

Homestead Exemption Constitutional Amendment

Cumberland County
homeowners are
only receiving **8%** of
the tax break they deserve.

Unrealized Homeowner Tax
Relief EQUALS as much as:

\$ 71,162,150

\$	77,350,452	}	maximum allowable homestead relief among all taxing jurisdictions in Cumberland County
-	\$ 6,188,302	}	slots/gaming relief
\$	71,162,150	}	unrealized homeowner tax relief

ABOUT THIS ANALYSIS

THE QUESTION POSED:

What is the maximum amount of “homeowner” property tax relief permitted -- by taxing jurisdiction in Cumberland County – if the 1997 “homestead exclusion” amendment to our state Constitution was fully implemented?

BACKGROUND: The “homestead exclusion” Constitutional amendment, overwhelmingly approved by Pennsylvania’s voters, altered the state’s so-called “uniformity clause” for the specific purpose of granting homeowners property tax relief of up to “one-half of the median assessed value of all homestead property within the taxing jurisdiction.” The amendment also specifically prohibited any increase in property taxes on other landowners to facilitate the homeowner property tax reduction; thereby, necessitating some other levy to fund the homeowner property tax relief.

To determine the maximum amount of homeowner property tax relief authorized in Cumberland County by the “homestead exclusion” constitutional amendment, certain data from all taxing jurisdictions and mathematical calculation was required. All data utilized in this analysis was the most recent as of March 1, 2013.

Whether it be the county government, a municipal government or a school district in Cumberland County, the calculation would be the same for each taxing entity but the data will be different based on the particulars of the taxing jurisdiction.

Here’s the calculation that was utilized for the county, for each school district and for each municipality that imposes a real estate tax in determining how much Cumberland County’s homeowners would be entitled to if the homestead exemption constitutional amendment was fully implemented:

(One-Half of the Median Assessed value of homestead properties within the taxing jurisdiction) TIMES (the number of homesteads / farmsteads within the taxing jurisdiction) TIMES (the millage rate of the taxing jurisdiction) EQUALS (dollar figure) DIVIDED by the number of homesteads/farmsteads) EQUALS (per homestead/farmstead tax break).

With respect to our school districts, where partial “homestead/farmstead” relief is already being provided by slots gaming, this analysis multiplied the number of homesteads/farmsteads within each school district times the amount each homestead/farmstead in each district received in tax relief in fiscal 2012/13 to determine the amount of revenue received from the state distribution of slots gaming revenue for homeowner property tax relief. This amount was then subtracted from the maximum allowable amount of relief permitted to determine the remaining limit of the homestead exemption.

NOTE: The actual amount of revenue needed to fully fund the maximum allowable homestead property tax relief would be slightly less than the analysis projects because the total tax liability of some qualifying properties, a relatively small percentage of the total, would be lower than the per parcel tax relief that would be provided. In other words, since no property owner would receive more in homestead tax relief than the property’s tax liability by taxing jurisdiction, the amount needed to fully fund unrealized homestead tax relief would be slightly lower than the projection.

Cumberland County Government:

Total # of Homestead/Farmstead	60,075
Mill Rate	0.002131

Median Homestead Value	\$186,900
Unrealized Homestead Tax Relief	\$11,963,453
Unrealized Tax Break per Homestead/Farmstead	\$199.14

Cumberland County School Districts:

H/F = Homestead/Farmstead
 SD = School District
 S/G = Slots/Gaming Revenue

BIG SPRING SCHOOL DISTRICT:

Total # of Homestead/Farmstead	5711
Mill Rate	0.012364
Median Homestead Value	\$176,700
Max. Allowable Homestead Relief	\$6,238,465
Unrealized Homestead Tax Relief	\$5,492,266
Max. Allowable Tax Break per H/F	\$1,092.36
Slots/Gaming Tax Break per H/F	\$130.66
Unrealized Tax Break per H/F	\$961.70

CAMP HILL AREA SCHOOL DISTRICT:

Total # of Homestead/Farmstead	2189
Mill Rate	0.0131622
Median Homestead Value	\$192,500
Max. Allowable Homestead Relief	\$2,773,160
Unrealized Homestead Tax Relief	\$2,529,590
Max. Allowable Tax Break per H/F	\$1,266.86
Slots/Gaming Tax Break per H/F	\$111.27
Unrealized Tax Break per H/F	\$1,155.59

CARLISLE AREA SCHOOL DISTRICT:

Total # of Homestead/Farmstead	8330
Mill Rate	0.0123706
Median Homestead Value	\$170,100
Max. Allowable Homestead Relief	\$8,764,156
Unrealized Homestead Tax Relief	\$7,684,089
Max. Allowable Tax Break per H/F	\$1,052.12
Slots/Gaming Tax Break per H/F	\$129.66
Unrealized Tax Break per H/F	\$922.46

CUMBERLAND VALLEY SCHOOL DISTRICT:

Total # of Homestead/Farmstead	16064
Mill Rate	0.008715
Median Homestead Value	\$222,600
Max. Allowable Homestead Relief	\$15,581,751
Unrealized Homestead Tax Relief	\$14,645,380
Max. Allowable Tax Break per H/F	\$969.98
Slots/Gaming Tax Break per H/F	\$58.29
Unrealized Tax Break per H/F	\$911.69

EAST PENNSBORO SCHOOL DISTRICT:

Total # of Homestead/Farmstead	5343
Mill Rate	0.0105254
Median Homestead Value	\$171,000
Max. Allowable Homestead Relief	\$4,808,282
Unrealized Homestead Tax Relief	\$4,146,765
Max. Allowable Tax Break per H/F	\$899.92
Slots/Gaming Tax Break per H/F	\$123.81
Unrealized Tax Break per H/F	\$776.11

MECHANICSBURG SCHOOL DISTRICT:

Total # of Homestead/Farmstead	7265
Mill Rate	0.012289
Median Homestead Value	\$188,700
Max. Allowable Homestead Relief	\$8,423,529
Unrealized Homestead Tax Relief	\$7,543,665
Max. Allowable Tax Break per H/F	\$1,159.47
Slots/Gaming Tax Break per H/F	\$121.11
Unrealized Tax Break per H/F	\$1,038.36

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SHIPPENSBURG AREA SCHOOL DISTRICT:

Total # of Homestead/Farmstead	3266
Mill Rate	0.01022
Median Homestead Value	\$167,250
Max. Allowable Homestead Relief	\$2,791,279
Unrealized Homestead Tax Relief	\$2,285,637
Max. Allowable Tax Break per H/F	\$854.65
Slots/Gaming Tax Break per H/F	\$154.82
Unrealized Tax Break per H/F	\$699.83

SOUTH MIDDLETON SCHOOL DISTRICT:

Total # of Homestead/Farmstead	4530
Mill Rate	0.0089245
Median Homestead Value	\$198,100
Max. Allowable Homestead Relief	\$4,004,392
Unrealized Homestead Tax Relief	\$3,458,301
Max. Allowable Tax Break per H/F	\$883.97
Slots/Gaming Tax Break per H/F	\$120.55
Unrealized Tax Break per H/F	\$871.42

WEST SHORE SCHOOL DISTRICT:

Total # of Homestead/Farmstead	7377
Mill Rate	0.0093
Median Homestead Value	\$164,100
Max. Allowable Homestead Relief	\$5,629,131
Unrealized Homestead Tax Relief	\$5,040,151
Max. Allowable Tax Break per H/F	\$763.07
Slots/Gaming Tax Break per H/F	\$79.84
Unrealized Tax Break per H/F	\$683.23

Cumberland County Municipalities:

H/F = Homestead/Farmstead
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CAMP HILL BOROUGH:

Total # of Homestead/Farmstead	2189
Mill Rate	0.003022
Median Homestead Value	\$192,500
Unrealized Homestead Tax Relief	\$636,709
Unrealized Tax Break per H/F	\$290.87

CARLISLE BOROUGH:

Total # of Homestead/Farmstead	3271
Mill Rate	0.003275
Median Homestead Value	\$160,100
Unrealized Homestead Tax Relief	\$857,538
Unrealized Tax Break per H/F	\$262.16

COOKE TOWNSHIP:

Total # of Homestead/Farmstead	59
Mill Rate	0.0015
Median Homestead Value	\$209,900
Unrealized Homestead Tax Relief	\$9,288
Unrealized Tax Break per H/F	\$157.43

DICKINSON TOWNSHIP:

Total # of Homestead/Farmstead	1612
Mill Rate	0.000084
Median Homestead Value	\$221,800
Unrealized Homestead Tax Relief	\$15,017
Unrealized Tax Break per H/F	\$9.32

EAST PENNSBORO TOWNSHIP:

Total # of Homestead/Farmstead	5343
Mill Rate	0.000957
Median Homestead Value	\$171,000
Unrealized Homestead Tax Relief	\$437,183
Unrealized Tax Break per H/F	\$81.92

HAMPDEN TOWNSHIP:

Total # of Homestead/Farmstead	8121
Mill Rate	0.000156
Median Homestead Value	\$232,000
Unrealized Homestead Tax Relief	\$146,958
Unrealized Tax Break per H/F	\$18.10

LEMOYNE BOROUGH:

Total # of Homestead/Farmstead	961
Mill Rate	0.0023
Median Homestead Value	\$154,600
Unrealized Homestead Tax Relief	\$170,856
Unrealized Tax Break per H/F	\$177.79

LOWER ALLEN TOWNSHIP:

Total # of Homestead/Farmstead	4033
Mill Rate	0.00245
Median Homestead Value	\$168,900
Unrealized Homestead Tax Relief	\$834,438
Unrealized Tax Break per H/F	\$206.90

LOWER FRANKFORD TOWNSHIP:

Total # of Homestead/Farmstead	496
Mill Rate	0.0001211
Median Homestead Value	\$182,400
Unrealized Homestead Tax Relief	\$5,478
Unrealized Tax Break per H/F	\$11.04

MECHANICSBURG BOROUGH:

Total # of Homestead/Farmstead	2129
Mill Rate	0.00258
Median Homestead Value	\$169,800
Unrealized Homestead Tax Relief	\$466,340
Unrealized Tax Break per H/F	\$219.04

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MIDDLESEX TOWNSHIP:

Total # of Homestead/Farmstead	1708
Mill Rate	0.00122
Median Homestead Value	\$188,650
Unrealized Homestead Tax Relief	\$196,551
Unrealized Tax Break per H/F	\$115.08

MONROE TOWNSHIP:

Total # of Homestead/Farmstead	1794
Mill Rate	0.000525
Median Homestead Value	\$214,200
Unrealized Homestead Tax Relief	\$100,872
Unrealized Tax Break per H/F	\$56.23

MT. HOLLY SPRINGS BOROUGH:

Total # of Homestead/Farmstead	487
Mill Rate	0.002036
Median Homestead Value	\$122,800
Unrealized Homestead Tax Relief	\$60,880
Unrealized Tax Break per H/F	\$125.01

NEWBURG BOROUGH:

Total # of Homestead/Farmstead	100
Mill Rate	0.00125
Median Homestead Value	\$150,050
Unrealized Homestead Tax Relief	\$9,378
Unrealized Tax Break per H/F	\$93.78

NEW CUMBERLAND BOROUGH:

Total # of Homestead/Farmstead	2001
Mill Rate	0.0039
Median Homestead Value	\$160,400
Unrealized Homestead Tax Relief	\$625,873
Unrealized Tax Break per H/F	\$312.78

NEWVILLE BOROUGH:

Total # of Homestead/Farmstead	227
Mill Rate	0.002137
Median Homestead Value	\$123,500
Unrealized Homestead Tax Relief	\$29,955
Unrealized Tax Break per H/F	\$131.96

NORTH MIDDLETON TOWNSHIP:

Total # of Homestead/Farmstead	2960
Mill Rate	0.000694
Median Homestead Value	\$169,250
Unrealized Homestead Tax Relief	\$173,840
Unrealized Tax Break per H/F	\$58.73

SHIPPENSBURG BOROUGH:

Total # of Homestead/Farmstead	482
Mill Rate	0.0026
Median Homestead Value	\$154,000
Unrealized Homestead Tax Relief	\$96,496
Unrealized Tax Break per H/F	\$200.20

SHIPPENSBURG TOWNSHIP:

Total # of Homestead/Farmstead	318
Mill Rate	0.000675
Median Homestead Value	\$63,700
Unrealized Homestead Tax Relief	\$6,837
Unrealized Tax Break per H/F	\$21.50

SHIREMANSTOWN BOROUGH:

Total # of Homestead/Farmstead	372
Mill Rate	0.0021
Median Homestead Value	\$167,750
Unrealized Homestead Tax Relief	\$65,523
Unrealized Tax Break per H/F	\$176.14

Cumberland County Municipalities:

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SILVER SPRING TOWNSHIP:

Total # of Homestead/Farmstead	4441
Mill Rate	0.0008045
Median Homestead Value	\$220,200
Unrealized Homestead Tax Relief	\$393,364
Unrealized Tax Break per H/F	\$88.58

SOUTH MIDDLETON TOWNSHIP:

Total # of Homestead/Farmstead	4530
Mill Rate	0.00017
Median Homestead Value	\$198,100
Unrealized Homestead Tax Relief	\$76,278
Unrealized Tax Break per H/F	\$16.84

SOUTH NEWTON TOWNSHIP:

Total # of Homestead/Farmstead	368
Mill Rate	0.0000933
Median Homestead Value	\$178,600
Unrealized Homestead Tax Relief	\$3,066
Unrealized Tax Break per H/F	\$8.33

UPPER ALLEN TOWNSHIP:

Total # of Homestead/Farmstead	4642
Mill Rate	0.0016
Median Homestead Value	\$202,100
Unrealized Homestead Tax Relief	\$750,519
Unrealized Tax Break per H/F	\$161.68

UPPER FRANFORD TOWNSHIP:

Total # of Homestead/Farmstead	627
Mill Rate	0.00016095
Median Homestead Value	\$151,300
Unrealized Homestead Tax Relief	\$7,634
Unrealized Tax Break per H/F	\$12.18

WEST PENNSBORO TOWNSHIP:

Total # of Homestead/Farmstead	1582
Mill Rate	0.0005076
Median Homestead Value	\$182,150
Unrealized Homestead Tax Relief	\$73,135
Unrealized Tax Break per H/F	\$46.23

WORMLEYSBURG BOROUGH:

Total # of Homestead/Farmstead	504
Mill Rate	0.003065
Median Homestead Value	\$159,050
Unrealized Homestead Tax Relief	\$122,847
Unrealized Tax Break per H/F	\$243.74

These municipalities are not listed above because they have no municipal real estate tax millage rate:

Hopewell Township	Penn Township
Lower Mifflin Township	South Hampton Township
North Newtown Township	Upper Mifflin Township