

Act 32 Earned Income Tax

Weighted Vote Guide

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Commonwealth of Pennsylvania
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Weighted Vote Guide

Introduction

Act 32 of 2008 Section (505)(c)(2) requires that the first meeting of the tax collection committee shall be determined by a majority vote of those delegates present. Votes shall be weighted among the governing bodies of the member political subdivisions. The Department of Community and Economic Development (DCED) has the responsibility for providing the initial weighted vote for each Tax Collection District (TCD) by September 1, 2009.

The following guide provides information on the methodology used in the weighted vote calculation.

Boundary Determination

In determining the boundaries of the TCDs the following apply:

1. TCDs were established in each County (except a county of the second class) for purposes of collecting income taxes.
2. Counties of the Second Class (Allegheny County) were divided into four TCDs as follows:
 - a. One district to be composed of the City of Pittsburgh and any municipality and school district geographically located within the boundaries of the City.
 - b. The remaining three TCDs were composed of relatively equal population and contained coterminous municipalities and school districts that were bordered by county boundaries and by the commercially navigable rivers at least 100 miles in length.
3. School Districts remained whole. They and their component municipalities are assigned to the TCD with the greatest share of the school district's population based on the 2000 Federal decennial census.
4. Municipalities within their respective school districts were included in the TCD in which the school district was located.
5. In instances where municipalities were located in more than one school district and in more than one TCD, the municipalities were divided in proportion to the municipal population in each school district.

Population Calculations

Population data used in the calculation of the weighted vote was taken from the 2000 Federal decennial census.

Municipal Proportional Population Calculation – To determine the Municipal Proportional Population, the population for each municipality was divided by the total population in each TCD.

Redundant Numbers – The same 2000 Federal decennial census numbers were used for both municipalities and school districts. Therefore, in order to avoid an artificially inflated total population number for each TCD, the municipal population was divided by the Total TCD population and then multiplied by .50.

Municipalities Divided by TCDs – For those municipalities divided by TCDs, the population in each TCD was provided by the PA School Boards Association using the 2000 census data.

School District Proportional Population Calculation – To determine the School District Proportional Population, the population for each school district was divided by the total population in each TCD.

Redundant Numbers – The same 2000 Federal decennial census numbers were used for both school districts and municipalities. *See “Redundant Numbers” under the “Municipal Proportional Population Calculation” section.*

Earned Income Tax Revenue

Municipal EIT Revenue – The Earned Income Tax (EIT) revenue used in the calculation of the municipality portion of the weighted vote was taken from the 2007 DCED Annual Financial Report or, if not available, the most recently filed report by the municipality at the commencement of the weighted vote calculation.

Municipal Proportional EIT Revenue Calculation – To determine the Municipal Proportional EIT Revenue, the Municipal EIT Revenue for each municipality was divided by the Total TCD EIT Revenue.

Municipalities Divided by Tax Collection Districts - Revenue Calculations – The revenue in each TCD was determined by calculating the percentage of municipal population in each TCD and then applying the percentage to the municipality’s total revenue.

School District EIT Revenue – School District Revenue was based on revenue reported to the Department of Education for the 2007-2008 School Year.

School District Proportional EIT Revenue Calculation – To determine the School District Proportional EIT Revenue, the School District EIT Revenue for each school district was divided by the Total TCD EIT Revenue.

For the following section please refer to Appendix A (Sample Weighted Vote Spreadsheet) and Appendix B (Weighted Vote Denotation Chart)

TCD Weighted Vote Calculations

In accordance with Act 32 of 2008, Section 505(c)(2), the weighted vote is based on the following formula: “50% shall be allocated according to the proportional population of each political subdivision in proportion to the population of each tax collection district as determined by the most recent Federal Decennial Census and 50% shall be weighted in direct proportion to income tax revenues collected in each political subdivision, based on each political subdivision’s most recent annual financial report submitted to DCED or the Department of Education”.

The following are factors that affect the weighted vote:

1. A municipality/school district that does not levy an EIT is not entitled to a vote pursuant to Act 32. Population numbers have been set to zero for calculation purposes. These scenarios are denoted in yellow on the Weighted Vote Calculation Spreadsheet.
2. Municipalities that levied an EIT after 2007 could not have reported revenue on their 2007 annual Financial Report. Therefore, their vote is based on population only. These are denoted in red on the Weighted Vote Calculation Spreadsheet.

3. Municipalities that were divided among school districts within the same Tax Collection District are denoted in purple on the Weighted Vote Calculation Spreadsheet. While these appear as two separate weighted vote percentages on the spreadsheet, this was for calculation purposes only, and the values should be combined for one weighted vote percentage.
4. Municipalities that did not submit a 2007 DCED Annual Financial Report are denoted in orange on the Weighted Vote Calculation Spreadsheet. In these cases, the calculation was based on the latest Annual Financial Report submitted to the department.
5. In some cases, the weighted vote calculation spreadsheet shows a value for EIT Revenue and a value for Population yet may show a zero in the Proportional columns or the Weighted Vote column. This is because the value was less than one one hundredth of a percent. Excel, with two decimal places, assigned a value of zero.
6. For ease of identification, municipalities located in more than one TCD were denoted in light blue along with a footnote identifying the other TCD where the municipality is located.

APPENDIX A

SAMPLE WEIGHTED VOTE SPREADSHEET

FOREST TCD

| FOREST TCD MUNICIPALITIES | | | | | | | WEIGHTED VOTE |
|-----------------------------|-----------------------------------|-----------------------------|----------------------------|--|---|----------------------------|---------------|
| COUNTY OF ORIGIN | MUNICIPALITY NAME | MUNICIPAL EIT REVENUE | MUNICIPAL POPULATION | MUNICIPAL PROPORTIONAL EIT REVENUE | MUNICIPAL PROPORTIONAL POPULATION | TOTAL MUNICIPAL VOTE | |
| | FOREST AREA SD | | | | | | |
| ELK | MILLSTONE TWP | \$0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% |
| FOREST | BARNETT TWP | \$17,704 | 349 | 2.98% | 3.28% | 6.26% | 3.13% |
| FOREST | GREEN TWP | \$14,380 | 397 | 2.42% | 3.73% | 6.15% | 3.07% |
| FOREST | HARMONY TWP | \$28,785 | 511 | 4.85% | 4.80% | 9.65% | 4.82% |
| FOREST | HICKORY TWP | \$18,218 | 525 | 3.07% | 4.93% | 8.00% | 4.00% |
| FOREST | HOWE TWP | \$0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% |
| FOREST | JENKS TWP | \$76,768 | 1,261 | 12.94% | 11.83% | 24.77% | 12.39% |
| FOREST | KINGSLEY TWP | \$9,531 | 261 | 1.61% | 2.45% | 4.06% | 2.03% |
| FOREST | TIONESTA BORO | \$28,306 | 615 | 4.77% | 5.77% | 10.54% | 5.27% |
| FOREST | TIONESTA TWP | \$37,184 | 610 | 6.27% | 5.72% | 11.99% | 6.00% |
| VENANGO | PRESIDENT TWP | \$26,106 | 543 | 4.40% | 5.10% | 9.50% | 4.75% |
| | FOREST TCD MUNICIPAL TOTALS | \$256,982 | 5,072 | 43.31% | 47.60% | 90.91% | |
| FOREST TCD SCHOOL DISTRICTS | | | | | | | WEIGHTED VOTE |
| COUNTY OF ORIGIN | SCHOOL DISTRICT NAME | SCHOOL DISTRICT EIT REVENUE | SCHOOL DISTRICT POPULATION | SCHOOL DISTRICT PROPORTIONAL EIT REVENUE | SCHOOL DISTRICT PROPORTIONAL POPULATION | TOTAL SCHOOL DISTRICT VOTE | |
| FOREST | Forest Area SD | \$336,322 | 5,584 | 56.69% | 52.40% | 109.09% | 54.54% |
| | FOREST TCD SCHOOL DISTRICT TOTALS | \$336,322 | 5,584 | 56.69% | 52.40% | 109.09% | |
| | | | | | | | |
| | FOREST TCD GRAND TOTALS | \$593,304 | 5,328 | 100.00% | 100.00% | 200.00% | 100.00% |

Municipality/SD does not levy an EIT and is not entitled to voting representation on the tax collection committee pursuant to Section 505(b)(1) of Act 32 of 2008.

APPENDIX B

WEIGHTED VOTE DENOTATION CHART

| TCD NAME | Orange - Municipality did not file a 2007 Financial Report - EIT Revenue from the last filed report was used. | Blue - Municipality is in multiple SDs and in different TCDs. | Yellow - Municipality/SD does not levy an EIT and is not entitled to voting representation on the tax collection committee pursuant to Section 505(b)(1) of Act 32 of 2008. | Lavender - Municipality is in multiple SDs within the same TCD. | Red - Municipality levied an EIT after December 31, 2007. No revenue data is available. |
|-----------------------|---|---|---|---|---|
| Adams | | | | √ | |
| Allegheny - Central | | √ | | | |
| Allegheny - North | √ | | | | |
| Allegheny - Southeast | √ | | | | |
| Allegheny - Southwest | | √ | | √ | |
| Armstrong | | √ | | | |
| Beaver | √ | | | | |
| Bedford | √ | | | | |
| Berks | | | | √ | |
| Blair | | | | √ | |
| Bradford | √ | √ | √ | | |
| Bucks | | √ | √ | | |
| Butler | √ | | | | |
| Cambria | √ | | | √ | |
| Cameron | √ | | | | |
| Carbon | | | | √ | |
| Centre | √ | | | √ | |
| Chester | √ | | √ | √ | |
| Clarion | √ | | | √ | |
| Clearfield | | | √ | | |

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|------------|---|---|---|---|---|
| Clinton | | √ | √ | | |
| Columbia | √ | | | √ | |
| Crawford | √ | | | | |
| Cumberland | | √ | | | |
| Dauphin | | | | | |
| Delaware | √ | | √ | | √ |
| Elk | | √ | | √ | |
| Erie | | | | | |
| Fayette | √ | √ | | √ | |
| Forest | | | √ | | |
| Franklin | | √ | | √ | |
| Fulton | | | | | |
| Greene | √ | | | | |
| Huntingdon | √ | | | | |
| Indiana | √ | √ | | | |
| Jefferson | √ | √ | | | |
| Juniata | √ | | | | |
| Lackawanna | | | | | |
| Lancaster | | | | √ | |
| Lawrence | | | | √ | |

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|----------------|---|---|---|---|---|
| Lebanon | | | √ | | |
| Lehigh | √ | | | | |
| Luzerne | √ | | | | |
| Lycoming | √ | | | | |
| McKean | √ | √ | | | |
| Mercer | | | | | |
| Mifflin | | | | | |
| Monroe | | | | | |
| Montgomery | | √ | √ | | |
| Montour | | | | | |
| Northampton | | √ | | √ | |
| Northumberland | | | | | |
| Perry | | √ | | | |
| Pike | | √ | √ | | |
| Pottter | | √ | √ | √ | |
| Schuylkill | √ | | | √ | |
| Snyder | | | | | |
| Somerset | √ | | √ | √ | |
| Sullivan | | | | | |
| Susquehanna | | √ | √ | | √ |

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|--------------|--|--|--|--|--|
| | | | | | |
| Tioga | | | | | |
| Union | √ | | √ | √ | |
| Venango | √ | | | | |
| Warren | | | √ | | |
| Washington | √ | √ | | | |
| Wayne | | √ | √ | | √ |
| Westmoreland | √ | | | √ | |
| Wyoming | √ | √ | | | |
| York | √ | √ | | √ | |