



Borough of Lansdowne

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The Pennsylvania Local Tax Enabling Act allows local (Borough) governments to enact and collect a wage tax of up to 1 percent. Some cities in the region have a 2% wage tax (Coatesville, Chester, Reading, and Norristown), and Philadelphia has a wage tax of over 3.5%

In Lansdowne a ½ percent wage tax will be derived from the wages of people who:

1. Live in and work in Lansdowne; or
2. Live in Lansdowne and work in a municipality that does not have a wage tax and that is not Philadelphia or in the State of Delaware; or
3. Work in Lansdowne and live in a municipality that does not have a wage tax of its own.

For purposes of calculating the earned income tax, a worker’s active income (i.e., W-2 or 1099 wages, or self-reported partnership draws or self-employment wages) are taxable. Passive investment income (i.e., interest and dividends from stocks, bonds, and similar investments) and retirement income (social security benefits, pension payments and other retirement plan income) are not taxed.

In general, the revenue generated from an EIT will be offset by a reduction in real estate tax, thereby shifting the tax burden from homeowners to workers. This shift is intended, in part, to assist senior citizen residents of Lansdowne: a retired homeowner whose income is derived from retirement or investment assets will experience a decrease in real estate taxes.

The enactment of the EIT is also intended to bring home to Lansdowne tax revenue currently being paid by Lansdowne residents to other municipalities. A worker living in Lansdowne and working in a municipality that has a wage tax (other than Philadelphia or the State of Delaware) will still pay the wage tax but the recipient of the wage tax changes from the municipality in which the job is located to Lansdowne, up to ½ percent. This is demonstrated as follows:

Workplace Location	Residence	Effect of Tax
Lansdowne	Lansdowne	0.5% Earned Income Tax
Philadelphia or State of Delaware	Lansdowne	No Change
Any Pa Community other than Phila. that collects EIT	Lansdowne	0.5% Earned Income tax comes back to Lansdowne
Any Pa Community than Phila. that does not collect EIT	Lansdowne	0.5% EIT
Lansdowne	Any PA Community other than Phila. that does not have at least 0.5% EIT	0.5% EIT
Lansdowne	Philadelphia	No change
Lansdowne	Any Pa community that has at least 0.5% EIT	No change

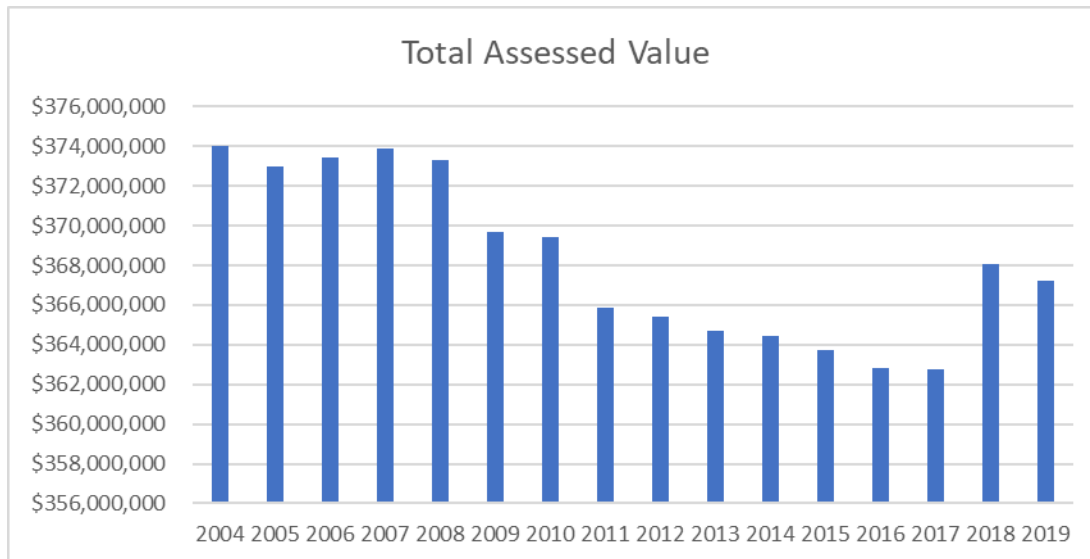
Many of Lansdowne’s working residents are employed in locations other than Philadelphia and are currently paying a (non-resident) wage tax of 1 or 2 percent to the local government in which they work. For example, a Lansdowne resident who owns his or her house and works in the Yeadon Industrial Park currently pays 1

percent to Yeadon Borough. In 2019 half (½) of the 1 percent will be paid to Lansdowne and half (½) percent to Yeadon, and such Lansdowne resident will experience a decrease in his or her real estate taxes, as explained below.

Currently all tax revenue collected by Lansdowne Borough is paid by owners of property located within the Borough through the Borough’s real estate tax. Because the assessed value of property does not change, it is necessary to increase the tax rate virtually every year (to cover increases cost of living salary adjustments, health care and other expenses). Currently the tax rate is approximately 1.25 percent of the assessed value of a property. Among typical homes (excluding commercial and large multi-family buildings), the median assessed value is \$87,000 making the typical real estate tax approximately \$1,087 per year.

Assessed value	Rate	Tax
\$87,000	1.2%	\$1,087

Between 2004 and 2017 the assessed value of Borough property decreased by approximately \$11 million after a significant recovery in the last two years to a level that was \$7 million less than the 2004 base-line. A \$7 million decrease in overall assessed value amounts to a \$81,000 less real estate tax revenue.



EIT

Year 1 (base wage)

Wages Earned	Rate	Tax
\$87,000 (base wage)	0.5%	\$435

Year 2 (3% wage increase)

Wages Earned	Rate	Tax
\$89,610 (3% wage increase)	0.5%	\$448

Year 3

Wages Earned	Rate	Tax
\$92,298(3% wage increase)	0.5%	\$461

Municipality	RE	EIT/Resident	EIT / Non Resident	LST	Mechatile	Transfer
ALDAN BORO	6.41	0		0	0	0.5
ASTON TWP	4.7	0.5	1	0	1-1.5	0.5
BETHEL TWP	1.87	0	0	0	0	0.5
CHADDS FORD TWP	0.882	0	0	52	0	0.5
BROOKHAVEN BORO	4.5	0.5	1	0	0.15	0.5
CHESTER CITY	33.684	2.75	1	52	2.5-4.19	0.5
CHESTER HEIGHTS BORO	0.98	0	0	52	0	0.5
CHESTER TWP	11	1	1	10	1	0.5
CLIFTON HEIGHTS BORO	14.5	0	0	52	1.5	0.5
COLLINGDALE BORO	12.73	0	0	0	0	0.5
COLWYN BORO	25.2	0	0	52	0	0.5
CONCORD TWP	0.981	0	0	52	0	0.5
DARBY BORO	18.49	1	1	52	1.5	0.5
DARBY TWP	12.435	0	0	52	1.5	0.5
EAST LANSDOWNE BORO	13.3	1	1	0	1.5	0.5
EDDYSTONE BORO	9.5	1	1	52	0	0.5
EDGMONT TWP	0.911	0	0	47	0	0.5
FOLCROFT BORO	7.6	1	1	52	1	0.5
GLENOLDEN BORO	8.9	0	0	52	0	0.5
HAVERFORD TWP	8.185	0	0	52	1.5	0.5
LANSDOWNE BORO	12.765	0	0	0	0	0.5
LOWER CHICHESTER TWP	7.2	1	1	52	0	0.5
MARCUS HOOK BORO	12.35	1	1	52	0	0.5
MARPLE TWP	4.48	0	0	52	1.5	0.5
MEDIA BORO	3	1	1	42	1.5	0.5
MIDDLETOWN TWP	1.5	0	0	42	2.25	0.5
MILLBOURNE BORO	25	0	0	52	1.25	0.5
MORTON BORO	11.46	0	0	52	0.75	0.5
NETHER PROVIDENCE TWP	5.41	0	0	52	0	0.5
NEWTOWN TWP	2.971	0	0	0	0	0.5
NORWOOD BORO	12.4	0	0	52	0	0.5
PARKSIDE BORO	11.5	0.5	0.5	52	0	0.5
PROSPECT PARK BORO	9.62	0	0	52	0	0.5
RADNOR TWP	3.92	0	0	52	3	0
RIDLEY PARK BORO	8.14	0	0	52	0	0.5
RIDLEY TWP	9.26	0	0	52	1.5	0.5
ROSE VALLEY BORO	2.04	0	0	0	0	0.5
RUTLEDGE BORO	5.71	0	0	0	0	0.5
SHARON HILL BORO	7.75	1	1	52	1.5	0.5
SPRINGFIELD TWP	5.81	0	0	52	3	0.5
SWARTHMORE BORO	5.67	0	0	0	0	0.5
THORNBURY TWP	0	0.5	1	0	0	0.5
TINICUM TWP	4.4	1	1	52	0	0.5
TRAINER BORO	14.75	1	1	52	0	0.5
UPLAND BORO	2	1	1	52	0	0.5
UPPER CHICHESTER TWP	5.1	1	1	52	0	0.5
UPPER DARBY TWP	20.95	0	0	52	1.5	0.5
UPPER PROVIDENCE TWP	4.07	0	0	47	0	1.5
YEADON BORO	9.89	1	1	52	0	0.5