Preliminary Act 1 Calculations – 10/17/2006

$$\frac{\$\ 490{,}591{,}674 \text{ county total earned income}}{\$\ 569{,}267{,}626 \text{ county total personal income}} =$$

= 0.8618

Therefore, 1.00% Earned Income Tax rate (EIT) equivalent to
~0.8618% Personal Income Tax rate (PIT)
[Based on 2004 tax bases {PA Dept. of Education} latest available data]

Current county EIT rate	Current county EIT rate
0.5 %	0.5 %
Minimum additional EIT rate	Maximum additional EIT rate
0.3985 %	0.7970 %
rounded to 0.4 %	rounded to 0.8 %

New EIT rate = current EIT rate + additional EIT rate

New minimum EIT rate	**New maximum EIT rate**
0.9 %	1.3 %

Total taxes anticipated:

$ 4,757,382	$ 6,871,774

If personal income were taxed instead of earned income:

Current 0.5% EIT rate converted to PIT rate:

Current PIT rate	Current PIT rate
0.4309 %	0.4309 %
Minimum additional PIT rate	Maximum additional PIT rate
0.3434 %	0.6868 %

New PIT rate = current PIT rate + additional PIT rate

New minimum PIT rate	New maximum PIT rate
0.7743 %	1.1177 %
rounded to 0.8 %	rounded to 1.1 %
New minimum PIT rate	**New maximum PIT rate**
0.8 %	1.1 %

Total taxes anticipated:

$ 4,749,168	$ 6,530,106