

## **Earned Income Tax update**

Since 2012 the interest rate on the township's \$4 million municipal bond debt has been lowered to 1.070%. This has made it possible to make larger payments toward the principal and accelerate the pay-off of this debt. As of July 25, 2014 the municipal bond has been paid off completely.

Beginning in 2013 the Board of Supervisors voted to lower the open space portion of the earned income tax to .125%, effective in 2014. This controlled having only funds needed to pay off the debt collected. With the completed payment of the municipal bond in July of 2014, a referendum for the people to vote on terminating this additional open space tax was proposed for the November 2014 election. If a majority of the voters opposed the open space tax, the tax would have terminated. However, if the voters supported continuing the open space tax, the tax rate would go back up to .5% for a minimum of 5 years. Following a public hearing at its regular meeting on July 15, 2014 the Board of Supervisors voted 3-2 against putting the referendum on the ballot.

The Board of Supervisors has voted on November 11, 2014 to lower this open space portion of the earned income tax to 0% for 2015, but the tax will continue to exist on the books. Working people in East Nottingham Township will now pay a total of 1% earned income tax in 2015, not the 1.125% that is 2014's tax rate.