

STERLING ACT PETITION

As you may now be aware, as part of the adoption of our 2016 Budget, Bensalem Township enacted a one (1%) percent earned income tax (EIT). At the time of its adoption, Bensalem was one of the few remaining municipalities in Bucks County that had not enacted an EIT. Our costs to provide municipal services, especially police and fire services, have significantly outpaced our sources of revenue. Reliance upon real property taxes as a primary source of revenue has been made even more difficult by the significant number of property assessment reductions that have taken place during this time.

Our communities face ever increasing costs to provide citizen services, with law enforcement, crime prevention, and other areas of public safety being the most expensive. Laying off police officers and paid firefighters was simply not an option I could advocate or support, as keeping our residents and businesses safe and secure is of paramount importance.

Thus, over the past several years I have cautioned our Councilmen and our residents of our Township's ever increasing need for the revenue generated by the EIT. **At the same time, however, I continued to resist proposing the enactment of an EIT for as long as I believed our Township could fiscally survive without one.**

One of the major reasons I have long opposed the enactment of an EIT is the Sterling Act. I have always believed that the Sterling Act is unfair to the residents of Bensalem, and to the extent that our community has a significant number of residents who work in Philadelphia, I would suggest that the Sterling Act is unfair to our community. Let me explain why I believe this to be so.

Based upon data from the U.S. Census Bureau, it is estimated that there are approximately 5,300 Bensalem residents who work in Philadelphia. These residents pay 3.5% of their salaries to the City in the form of the Philadelphia Wage Tax. Despite the fact that Bensalem now has a 1% earned income tax, by virtue of the Sterling Act, none of those wage tax dollars paid by our residents will return to Bensalem Township. Thus, we estimate that almost 30% of the revenue that the EIT should now generate for our Township will, instead, stay in the City of Philadelphia. That estimate represents almost \$2.7 million of earned income tax revenue that should pay police and fire protection services, pave Bensalem roads, and fund Bensalem projects and programs. Instead, those millions of dollars stay in Philadelphia to be managed and spent by City public officials.

The inherent unfairness of this arrangement is exacerbated by the fact that this lost/unrealized revenue ultimately has to be made up by either the Bensalem wage earners who don't work in Philadelphia, or, in the alternative, by a property tax increase imposed on all of our property owners, including those who have no income and/or those who, in this economy, can ill afford

having property taxes increased.

We all certainly recognize the importance of Philadelphia to the economy of the region. However, our proximity to the City (on its northeastern border) also results in great economic challenges to our community, particularly in the areas of law enforcement and crime prevention. This is a "double hit" to Bensalem, as the Sterling Act takes away from us the revenue we so desperately need to fund vitally important services that, ironically, are made all the more expensive and all the more necessary because we border on the City.

If you believe our community faces the same problems and challenges, and that the Sterling Act has the same inherently unfair impact on our Municipality and our residents, then I would ask that you join us in our efforts to convince the Governor and Legislature of Pennsylvania to amend the Sterling Act to allow up to one (1%) of Philadelphia Wage Tax paid by our residents to remain in our communities in the form of Earned Income Tax revenue.

As a first step, we have begun circulating a petition among the businesses and residents of our community. A copy of the petition below. On behalf of the Council of Bensalem and myself, I am asking that you please sign. We are making the same request of other Bucks Communities in the hope that we can and will submit them to the Governor and Legislature in the months ahead. We are happy to provide coordination of these efforts. I am, of course, available at any time to further discuss this very important matter.

A similar letter has been sent to the following municipalities:

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| Bristol Borough | Newtown Township |
| Bristol Township | Northampton Township |
| Falls Township | Penndel Borough |
| Hulmeville Borough | Tullytown Borough |
| Ivyland Borough | Upper Makefield Township |
| Langhorne Borough | Upper Southampton Township |
| Langhorne Manor Borough | Warminster Township |
| Lower Makefield Township | Warrington Township |
| Lower Southampton Township | Warwick Township |
| Middletown Township | Wrightstown Township |
| Morrisville Borough | Yardley Borough |
| Newtown Borough | |

In all my endeavors, I have always believed that "teams win," and that when people with similar interests and similar goals work together, great things are accomplished. I believe that if our communities work together to have the Sterling Act changed, it will be a "win" for the residents we all serve.

Sincerely,
Mayor Joseph DiGirolamo

PETITION

TO THE GOVERNOR AND THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA:

We, the undersigned, all of whom declare that we are adult residents of the Commonwealth of Pennsylvania, County of Bucks, Township of Bensalem, do hereby petition the Governor of the Commonwealth of Pennsylvania and the Senators and Representatives of the General Assembly of the Commonwealth of Pennsylvania to amend and/or repeal the Pennsylvania Sterling Act so as to allow up to One (1%) Percent of Non-Resident Philadelphia Wage Taxes paid by residents of Bucks County to be remitted to the municipality in which such Non-Resident Taxpayers reside if that municipality has adopted and enacted an Earned Income Tax.

SIGNATURE OF RESIDENT	PRINTED NAME OF RESIDENT	PLACE OF RESIDENCE	DATE OF SIGNING