

# Proposed fuel excise tax highlights

- The Borough is currently in a very good financial position, affirmed by recent AA+ bond ratings (the highest ratings for any municipality in the State)
- The fuel tax proposal is about pay-as-you-go as opposed to selling bonds (debt) in the future for road improvements
- New revenue is for capital, not to fund or grow government
- This tax does not apply to aviation, marine, or home heating fuels
- Unlike property taxes, which burden only residents and landowners, a fuel excise tax captures revenue from all road users, including tourists and visitors
- Road Service Areas (RSAs) still provide maintenance and minor improvements
- State participation (e.g., school bond debt reimbursement) is tapering off over the next decade
- Tax will generate ~\$5 million annually
- If approved, it would go into effect January 1, 2026

# How will debt and a potential fuel excise tax affect property taxes?

## Key takeaways:

- 1

State participation will end by 2036 using current projections
- 2

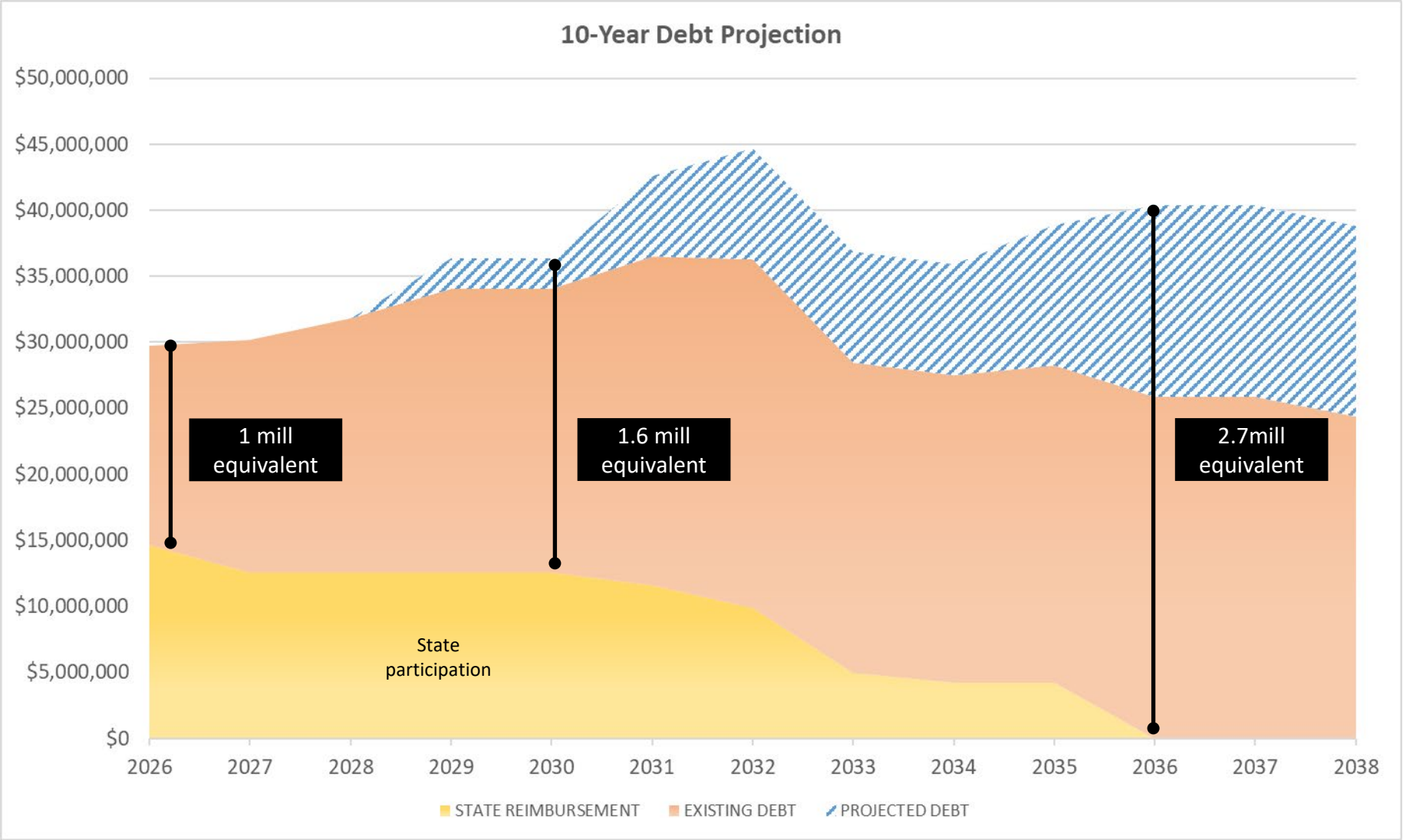
Borough portion of annual bond debt (mill equivalent):

2025: 1 mill (12%)  
2030: 1.6 mills (19%)  
2036: 2.7 mills (32%)

The current total areawide mill rate is 8.485 mills
- 3

Even without any new debt, equivalent in 2036 is 1.7 mills (20%)

New revenue will reduce property tax increases by distributing the financial responsibility to more than just property taxpayers



### Key Assumptions:

- Three \$30M road packages (years 3, 6, and 9) and two \$50M school packages (years 5 and 10)
- No State support moving forward
- Utilizing today's mill equivalent for evaluation
- 20-year bonds at a 5% interest rate