ability to compete with other jurisdictions throughout the nation is the impetus spurring the Commission's support of Governor Rendell's plan.

"While it is never easy for a Legislature to embrace new initiatives at a time of fiscal crisis, the Tax Reform Commission is persuaded that the enormous benefits that Rendell's tax relief and school funding plans offer to Philadelphia and communities throughout Pennsylvania more than justify the potential cost," TRC Chair Ed Schwartz said.

The Commission resolution urges the Pennsylvania General Assembly to give serious consideration to the Econsult analysis of the proposed statewide tax reforms in making its final decision. This analysis shows that "increases in property values would allow the city to generate additional funds for both the City and the School District without increasing tax rates.

While the Commission supported the Rendell plan, it did not rule out recommending further reductions of the wage tax or other taxes as determined by the outcomes of its on-going research.

A copy of the TRC resolution of support and a copy of the Econsult's preliminary report to the TRC is available for public viewing at the TRC website:

www.philadelphiataxreform.org.

Philadelphia voters last November approved a ballot question creating the Tax Reform Commission. The Commission's purpose is to recommend ways that taxes can be reduced. It is currently studying all taxes and tax reform solutions for a final report to be presented to the Mayor and City Council on November 15, 2003.

###