

## In Most PA Counties, Few Would Be Affected by Ending High-income Tax Cuts

President Obama's proposal to end tax breaks for high-income earners would have very little impact on taxpayers in most Pennsylvania counties, according to a new analysis by the Pennsylvania Budget and Policy Center (PBPC).

In over half of Pennsylvania's 67 counties, fewer than 1 in 100 residents (1%) would pay the higher marginal tax rate on income above \$200,000 for individuals and \$250,000 for married couples.

In most counties, only a small number of individuals are affected. In 24 counties, fewer than 200 high-income earners would pay the higher rate. Almost two-thirds of the top earners who would be impacted reside in just six Pennsylvania counties.

The PBPC estimates, based on 2010 taxable income data published by the Pennsylvania Department of Revenue, show that, in most Pennsylvania counties, very few taxpayers and only a small share of county income would be impacted by higher federal income tax rates that phase in at \$250,000.

### Few Pennsylvania Taxpayers Impacted

- In seven counties, six of them rural, fewer than 1 in 200 taxpayers (one-half of 1 percent) would be impacted by higher tax rates: Perry, Fulton, Carbon, Northumberland, Juniata, Huntingdon, and Mifflin.
- In another six mostly-rural counties, fewer than 1 in 150 taxpayers (seven-tenths of 1 percent) would be impacted by higher taxes on incomes above \$250,000: Clinton, Bedford, Schuylkill, Fayette, Snyder, and Armstrong.
- In another 24 counties, all but four of them rural, fewer than 1 in 100 taxpayers (1 percent) would be impacted by higher taxes on incomes above \$250,000: McKean, Venango, Somerset, Jefferson, Crawford, Pike, Monroe, Wayne, Clearfield, Beaver, Adams, Franklin, Cambria, Lawrence, Lebanon, Mercer, Warren, Columbia, Elk, Philadelphia, Indiana, Lycoming, Luzerne, and Blair.

### Small Portions of County Income Impacted

- In 14 counties, taxpayers earning more than \$250,000 account for less than 10% of total county income; in another 19 counties, taxpayers earning more than \$250,000 account for 15% or less of county income.
- Congressional Districts 5, 9, and 12 are heavily rural districts that fall in areas with few taxpayers that would be impacted by increases in tax rates on those with incomes above \$250,000. Three other Congressional Districts—10, 11, and 18—fall primarily within counties in which only small numbers of taxpayers would be impacted by higher tax rates on those earning more than \$250,000.

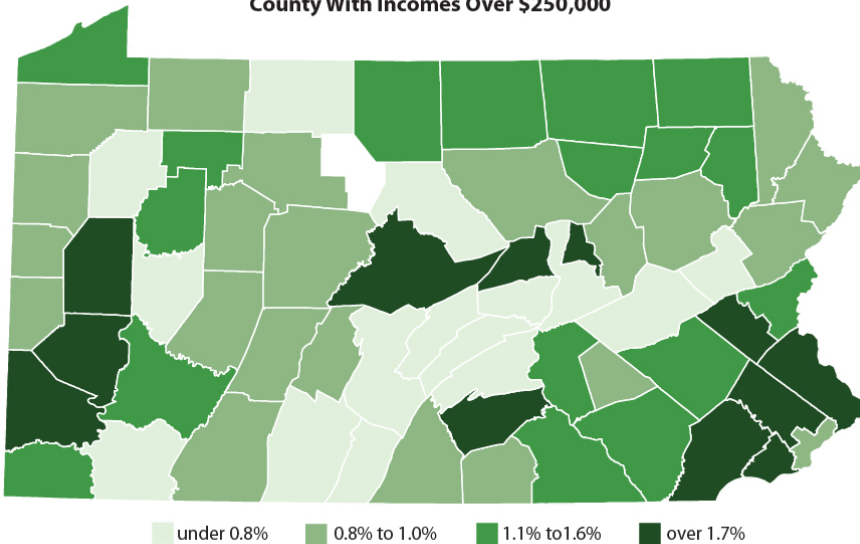
### Suburban Counties

- Six counties would experience the greatest impact from higher taxes on incomes over \$250,000: the four suburban Philadelphia counties, Philadelphia and Allegheny County, which includes the city of Pittsburgh. Almost two-thirds of the wealthiest 2 percent of taxpayers reside in these six counties. Only one in 31 taxpayers (3.2 percent) in these six counties would be impacted by higher tax rates on those earning more than \$250,000.

Under President Obama’s plan, families earning over \$250,000 would keep other tax breaks on the first \$250,000 of income, including a lower bottom tax rate and preferential tax rates on capital gains and dividends – a savings of \$12,112 per taxpayer. The top tax rates would be restored to those in effect in the 1990s when the nation added 23 million jobs.

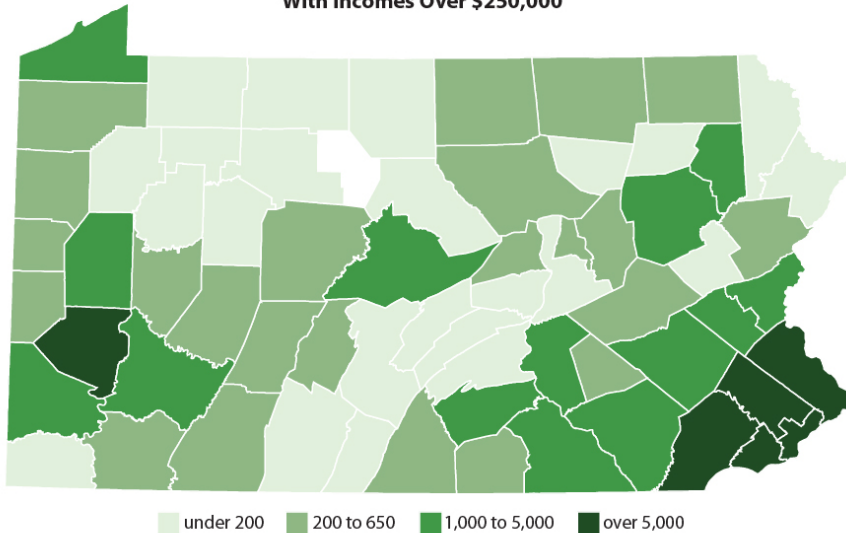
## Maps: How Many High-Income Earners Would Be Impacted?

Map 1. Percentage of Taxpayers in Each Pennsylvania County With Incomes Over \$250,000



Source: Pennsylvania Budget and Policy Center based on Pennsylvania Department of Revenue data.

Map 2. Number of Taxpayers in Each Pennsylvania County With Incomes Over \$250,000



Source: Pennsylvania Budget and Policy Center based on Pennsylvania Department of Revenue data.

View tables detailing number of high-income earners by county on next two pages.

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*The Pennsylvania Budget and Policy Center is a non-partisan policy research project that provides independent, credible analysis on state tax, budget and related policy matters, with attention to the impact of current or proposed policies on working families. Learn more: <http://pennbpc.org>.*

Table 1.

## Pennsylvania Taxpayers With Incomes of \$250,000 or More

County	Number of Taxpayers With Incomes of \$250,000 or More	Total Number of Taxpayers	Share of All Taxpayers With Incomes of \$250,000 or More
Pennsylvania Returns	111,338	5,605,923	1.99%
Adams	377	46,956	0.80%
Allegheny	13,788	561,594	2.46%
Armstrong	204	31,590	0.65%
Beaver	631	78,657	0.80%
Bedford	114	22,096	0.52%
Berks	2,246	187,533	1.20%
Blair	556	55,744	1.00%
Bradford	413	27,597	1.50%
Bucks	11,415	299,755	3.81%
Butler	1,977	85,795	2.30%
Cambria	525	63,410	0.83%
Cameron*		2,371	
Carbon	120	29,371	0.41%
Centre	1,066	55,353	1.93%
Chester	13,578	225,027	6.03%
Clarion	177	16,697	1.06%
Clearfield	281	35,086	0.80%
Clinton	80	15,736	0.51%
Columbia	261	28,359	0.92%
Crawford	285	36,846	0.77%
Cumberland	1,931	113,684	1.70%
Dauphin	1,885	126,446	1.49%
Delaware	8,592	243,002	3.54%
Elk	149	15,964	0.93%
Erie	1,369	121,404	1.13%
Fayette	364	60,597	0.60%
Forest	30	2,288	1.31%
Franklin	555	68,235	0.81%
Fulton	26	6,609	0.39%
Greene	178	14,771	1.21%
Huntingdon	90	18,528	0.49%
Indiana	345	35,895	0.96%
Jefferson	163	21,206	0.77%
Juniata	50	10,633	0.47%
Lackawanna	1,187	95,679	1.24%
Lancaster	3,387	241,217	1.40%
Lawrence	348	40,038	0.87%
Lebanon	575	64,413	0.89%
Lehigh	2,948	165,147	1.79%
Luzerne	1,450	146,229	0.99%
Lycoming	517	53,069	0.97%
Mckean	134	18,260	0.73%
Mercer	457	50,171	0.91%
Mifflin	99	20,272	0.49%
Monroe	539	68,004	0.79%
Montgomery	18,932	380,539	4.98%

County	Number of Taxpayers With Incomes of \$250,000 or More	Total Number of Taxpayers	Share of All Taxpayers With Incomes of \$250,000 or More
Montour	237	8,764	2.70%
Northampton	2,091	136,287	1.53%
Northumberland	194	41,788	0.46%
Perry	76	21,612	0.35%
Philadelphia	5,106	539,489	0.95%
Pike	177	22,637	0.78%
Potter	97	7,342	1.32%
Schuylkill	383	66,005	0.58%
Snyder	108	16,891	0.64%
Somerset	265	34,647	0.76%
Sullivan	38	2,914	1.30%
Susquehanna	260	18,637	1.40%
Tioga	200	18,101	1.10%
Union	271	16,389	1.65%
Venango	180	24,085	0.75%
Warren	169	18,517	0.91%
Washington	2,080	97,784	2.13%
Wayne	184	22,977	0.80%
Westmoreland	2,361	168,706	1.40%
Wyoming	142	13,382	1.06%
York	2,334	201,096	1.16%

\*Cameron county data for taxable incomes of \$250,000 or more were not disclosed because there were so few taxpayers at this level that disclosure would have violated confidentiality restrictions.

Source. Pennsylvania Budget and Policy Center based on Pennsylvania Department of Revenue data available online at <http://goo.gl/Fcj03>