



## **News for Immediate Release**

**April 15, 2011**

### **Budget Secretary Certifies \$776.2 Million for Statewide Property Tax Relief**

**Harrisburg** – Budget Secretary Charles B. Zogby today certified that \$776.2 million in gaming revenue will be available for property tax relief in 2011.

The 2006 Taxpayer Relief Act established the Property Tax Relief Fund as a way to use gaming revenue to reduce property taxes for homeowners. The law requires the budget secretary to certify the actual balance in the fund on April 15 of each year and to project gaming revenue coming into the fund in the next six months.

Zogby certified today that the balance in the Property Tax Relief Fund is \$386.3 million, including \$34.7 million in the Property Tax Relief Reserve Fund. Gaming revenue from now through Oct. 15 is projected to add \$402.7 million to the relief fund, bringing the total amount in the fund at that time to approximately \$789 million (including the reserve fund).

The average statewide property tax reduction for each household is expected to be about \$200 this year. Final figures will be provided in early May, when counties report the number of homeowners who have signed up for their share of property tax relief. School districts will receive their share of property tax relief in two equal installments in August and October.

Homeowners in 66 counties will receive reductions in the school property tax bills they will receive this summer. In accordance with the Taxpayer Relief Act, Philadelphia's share of funding for broad-based tax relief – \$86.3 million – will be used to reduce the city's wage tax.

Zogby today notified acting Secretary of Education Ronald J. Tomalis by letter of the results of his certification. The amount of property tax relief will vary by school district, and the Department of Education will notify each school district of its specific level of property tax relief in early May. Under the law, Pennsylvania homeowners will see the property tax reduction itemized on their tax bill, which most school districts will issue this summer.

The amount of property tax relief in each school district will be available online in early May at the School District Property Tax Relief section of the Department of Education website at [www.education.state.pa.us](http://www.education.state.pa.us).

Gaming revenue also supports the Property Tax/Rent Rebate Program. Under this program, older and disabled homeowners with incomes up to \$35,000 – and renters with incomes up to \$15,000 – are eligible for rebates of up to \$650. Supplemental rebates for qualifying homeowners can increase rebates to \$975. The deadline to apply for the program is June 30; information is available at [www.revenue.state.pa.us](http://www.revenue.state.pa.us) or by calling 1-888-222-9190.

**Media contact:** Susan Hooper, 717-265-8067

**Editor's Note:** The text of Secretary Zogby's letter to acting Secretary Tomalis is attached below.

April 15, 2011  
Honorable Ronald J. Tomalis  
Acting Secretary of Education  
333 Market Street, 10th Floor  
Harrisburg, PA 17120

Dear Secretary Tomalis:

This certification marks the fourth year of statewide property tax relief for Pennsylvania homeowners. This year, \$776.2 million will be available for property tax relief, including funding for the enhanced Property Tax/Rent Rebate Program.

The balance in the Property Tax Relief Fund as of today is \$386.3 million, including \$34.7 million in the Property Tax Relief Reserve Fund. I am projecting that an additional \$402.7 million in revenue will be deposited into the fund in the next six months, bringing the total amount in the fund to approximately \$789 million by October 15, 2011.

To satisfy the sustainability requirements of the Taxpayer Relief Act of 2006, \$21.9 million will be transferred from the Property Tax Relief Reserve Fund to the Property Tax Relief Fund for general property tax relief payments. Delays in facility openings and continued increases in non-taxable promotional play have contributed to the decline in projected revenues. Therefore, I am certifying that the balance in the Property Tax Relief Reserve Fund will be \$12.8 million by October 15, 2011.

At this time further measures for assuring sustainability will not be necessary. However, if the balance in the Property Tax Relief Reserve Fund is insufficient to meet the sustainability requirements established in the Taxpayer Relief Act of 2006, pursuant to Section 1799-E of Act 46 of 2010, I will notify the Pennsylvania Gaming Control Board to immediately assess each slot machine licensee for the repayment of the outstanding loan balances from the Property Tax Relief Reserve Fund. The total outstanding loan balance from the Property Tax Relief Reserve Fund totals \$63.9 million. This balance is due from the slot machine licensees.

Of the amount projected to be in the Property Tax Relief Fund by October 15, 2011, \$28.2 million will be transferred to the Lottery Fund to reimburse costs related to

supplemental property tax rebates. Additionally, \$135.9 million will be transferred to the Lottery Fund for enhancements to the Property Tax/Rent Rebate Program. The 2011-12 fiscal year marks the fifth year of the enhancements made to the Property Tax/Rent Rebate Program.

In addition, \$17.1 million will be used to reimburse eligible school districts pursuant to Section 324 of the Taxpayer Relief Act. These are known as Sterling Act reimbursements.

After subtracting the amount of funding required for the Property Tax Relief Reserve Fund, supplemental funding for the Property Tax/Rent Rebate Program and Sterling Act reimbursements, I certify that \$595 million will be available for statewide property tax relief.

Under the terms of the Taxpayer Relief Act, homeowners will see their property tax reduction itemized on their tax bill, which school districts will issue this summer. The amount of property tax relief will vary by school district. The Department of Education will notify each Pennsylvania school district of its property tax reduction allocation no later than May 1, as the act requires.

Please let me know if you require any additional information or assistance from my office.

Sincerely,  
Charles B. Zogby  
Secretary of the Budget

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