

**If the majority
votes:
Yes**

- The District's 0.5% earned income tax will become a 1.3% earned income tax effective July 1, 2007.
- The property tax rebate of \$811 will be reflected on the July 1, 2007 real estate tax notices.

**If the majority
votes:
No**

- There will be no change to the current school tax structure.

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Currently, PR taxpayers pay 0.5% EIT to the municipality and 0.5% EIT to the district. The outcome of the referendum vote does not affect the municipality's 0.5% EIT.

**Your Taxes...
Your Choice...**



Pine-Richland Schools
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**Act 1:
What You
Should Know
Before You
Vote**

The Referendum Question

"Do you favor the Pine-Richland School District imposing an additional 0.8 percent earned income tax? The revenue generated from the increased tax rate will be used to reduce school district taxes on qualified residential properties by an estimated \$811. The district's current earned income tax rate is 0.5 percent."

**Primary Election Day
Tuesday, May 15, 2007**

FAQs

Why a referendum question?

As mandated by the state legislature under Act 1 of 2006, PRSD is required to place a referendum question on the ballot for the May 15, 2007 election. The format of the referendum question was also determined by the act.

What is an Earned Income Tax (EIT)?

For employees, an EIT is a local tax on wages earned. Business owners pay a local EIT on the profit from sole proprietorships and partnerships.

Would the property tax rebate be based upon how much property tax I pay now?

No. The rebate would be a fixed dollar amount for each household. For example, a \$50,000 home and a \$500,000 home would receive the same rebate of \$811.

What if I rent instead of own a home?

If the referendum is approved, you would be subject to the new 1.3% EIT rate. Since you do not pay property taxes, you would not receive a property tax rebate.

Will the Pine-Richland School District receive additional revenues?

PRSD would not receive any additional revenues from taxes regardless of whether the referendum is approved.

Fast Facts on Act 1

- Any future school tax increases that exceed the annual state-determined index will require voter approval whether the referendum is approved or defeated.
- The PR School Board appointed the tax commission, which held two public forums. The forums can be viewed on PR-TV Channel 50. The commissioners met seven times from September 2006 through February 2007.

The Impact of Act 1 Reform on PRSD School Taxes

For Homeowners with an Approved Homestead Application

2007-2008 Fiscal Year

New EIT Rate	1.3 %
Homestead Exemption	\$811
Household Earned Income	Additional or (Reduced) Tax Obligation
\$300,000	\$1,589
\$275,000	\$1,389
\$250,000	\$1,189
\$225,000	\$989
\$200,000	\$789
\$175,000	\$589
\$150,000	\$389
\$125,000	\$189
\$100,000	(\$11)
\$75,000	(\$211)
\$50,000	(\$411)
\$25,000	(\$611)
\$0	(\$811)

Please Note: Renters and those with non-approved homesteads will not receive property tax relief, but they would be subject to the 1.3% earned income tax if the ballot question is approved.

2006-2007 PR Tax Commission

The 2006-2007 PR Tax Commission was made up of: Dr. Jim Werkmeister (Chairperson), Rick Sabo (Secretary), Larry Bridge, Michael Dennehy, Jr., John S. Gottschalk, Hemanth Kapoor, Steve Leonard, Neil Raine and Robert Vislosky.

For complete information about Act 1, visit our website at www.pinerichland.org.