

FREQUENTLY ASKED QUESTION:

Why is the amount of property tax relief for Palmyra Area School District one of the lowest in the state?

The following statement was taken from a recent Patriot News article, “Property tax reductions are determined using a formula that favors districts with weaker tax bases, lower personal incomes and higher tax burdens.”

The state uses a formula to rank school districts and ultimately allocate the pool of money from gaming revenues. One component of the formula measures a school district’s tax burden using “equalized mills.” Because different counties have different assessment bases, the state converts each district’s tax rate to “equalized mills” for comparison purposes. Another component of the formula measures a school district’s wealth, incorporating the personal income of its residents and the market value of its real estate base. Using these measures, Palmyra receives a very low ranking, which translates into low funding. Essentially, Palmyra taxpayers are penalized for having **relatively** low tax rates considering the wealth of the district.

Palmyra homeowners have been receiving a share of gaming dollars since 2008. The amount of money the school district receives is divided by the total number of approved homesteads and farmsteads and distributed back to taxpayers in the form of a real estate tax reduction. That amount has been about \$53 for the past three years.