

Act 72's failure makes room for meaningful reform

Gov. Ed Rendell is ready to admit what we've known for some time: Act 72 is not the road to tax reform in Pennsylvania.

Rendell was in Pottstown Thursday evening as guest speaker at the Pottstown High School graduation, and afterward, he talked for a few minutes about Harrisburg's latest failure to achieve tax reform and improve the system of funding Pennsylvania's public schools. "I remain committed to ensuring that Pennsylvanians get property tax relief," Rendell said in an interview. "But I don't think we'll get to it before the legislature leaves for the summer." Then, he added, "it will probably be something other than Act 72."

The comment was a departure from Rendell's recent comments that hinted at making participation in the controversial tax plan mandatory for school districts. Only 111 of Pennsylvania's 501 school districts voted to participate in Act 72. Daniel Boone Area School District was the only district in the Pottstown area to opt in. In voting not to participate, nearly every area school district articulated specific objections to Act 72, including reliance on gambling for revenue, shortcomings in the relief provided to property owners, and the requirement that school boards would have to abide by referendums for future tax increases that exceeded a set limit.

Rendell's campaign promise of property tax relief and more even-handed funding of public schools was traded for a debate over the ills of gambling and the risk of limiting local school spending during times of growth.

So it's time to move on and find a better way.

The partisan atmosphere among lawmakers in Harrisburg seems to do its best job in voting pay raises for themselves and making sure that those on the other side of the aisle never accomplish their goals. Lately, that has meant focusing on whether or not gambling is good or bad instead of how to craft the best plan possible for funding schools.

There are other ideas in Harrisburg that could provide meaningful tax reform. One is the plan being promoted by the Commonwealth Caucus, which calls for replacing property taxes with an expanded "sales and use tax" that would be lowered from 6 to 5 percent, but would apply to more goods and services.

Promoted by Berks County Rep. Sam Rohrer, R-128th Dist., the plan has been endorsed locally by the TriCounty Area Chamber of Commerce. Rohrer has said "the issue is not just that property taxes are too high. That is just a symptom of the problem." Having all education funding come from the state will "will allow us to restructure the whole system," Rohrer said in April.

Other plans being bounced around take the projected gambling revenue money and use it for tax relief for senior citizens. But that does nothing to address the educational funding inequity. Rohrer's plan does.

Rendell did not say Thursday whether or not he will support the Commonwealth Caucus plan. All he would say on the subject before he climbed into his car was "we'll have something in place before the gambling money becomes available."

That is the thinking that dug a hole for the governor on Act 72. The focus should not be on the value or pitfalls of relying on gambling money. Lawmakers — in both parties and in both legislative and executive offices — need to work together to address the larger issue of how public schools are funded in Pennsylvania and to end the reliance on property taxes.

In Rendell's remarks to the Pottstown High School graduates, he ended by encouraging them to do great things "and do them in Pennsylvania." His friends and opponents in Harrisburg should heed that message.