



Pennsylvania
Association of
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*The Voice for Real Estate
in Pennsylvania*

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Pennsylvania Association of REALTORS® (PAR)

Testimony on Property Tax Reform

Presented by Greg Herb

Good morning Chairman Brubaker, Chairman Wozniak and members of the Senate Finance Committee. My name is Greg Herb and I have been in the real estate business for over 30 years. I am the Legislative Chair of the Pennsylvania Association of Realtors® (PAR) and previously served as the association president in 2009.

On behalf of the 28,000 Realtors® in Pennsylvania, I am here to present testimony on property tax reform. The Pennsylvania Association of Realtors® is a strong advocate for private property rights and home ownership. We are not here to present support or opposition on any property tax reform proposals currently under consideration by the General Assembly. In order to gain a better understanding of Pennsylvanian's views on property tax reform, PAR commissioned its company, Keystone Analytics, to survey voters throughout the Commonwealth. While PAR does not make policy decisions based solely on the opinions of voters, we believe that in decisions as important as property tax reform, someone must give voice to the voters and homeowners of Pennsylvania and PAR is the natural entity to do just that.

Keystone Analytics polled 500 voters in Pennsylvania, 87 percent of whom are homeowners, on May 13-14, 2012. The results show that Pennsylvanians believe reforming and reducing property taxes should be a priority. Fifty-eight percent believe property taxes are either in part or wholly a state issue. When asked to rank a list of current state legislative priorities, 23 percent of

Pennsylvanians picked reforming and reducing property taxes over balancing the state budget, improving roads and bridges, and dealing with illegal immigration. Based on the overall sentiment that Keystone Analytics has tracked over the past few years on taxation issues, it appears that voters are growing more and more weary of inaction by the state government on property tax reform.

Property tax reform is on the minds of many Pennsylvanians. Our survey showed that 57 percent of homeowners believe their property taxes are too high. Nearly 40 percent have seen an increase of more than \$50 in their total property tax bill in the last year and more than 50 percent say it has contributed to their families' financial strain.

Those surveyed were asked to comment regarding some recent property tax reform proposals. Sixty-two percent of Pennsylvanians surveyed believe that increasing the sales tax by 1 percent and broadening the tax base would be a favorable alternative to funding public schools if the schools would receive the same amount of revenue, regardless of the tax source.

Of those surveyed, 56 percent don't believe that giving local governments the option of reducing property taxes by levying a sales tax and a use and occupancy tax, in addition to all other state and local taxes, is a viable solution.

PAR will continue to perform extensive research on the issue of property tax reform and the implications on the real estate industry. We look forward to working with members of the state legislature to find a plan that best meets the needs of Pennsylvania homeowners and encourages homeownership in future generations.

Thank you again for the opportunity to discuss our findings. I would be happy to take your questions at this time.