

2008 MIDDLETOWN BOROUGH

Tax & Fee Guide

Budget at a glance

The goal is to balance the fiscal needs of providing services while equitably distributing the costs.

- Most residents believe that the Borough Council collects much higher property taxes than they actually do. The vast majority of real estate taxes goes to the Middletown Area School District and Dauphin County.
- Borough Council begins public meetings each September, and throughout October and November a series of meetings are held to discuss the next year's budget.
- The Borough's budget is split into separate accounts (or funds) and the money is kept separate for each part of the operation (so fire tax money, for example, is never mixed with money to run the police or highway departments).
- The Borough receives no property taxes from Harrisburg International Airport, Penn State University, or Three Mile Island, although their proximity encourages people and businesses to locate in our town.
- As with most businesses, each year the cost of providing the same services tends to increase; in 2008 a number of contractual obligations already existed, which forced some increases in taxes and fees. But staff has sought to limit or control these additional expenses; and Council's 2008 budget has held the line on as many categories as possible.

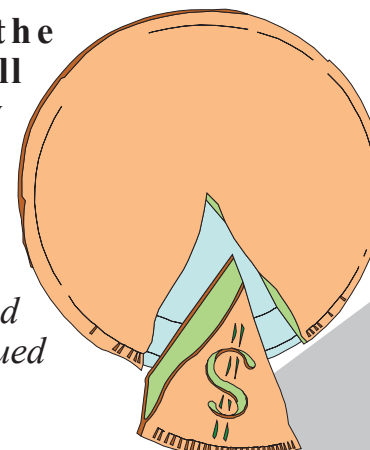
2008 Real Estate Tax Dollar

School Taxes	18.95 mills	\$1895.00	60.24%
County Taxes	6.876 mills	\$687.60	21.86%
Borough Taxes	4.848 mills	\$484.80	15.41%
Fire Taxes	0.783 mills	\$78.30	2.49%

School & County
83¢

In 2008, the Borough will collect only 15¢ of each \$1 our citizens pay in taxes.

All calculated on a house valued at \$100,000.



Borough & Fire Tax
17¢



Real Estate Taxes

3% increase: the new tax rate would be as follows:

- 0.141 mills increase in real estate taxes for general government uses. The rate will go from 4.707 mills to 4.848 mills. A home assessed at \$100,000 will pay \$484.80 per year in taxes; an increase of \$14.10 per year or \$1.175 per month.

Example (For 2007):

These rates **PLUS** the County Library Tax of 0.35 mills, which Middletown does not pay

- | | |
|-----------------------|---|
| • Harrisburg - 33.450 | • Penbrook - 7.860 |
| • Steelton - 12.000 | • Middletown (2007) - 4.707 (No Library Tax) |
| • Highspire - 9.350 | • Middletown (2008) - 4.848 (No Library Tax) |
| • Paxtang - 9.190 | • Middletown has no street light or hydrant taxes as well |

How to calculate your Real Estate Tax bills:

- Take the assessed value of your home and divide it by 1,000. Then multiply by the mill rate. For example, a house valued at \$75,000 would pay \$364 per year in borough taxes ($75,000/1,000 = 75 \times 4.848 = \364).

Water & Sewer

16% increase: The 16% increase is an attempt to phase-in (stretch but not reduce) the impact of the upcoming re-build of the Wastewater Treatment Plant being forced by new state and federal rules called the Chesapeake Bay Tributary Strategy.

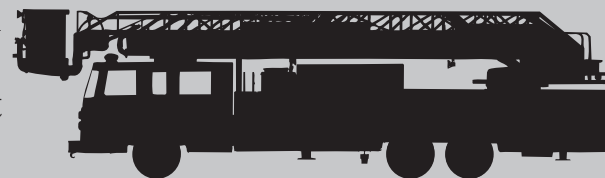


- 16% increase in the sewer rates: The average house would see a monthly sewer increase from \$27.60 to \$32.02
- 16% increase in the water rates: The average house would see a monthly water increase from \$27.93 to \$32.39

Please note commercial and large-size water and sewer customers have different rate structures, but they will also increase 16%.

Fire Taxes

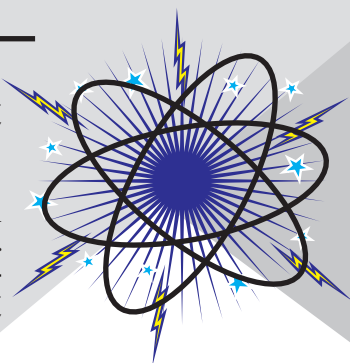
- The fire tax will increase in 2008 but it is less than it was in 2000-2006.
- 0.222 mills increase in real estate taxes for Fire Department uses. The Fire Tax rate would go from 0.561 mills to 0.783 mills; it would still be 20% less than the Fire Tax in 2006. A home assessed at \$100,000 would pay \$78.30 per year in taxes; an increase of \$22.20 per year over 2007, but \$19.70 less than 2006. **100% of these taxes go to support the volunteer men and women of the Middletown Fire Department.**



This year the State changed the name of the Emergency and Municipal Services Tax (EMST) to the Local Services Tax (LST). In addition to changing the name, workers who earn less than \$12,000 are now exempt from the \$52 tax. Details are available from the Middletown Tax Bureau toll-free at (877) 544-4045.

Electric Rates

No change: No additional change in the retail cost of electricity other than the PPCA, which was adopted in September 2006 and will vary the rate from billing period to billing period. Low-Income Senior Citizen Electricity: Council approved a pilot or test program; it might expand to other customers in 2009; and it uses time-of-use billing so off-peak power is cheaper.



LST Worker Tax & Per Capita Taxes

No changes: People who work within our town have to pay a \$52 LST worker tax (\$42 to the Borough and \$10 to the school district). Residents over 18 pay the Borough a \$10 per capita tax. Residents who have a job (regardless where the job is) must pay an additional \$10 occupation tax. All persons must pay these taxes, even those who are self-employed.

Capital Projects/Bonds

No change: No major new projects, no new borrowing, no new bonds, and no new debt.

DID YOU KNOW?
The School District real estate taxes are decided by the School Board each Spring; not the Middletown Borough Council. This year, the School tax is 337% more than the Borough tax.

Who pays real estate taxes? Property owners directly and tenants, renters, and customers indirectly.

Who pay trash fees and electric charges? Property owners, business owners, tenants, renters, and many citizens who do not own property.

Trash & Refuse Fees



No change: Middletown residents will continue to pay \$21.74. Residents in some multifamily residences such as Pineford & Harborton Court are exempt. In 2008, the Borough will welcome a new trash company, PENN WASTE, to replace York

Waste as our contractor (look for new rules soon).