

# POTTSTOWN CITIZENS FOR Responsible GOVERNMENT

## Pottstown: unsustainable taxation

Much has been said about the need to increase Pottstown's tax base. However, this is much easier said than done.

The borough employed an economic development director for more than eight years, from 2000 to 2008, at a total cost to the taxpayers of more than \$800,000. There is no evidence the economic development director brought in any jobs or development. In fact, the borough's tax base has steadily decreased — and with the current recession, the erosion of our tax base is accelerating.

Earlier this year, the school district's business manager estimated that revenues from local sources such as the earned income tax and the real estate tax will decline more than \$1.1 million in the coming school year.

The No. 1 impediment to economic development is high taxes. Pottstown has among the highest taxes in Pennsylvania.

Each year, the State Tax Equalization Board figures out the market value of each school district in Pennsylvania. The Department of Education then calculates

what it calls the "local tax effort" in "equalized mills," designed to allow comparisons of how much each school district is charging in taxes.

Based on this formula, Pottstown ranks 15th in taxation of 500 school districts. In other words, Pottstown charges more in taxes than 96 percent of the school districts in Pennsylvania.

Both the borough and the school district must bring spending under control. Otherwise, we will see a continuing downward spiral of higher taxes leading to more businesses and residents leaving the borough, which in turn will lower our tax base even further.

Because of the financial crisis, borough government eliminated 13 full-time positions in its 2009 budget.

But the school district's preliminary budget calls for no cutbacks and raising taxes 5.7 percent. This level of spending and taxing is unsustainable.

*Thomas Hylton, a 36-year resident of Pottstown, is Web site editor of Pottstown Citizens for Responsible Government.*



Commentary by  
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### Summary

- **The No. 1 impediment to economic development is high taxes.**
- **Pottstown School District has among the highest taxes in Pennsylvania.**
- **The school district is taxing and spending at unsustainable levels.**

Local tax effort in "equalized mills" as computed by the Pennsylvania Department of Education 2006-2007*				
School District	Equalized mills*	State rank of 500 school districts*	Tax effort compared to Pottstown	Percentage of low-income students*
Pottstown	32.1	15		50.4%
Pottsgrove	31.2	17	2.5% less	18.3%
Boyertown Area	19.5	260	39% less	8.6%
Owen J. Roberts	22.9	141	29% less	7.4%
Allentown	25.2	89	22% less	83.4%
Reading	26.1	74	19% less	73.5%
Philadelphia	18	336	44% less	39.6%
Bethlehem Area	20	239	38% less	70%
Norristown Area	25.7	81	20% less	56.5%
Lebanon	24	115	25% less	63%

\* Source: Pennsylvania Department of Education for the most recent year available