

Tax Study Commission

Meeting Date: **Wednesday November 1, 2006**
Time: **11:00 AM**
Location: **Main Conference Room Curwen Building**

Member present were:

Jeff Lockett, Mike Hostovich, John Zavinski, Ed Duliba,

Also present were:

J. Petter Turnquist, Denny Bonace, Cindy Nyquist, from the WTO, Dr. Tim Kelsey, Karen Beardsley and Nancy Siggins from the Warren Assessment Office

1. Opening Activities

1.1. Call to Order

The meeting was called to order at 11:00AM by Mr. Denny Bonace.

1.2. Public Comment

No public comment at this time.

1.3. Approval of October 16, 2006 Meeting Minutes

John Zavinski made the motion to approve the October 16th and it was seconded by Ed Duliba. Minutes were approved and passed unanimously by the commission.

1.4. Approval of October 23rd, 2006 Meeting Minutes

John Zavinski made the motion to approve the October 23rd minutes and it was seconded by Ed Duliba. Minutes were approved and passed unanimously by the commission.

2. New Business

2.01 Mike Hostovich to introduce Dr. Kelsey from State College.

Mr. Mike Hostovich introduced Dr. Timothy Kelsey, a professor of agricultural economics at Penn State University. Dr. Kelsey spoke to the commission on questions that were previously sent to him by the team. He stated that there was not much difference between Personal Income Tax and Earned Income Tax. Dr. Kelsey also stated that the "Nuisance Tax" would not have to be eliminated. An increase in EIT or PIT will not impact exceeding the district index. Mr. Petter Turnquist stated that if we shift from a PIT to EIT this will cost the district investment revenue because of cash flow changes. Dr. Kelsey felt that it is very important for the commission to educate the public on these issues. Karen Beardsley, Warren County Tax Assessor spoke to the commission on Homestead/Farmstead Act. Denny asked Karen to present the commission, in excel format, a separate list of Farmstead verses Homestead. Karen will also give the team an estimated up-date of the assessed evaluation so revenue can be determined. Jeff Lockett made the motion to have this report submitted to the commission and it was seconded by John Zavinski. This was approved and passed by the commission unanimously.

2.02 Ed Duliba to review Excel Graphs of Warren County 2004 taxable incomes.

Ed reviewed with the commission an excel graph of Warren County 2004 taxable income. He shared a very informative chart on PIT verses EIT.

2.03 Ed Duliba to review meeting of the Kane Area's School District's Tax Commission that he attended on October 24th.

Ed presented a brief review of the Kane Area School District Tax Commission meeting.

2.04 Mike Hostovich to review items that are subject to a Personal Income Tax (PIT)

Mike reiterated with the commission that 401K is not included under the PIT tax compensation

2.05 Denny Bonace to review meeting with Senator Scarnati that John Zavinski, Ed Duliba and he attended on October 24th

a. HB 1427 and SB 292

John, Ed and Denny attended a meeting with Senator Joe Scarnati. Denny read to the team the Countywide EIT Collection Amendment to HB 1472.

b. List of Counties and their # of Collectors, # Municipalities, and % Consolidated by County.

Denny reviewed with the commission a list of the counties, number of collectors each counties have, number of municipalities, and the percentage consolidated by each county.

c. Map of Percentage of Consolidation of EIT Tax Collectors within a county in 2004.

d. Rules governing who can be selected to serve on the Tax Commission.

2.06 Denny Bonace to review PASBO's Minimum/Maximum Exclusion Calculator

Denny gave a brief review of PASBO's minimum/maximum exclusion calculator.

2.07 Denny Bonace to review Personal EIT/PIT calculator

Denny gave a brief review

2.08 Denny Bonace to review procedure for providing the Homeland/Farmland list of records.

Denny gave a brief review

2.09 Denny Bonace to review time line for the completion of the Tax Commission's tasks.

a. Week ending November 11th—

- 1. A Review of the Local Tax Commission Guide in Tab 1**
- 2. Finalize the Recommendation**
- 3. Make any additions, deletions or corrections in the Report.**
- 4. Vote on the Report that is to be provided to the WCSD Board.**

b. Week ending November 18th – Workshop to assemble 15 copies of the Report.

- c. **Week ending November 25th – Place the Report on BoardDocs and distribute a hard copy of the Report to all Board Members, Dr. Robert Towsey, Arthur Stewart, and Ruth Huck.**
- d. **Week ending December 2nd – No meeting required.**
- e. **Review the Report at the regular Board meeting on Monday December 11th, 2006.**

2.10 Denny Bonace to review update of SB 157

- a. **Personal Income Collection System**
- b. **Tax Forgiveness Tables.**

3. Old Business

3.1 Review the Report Binder

Denny asked each commission member to submit for the next meeting a sample recommendation they would like to present to the board.

4. Closing Activities

4.1 Public Comment

No public comment.

4.2 Next Meeting Date

November 9, 2006 – 12:00 – front conference room of the Curwen Building.

Adjournment at: 1:55PM