Lehigh County Pennsylvania

Office of the Controller

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Lehigh County Wealth Tax Analysis

A Progressive Revenue Option Consistent with the Pennsylvania Constitution

May 1, 2026

Note:

What follows is a forward-looking assessment — methodical in structure, grounded in financial oversight, and prepared under the Controller's duty to safeguard public funds, evaluate the performance of county operations, and promote transparency in the workings of local government.

In fulfilling this charge, the Controller's Office tracks how departments spend public funds, examines whether county services fulfill their intended purpose, evaluates whether institutional structures serve the people those systems aim to support, and ensures that residents can see and understand the actions their government takes on their behalf.

Although the Controller's Office prepared this analysis with care and structure, it does not follow Generally Accepted Government Auditing Standards (GAGAS) or serve as a formal audit.

Table of Contents

EXECUTIVE SUMMARY

Lehigh County may be heading toward a major tax decision. Based on current trends, absent significant service cuts or new recurring revenue, the County could face growing structural deficits in the years ahead. Public budget projections presented by former Chief Fiscal Officer indicated the County could face recurring gaps of approximately $5 million each year after 2025 unless taxes were raised or costs significantly cut[1].

Pennsylvania is not a state lacking wealth. A 2024 statewide Transfer of Wealth report estimated Pennsylvania households held more than $5 trillion in net worth, with hundreds of billions expected to transfer between generations in the coming decade. The question facing counties is not whether wealth exists, but whether local tax systems rely too narrowly on homes and wages while substantial asset wealth grows elsewhere.[2]

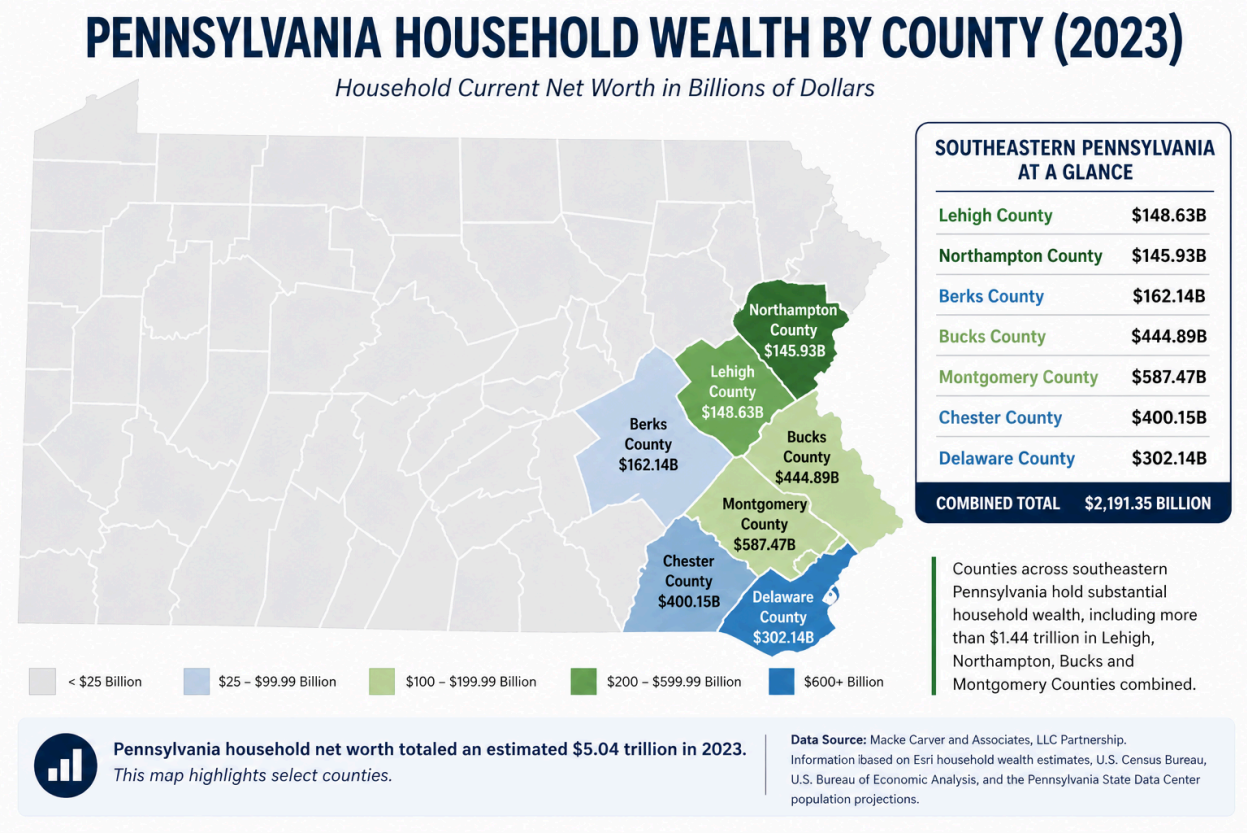


Figure 1. Household wealth is substantial across southeastern Pennsylvania, including Lehigh, Northampton, Bucks, Montgomery, Delaware, Chester, and Berks Counties.

If those pressures are addressed solely through the existing real estate millage, future increases could be substantial. Under higher need scenarios driven by Medicaid reductions, rising utility and infrastructure costs, and other spending pressures, the increase needed to raise the same amount by using property tax could approach 21 percent (an estimate based on the $114M raised in property tax versus the 25.5M increase).

That should concern every homeowner, renter, and small business in Lehigh County.

As Controller, my responsibility is not to advocate first for tax increases or service cuts. My responsibility is to identify risks early, show the numbers plainly, and present options before residents are handed the bill.

This report does exactly that.

It finds that years of flat tax rates, combined with rising recurring costs and the expiration of temporary pandemic era aid, have narrowed the County's options. Temporary money can delay recurring problems, but it cannot solve them.

The report futhter finds that locally raised revenue is already heavily committed. Roughly 72 cents of every locally raised dollar supports Law and Order functions, including courts, corrections, the District Attorney, and related public safety operations. Much of the remaining budget is tied to grant-funded human services, where local cuts can also forfeit outside matching funds.

Because of that reality, this report examines an alternative path already permitted under Pennsylvania law: taxation of intangible personal property, namely stocks, bonds, and similar financial instruments, under the Intangible Personal Property Tax Law of June 17, 1913 (P.L. 507), codified at 72 P.S. §§ 4821 et seq. and most recently amended in 1995. The tax must be uniform under Article VIII, Section 1 of the Pennsylvania Constitution[3].

Three findings stand out:

> **Annual revenue of approximately $25.5 million.** A flat four per mill tax (0.4 percent, or $4 per $1,000 of asset value) on selected intangible financial assets would generate an estimated $22.98 million in 2022 dollars, or roughly $25.5 million in 2026 dollars after adjusting for inflation.

> **Households earning $200,000 or more, taken together, would provide more than 91 percent of projected revenue.** Households earning under $100,000, taken together, would contribute less than 4 percent..

> **Potential relief from heavier property tax dependence.** Revenue at this scale could reduce pressure to rely primarily on homeowners and small property owners for future budget balancing.

For context, Delaware County adopted a 19 percent property tax increase in its 2026 budget to address its own structural deficit[4].

This report does not claim there is only one solution. It does claim that the County should evaluate every serious option before defaulting to large property tax increases.

The purpose of this report is simple: warn early, show the math, and widen the choices available to the public and elected officials.

RECOMMENDATIONS TO THE EXECUTIVE

1. Request that the Chair of the Board of Commissioners establish a working group, or refer the proposal to the Finance Committee, to evaluate the concept and report back to the Board with findings and recommendations within a defined timeframe.
2. Develop a detailed multi-year revenue forecast covering operating needs, Medicaid exposure, and infrastructure costs, so the scale of the proposed tax can be calibrated against actual need rather than a target figure.
3. Engage outside tax counsel ideally a firm with prior experience in Pennsylvania intangible personal property tax matters and with the Annenberg line of cases to advise on implementation, exemption design, collection mechanics, and constitutional defensibility.
4. Hold public hearings before any major tax shift is considered.

WHAT THE PROPOSAL IS

Lehigh County currently relies heavily on property taxes and fees. This proposal examines whether part of that burden could be shifted toward certain financial wealth instead.

Assets That Could Be Included

- Stocks
- Bonds
- Mutual funds
- Exchange traded funds
- Brokerage investment accounts
- Partnership ownership interests
- Certain passive business equity interests
- Comparable financial assets

Assets That Would Not Be Included

- Primary residence
- Home equity
- Retirement accounts such as 401(k)s and IRAs
- Checking accounts
- Household savings used for normal expenses
- Cars
- Personal belongings
- Owner operated small businesses
- Family farms actively operated by owners

Current Estimate

A four mill rate (0.4%) on selected assets produced an estimated $25.5 million in 2026 equivalent revenue.

HIGHER TAXES DO NOT CAUSE A MASS EXODUS OF THE WEALTHY

Claims that higher taxes automatically drive wealthy residents to flee are not supported by leading empirical research. In *The Myth of Millionaire Tax Flight*, sociologist Cristobal Young examined the mobility of high income households and found that millionaires are generally less likely to move than the broader population.[5]

Wealthy households are often tied to their communities through businesses, professional networks, family relationships, and social connections. That conclusion is reinforced by Young and his coauthors' peer reviewed article in the *American Sociological Review*, which analyzed administrative tax return data to measure actual millionaire migration patterns. The study found that interstate migration among millionaires is rare and only modestly responsive to differences in state tax rates.[6]

Even where higher tax rates existed, the evidence did not support claims of large scale millionaire flight. The broader lesson is that policymakers should be cautious about exaggerated warnings of tax driven exodus and instead focus on whether revenues are used effectively to strengthen schools, infrastructure, public safety, and quality of life.

HOW TO READ THIS REPORT

The remainder of this document presents the analysis behind the findings above. It uses two technical concepts repeatedly. The **Gini coefficient** which is a number between 0 and 1 that measures how unevenly something is distributed across a population, with 0 meaning perfectly even and 1 meaning entirely concentrated in one place. The **Lorenz curve** is a chart that shows the same idea visually. Both are explained in plain language when they first appear, and a non technical reader does not need any prior familiarity with either to follow the argument.

The methodology section also walks through the math used to estimate county wealth from reported tax income. Each formula is followed by a short explanation of what it says and why each step was taken. Readers who want only the conclusions can skip directly to the Results and Recommendation sections without losing the thread.

BACKGROUND AND METHODOLOGY

Progressive taxation in Pennsylvania has long been constrained by the state constitution's Uniformity Clause. Local government tax policies must comply with customary definitions of both subject and asset classes while levying a flat rate across them. This constitutional constraint often leads to regressive outcomes regardless of the asset being taxed. It also limits the ability of local governments to address income inequality directly.

This discussion takes place in a state with substantial household wealth. A 2024 Pennsylvania Transfer of Wealth report estimated statewide household net worth above $5 trillion and

projected large intergenerational wealth transfers over coming decades. That context matters because local governments often debate revenue choices as though no meaningful tax base exists beyond wages and real estate.[2]

The Uniformity Clause (Article VIII, Section 1)[3] of the Pennsylvania Constitution requires that "all taxes shall be uniform, upon the same class of subjects." In plain terms, a county cannot charge wealthy residents a higher tax rate than working class residents on the same kind of property or income. Every taxpayer in a given class must face the same rate. This paper asks a different question: if the rate must be uniform, can the *tax base* be designed so that higher wealth households still bear most of the burden? We find that the answer is yes.

Our research expands on an earlier proposal from the Pennsylvania Budget and Policy Center (2022)[7], which suggested reinstating the Intangible Wealth Tax for Philadelphia in 2022. Like PBPC, we leverage Emmanuel Saez and Gabriel Zucman's (2014)[8] capitalization technique to approximate capital wealth estimates. The capitalization technique is a method for estimating how much wealth households hold in financial assets by working backward from the income those assets produce. If we know that a household reported $1,000 of dividend income on its tax return, and we know the typical relationship between dividends and the value of stocks that produce them, we can estimate the underlying value of the stock holdings. Repeated across all reporting households and all asset types, this gives us a county level wealth estimate.

To estimate the relationships between income and asset value, we use individual income tax data from the Internal Revenue Service[9] alongside the Federal Reserve's 2022 Survey of Consumer Finances[10]. The remainder of the document is organized as follows. The next section describes the state of income inequality in Lehigh County and establishes expectations for a progressive wealth tax. The following section presents the methodological framework and data used for tax revenue calculations. The final sections present results and policy recommendations.

THE STATE OF INEQUALITY IN LEHIGH COUNTY

The US Census Bureau publishes inequality data at national, state, and county levels. Its preferred metric for measuring inequality is the **Gini coefficient**.[11]

The Gini coefficient named for Italian statistician Corrado Gini who developed it in 1912 condenses an entire population's distribution of income into a single number between 0 and 1. The intuition is best understood through two extremes. Imagine a small town where everyone earns exactly the same amount: every household takes home $50,000 and not a dollar more or less. In that town, the Gini coefficient would be 0, indicating perfect equality. Now imagine a different town where one household earns all of the town's income and every other household earns nothing. That town's Gini would be 1, indicating perfect inequality. Real communities never sit at either extreme. They land somewhere in between, and the closer the score is to 1, the more concentrated the income.

What does that look like in practice? A score of 0.25, similar to that of Slovenia or the Czech Republic, indicates a very even distribution where the spread between rich and poor is relatively narrow. A score around 0.40, typical of the United States historically, indicates moderate inequality where there is real distance between high and low earners but a sizable middle exists. A score above 0.50, found in countries like Brazil or South Africa, indicates severe concentration at the top with a large share of the population well below average. The 0.46 figure for Lehigh County therefore places it in the "high but not extreme" range, comparable to the United States as a whole.

A useful way to think about the same number is to imagine taking two random households in the county and comparing their incomes. The Gini coefficient roughly corresponds to the average gap between any two random households, expressed as a fraction of the average income. A Gini of 0 means any two households you pick will earn the same. A Gini near 0.50 means that on average, when you compare two random households, the gap between them is about as large as the average income itself. That is what 0.46 means in human terms for Lehigh County: pick two neighbors at random, and the difference in their incomes is roughly comparable to what the average household earns in a year.

According to this metric, Pennsylvania ranks 13th in inequality among all 50 states and Puerto Rico. At the county level, Lehigh ranks 10th among Pennsylvania's 67 counties. The 2023 US Census Bureau estimated Gini coefficients are 0.47 for the State and 0.46 for Lehigh County, meaning income in Lehigh County is more concentrated than in most U.S. communities, though slightly less than the state as a whole. Tables 1 and 2 show how Pennsylvania ranks nationally and how Lehigh ranks within the state.

Table 1

Nation Rank	State	Gini Index
1	Puerto Rico	0.5338
2	District of Columbia	0.5244
3	New York	0.5186
4	Connecticut	0.4989
5	Louisiana	0.4922
6	California	0.4852
7	Massachusetts	0.4820
8	Illinois	0.4802
9	Florida	0.4799
10	Texas	0.4792
11	North Carolina	0.4782
12	Mississippi	0.4766
13	Pennsylvania	0.4747

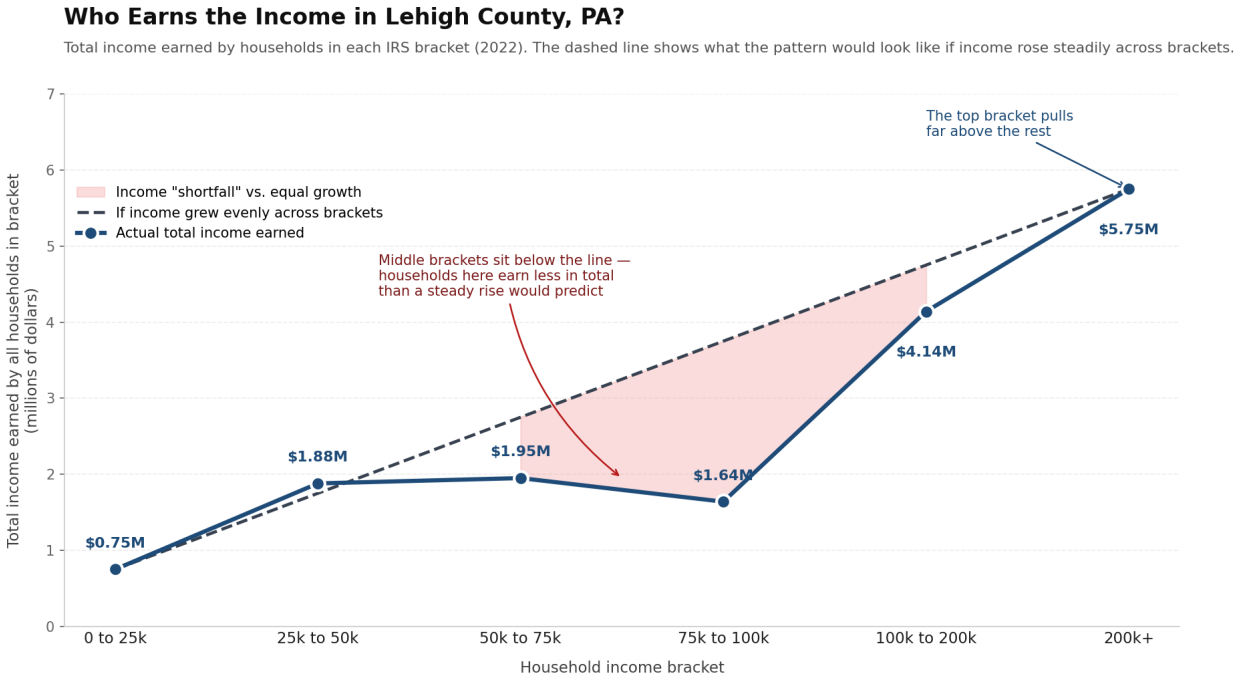
Table 2

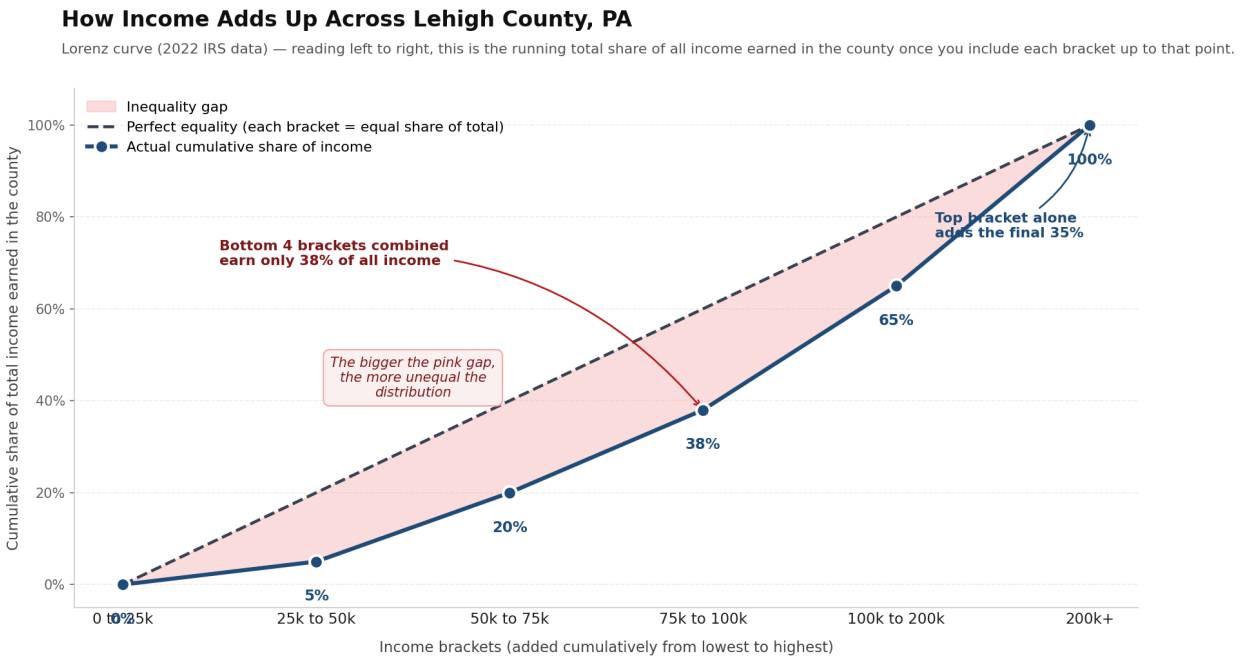
State Rank	County	Gini Index
1	Philadelphia County	0.5152
2	Montour County	0.4997
3	Delaware County	0.4862
4	Union County	0.4860
5	Allegheny County	0.4835
6	Centre County	0.4781
7	Pennsylvania	0.4737
8	Montgomery County	0.4707
9	Cambria County	0.4674
10	Lehigh County	0.4657

A Gini score reduces inequality to a single number, which is useful for comparing places, but conceals the shape of the underlying distribution. To see the shape itself, economists use a

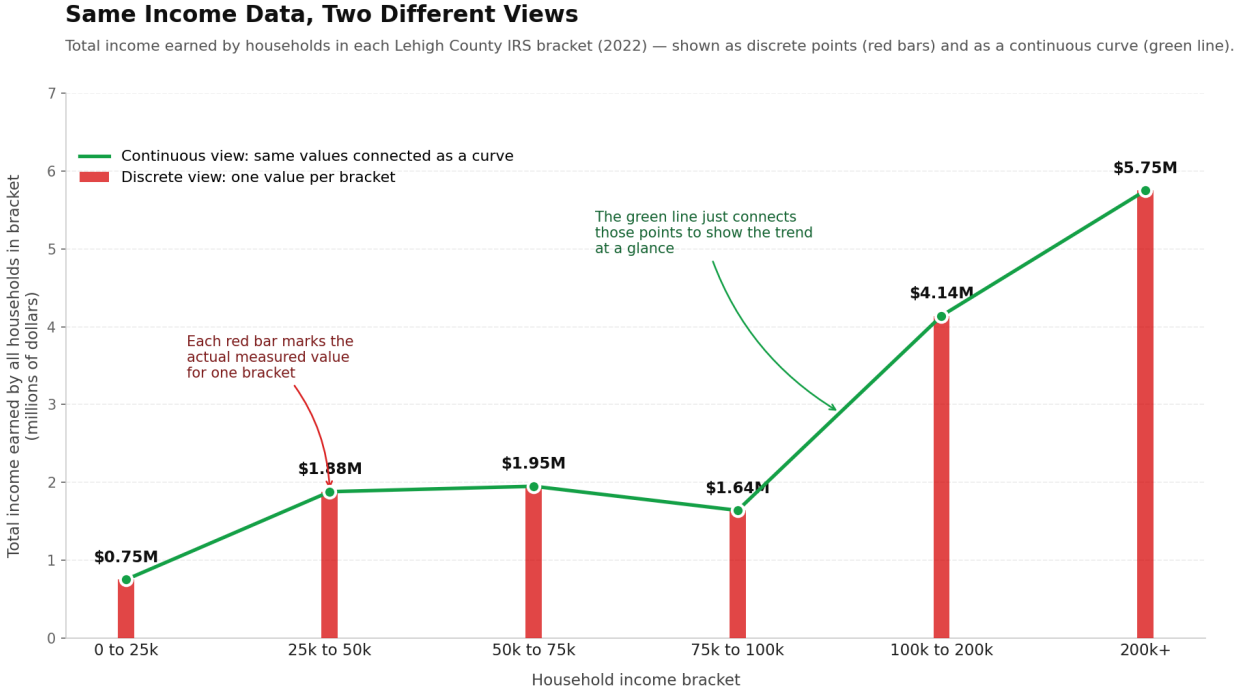
Lorenz curve. A Lorenz curve plots the cumulative share of income on the vertical axis against the cumulative share of households (sorted from lowest to highest income) on the horizontal axis. The diagonal straight line on each chart represents the hypothetical case of perfect equality, where 20 percent of households earn 20 percent of the income, 50 percent earn 50 percent, and so on. The actual Lorenz curve always lies at or below that diagonal. The further the curve bows downward away from the diagonal, the more unequal the distribution.

We have chosen to plot both continuous and discrete versions of the Lorenz curve to make the picture clearer. A **continuous** chart treats the data as a smooth, unbroken curve, as if every conceivable income level between the lowest and the highest was represented. A **discrete** chart, shows only the actual data points the data source provides, with straight lines drawn between them. The IRS reports income data only in named brackets ($0 to $25,000, $25,000 to $50,000, and so on), so the discrete version reflects the data as it actually exists, while the continuous version smooths the gaps between brackets. Charts 1 and 2 below display both versions for the county. The y axis represents total income reported to the IRS in 2022, and the x axis represents IRS income brackets.





The discrete chart serves a second purpose beyond clarity. It allows us to overlay an expected distribution for a progressive tax, a tax where higher brackets contribute disproportionately more revenue. Chart 3 shows this concept. Lehigh's actual income distribution (the green line) is plotted alongside the projected distribution of revenue from the proposed wealth tax (the red bars). When the bars rise faster than the line, the tax is more progressive than the underlying income distribution.



CAPITALIZING THE INCOME OF LEHIGH COUNTY TAX PAYERS

The main goal of this paper is to estimate how much revenue a tax on intangible assets would draw from county taxpayers. To do that, we first need to estimate how much wealth those assets represent at the county level, and county level wealth data does not exist directly. We have to derive it.

Following the lead of the PBPC, this analysis bases its methodology on the work of Emmanuel Saez and Gabriel Zucman (2014)[8]. Their core insight is straightforward. Financial assets generate income that gets reported on tax returns. If we know the typical ratio between an asset's value and the income it produces, what economists call a **capitalization factor**, we can multiply reported income by that factor to estimate the underlying asset value.

A simple example. If a savings account paying 2 percent interest generates $100 of taxable interest in a year, the underlying balance must be roughly $5,000, because $5,000 multiplied by 2 percent equals $100. The "capitalization factor" in this example is 50 (the inverse of the 2 percent interest rate). Multiply any reported interest amount by 50 and you get back to the underlying account balance. The same logic applies to dividends, capital gains, and other forms of investment income, though the factors differ for each asset class.

The challenge is figuring out what the right capitalization factor is for each asset class at a county level. Saez and Zucman computed factors using national level data. We need to adapt their method to work with the data Lehigh County actually has. The next several formulas walk through that adaptation step by step. Before reading them, two terms are worth defining. In any fraction, the **numerator** is the number on top and the **denominator** is the number on the bottom. Both of these terms appear in the explanations below.

Saez and Zucman start by computing the capitalization factor as the ratio of total wealth to total reported income for a given asset class.

Capitalization Factor = Flow of Funds / Reported Asset Income Tax (1)

What this says: take the total nationwide wealth held in an asset class (the **numerator**, drawn from the Federal Reserve's Flow of Funds national accounts), and divide it by the total nationwide income that asset class produced in tax filings (the **denominator**). The resulting ratio is the multiplier that converts reported income back into asset value. Think of it as a national average exchange rate between income and the wealth that generates it.

This works well at the national level. For Lehigh County, we have a granularity problem. Flow of Funds data is national and lumped together across all income tiers, but we need numbers that work at the county level and break out by income bracket. We solve this by replacing Flow of Funds with average asset values from the 2022 Survey of Consumer Finances, which does break out by income tier.

Capitalization Factor = average(Asset) / Reported Asset Income Tax (2)

What this says: replace the national wealth total in the numerator with the average asset value reported by households in the SCF. The denominator now mismatches the numerator, because we are comparing an average (in the numerator) against a total (in the denominator). It is like comparing the average height of a basketball team against the combined height of the entire NBA. We need both figures expressed the same way before the division makes sense.

To correct this mismatch, we convert the total income in the denominator into an average as well, by dividing the total by the number of tax returns filed.

Capitalization Factor = average(Asset) / (Reported Asset Income Tax / Number of Returns) (3)

What this says: the denominator is now total reported income divided by total tax returns, which produces the average reported income per return. Both the numerator and denominator now refer to per household averages, so the comparison is consistent.

The denominator can be written more simply by recognizing that "total reported income divided by total returns" is just the average reported income.

Capitalization Factor = average(Asset) / average(Reported Asset Income Tax) (4)

What this says: the formula now reads as "the average asset value divided by the average reported income from that asset." This is the version we actually compute. In plain English, for every dollar of asset income reported on the average return, the average household holds X dollars of underlying asset, where X is the capitalization factor.

Once we have the capitalization factor, it is used to convert each income bracket's reported asset income into the wealth held by that bracket.

County Level Asset Nominal Value = Capitalization Factor × Reported Asset Income Tax (5)

What this says: multiply the capitalization factor by the asset income reported on Lehigh County tax returns to get the estimated total value of those assets held by Lehigh County residents. This is the wealth figure the tax will be applied to.

Finally, multiplying the estimated wealth by the proposed tax rate gives us the projected revenue.

Hypothetical Tax Revenue = Levied Tax Rate × County Level Asset Nominal Value (6)

What this says: this is the number we have been working toward. It is the dollar amount of revenue the county would collect from each asset class if the proposed rate were applied to the estimated wealth in that class. The estimate can be calculated separately for each IRS income bracket, allowing the distribution of the tax burden across income levels to be shown

SURVEY OF CONSUMER FINANCES AND INTERNAL REVENUE SERVICE INCOME TAX DATA

We leverage data from the Survey of Consumer Finance (SCF) and the IRS for 2022. As described above, we process the data to ensure the calculations are executed at consistent levels of granularity. Analytical challenges arise from different accounting framweworks and naming conventions across the two data sources, requiring analytical judgment to align and map the values. The Pennsylvania Budget and Policy Center proposal targets "all stocks or shares of incorporated or unincorporated companies, business trusts, mutual funds, notes, bonds, other obligations for payment of money, and all comparable financial instruments whether traded publicly or not" (PBPC, p. 3). The report also specifies the exclusion of "bank or credit union checking and savings accounts and its stocks, bonds, mutual funds, and other financial instruments included in traditional IRAs" (p. 3). While the aggregation level of IRS income data limits accounting granularity, it nonetheless provides visibility into the following assets-related income categories:

Table 3

IRS Assets Income Data
Taxable interest
Tax-exempt interest
Ordinary dividends
Qualified dividends
Business or profession net income (less loss)
Net capital gain (less loss) in AGI
Taxable individual retirement arrangements distributions
Taxable pensions and annuities
Partnership/S-corp net income (less loss)
Unemployment compensation
Taxable Social Security benefits

Excluding future pensions, as suggested by the Pennsylvania Budget and Policy Center, we are left with the following alignment between the SCF and IRS Data.

Table 4

Survey of Consumer Finances	IRS Assets Income Data
Interest (taxable and nontaxable) and dividend income, 2022 dollars	Taxable interest
Interest (taxable and nontaxable) and dividend income, 2022 dollars	Tax-exempt interest
Interest (taxable and nontaxable) and dividend income, 2022 dollars	Ordinary dividends
Interest (taxable and nontaxable) and dividend income, 2022 dollars	Qualified dividends
Income from business, sole proprietorship, and farm, 2022 dollars	Business or profession net income (less loss)
Capital gain or loss income, 2022 dollars	Net capital gain (less loss) in AGI
Total value of business(es) in which the household has either an active or nonactive interest, 2022 dollars	Partnership/S-corp net income (less loss)

On the SCF side, we have averages for the total of Interest and Dividends reported, which means on the IRS data side we must aggregate Taxable Interest, Tax exempt Interest, Ordinary Dividends, and Qualified Dividends. Also, IRS tax data needs to be rolled up to county since it is reported at the ZIP code level.

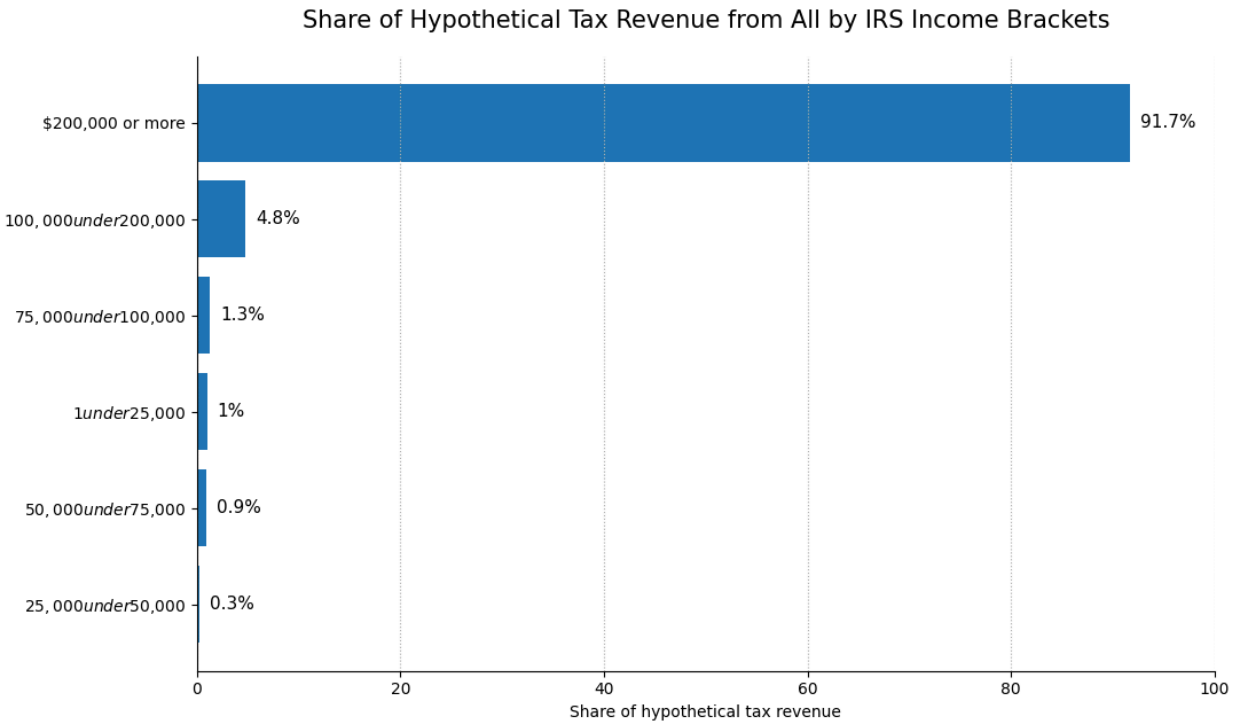
To compute mean estimates of financial asset values, we rely on the R Programming Package "scf" whose author and maintainer is Joseph Cohen.

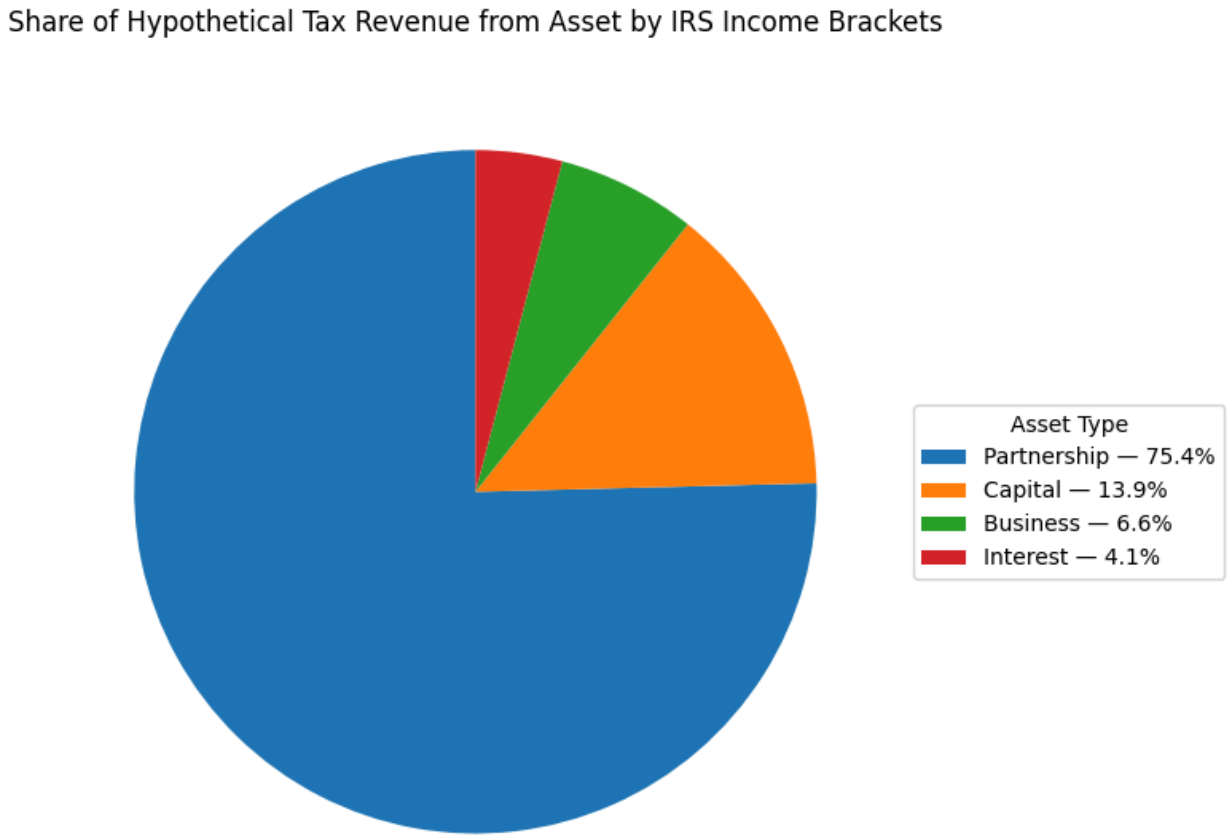
RESULTS

Our calculations yield an estimated wealth tax revenue of **$22,981,835** from a 4 per mill rate in 2022 dollars. (A "mill" is one tenth of one cent per dollar of assessed value; 4 per mill therefore equals 0.4 percent, or $4 per $1,000 of asset value.) Adjusting for inflation using the Bureau of Labor Statistics' annual cumulative rates of 4.9 percent for 2023, 3.4 percent for 2024, and 2.8 percent for 2025, the same 4 per mill tax would yield approximately **$25,509,837** in 2026.

The distributional pattern is the central finding of this paper. Households earning $200,000 or more would contribute 91.7 percent of total revenue. Households earning under $100,000, combined across the bottom four income brackets, would contribute roughly 3.5 percent. Households in the $100,000 to $200,000 range would contribute the remaining 4.8 percent. These results comply with both the progressive taxation principle of "ability to pay" and the Uniformity Clause, because the same flat rate is applied to every taxpayer; the progressivity

comes from *what* is taxed, not from charging different rates to different people. Chart 4 and Table 5 illustrate this distribution.



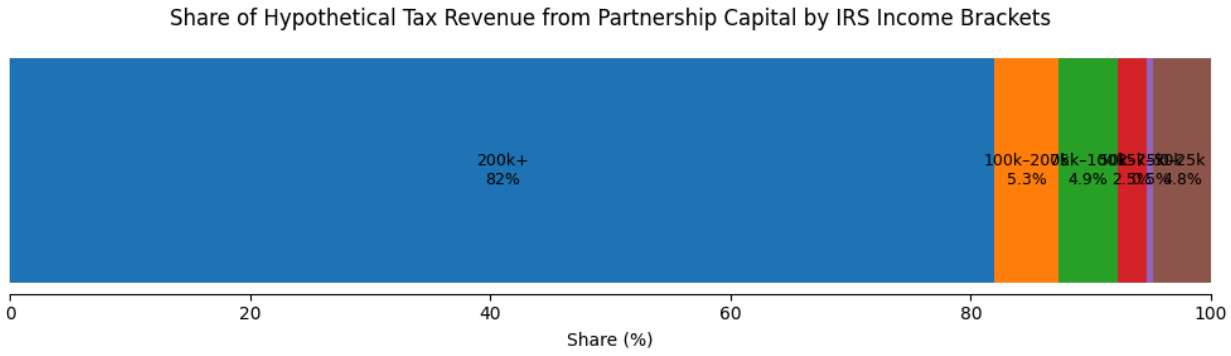


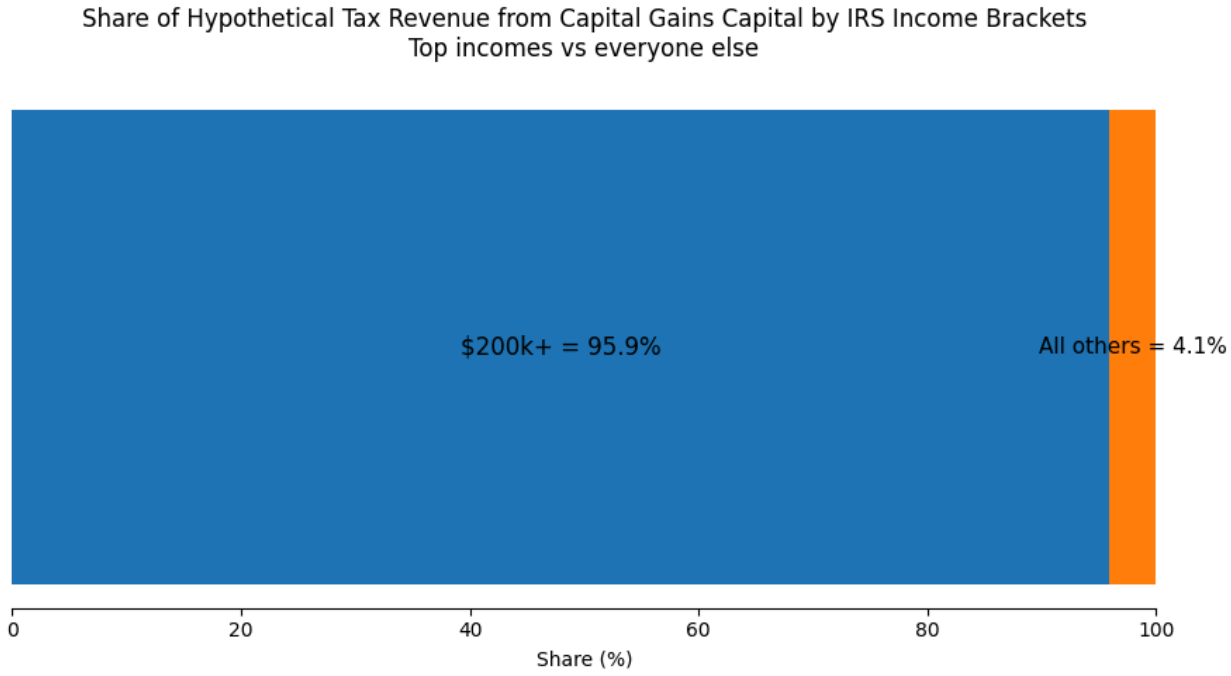
The revenue varies sharply by asset class. Partnership interests, including ownership stakes in partnerships and S corporations, would generate roughly 75 percent of total revenue. Capital gains would contribute almost 14 percent, business interests slightly more than 6 percent, and interest bearing accounts about 4.1 percent. The two largest sources partnership interests and capital gains are also the most concentrated at the top: households earning more than $200,000 would contribute up to 95 percent of the revenue derived from those two classes. Every other income bracket would contribute 8 percent or less within those classes.

Table 5

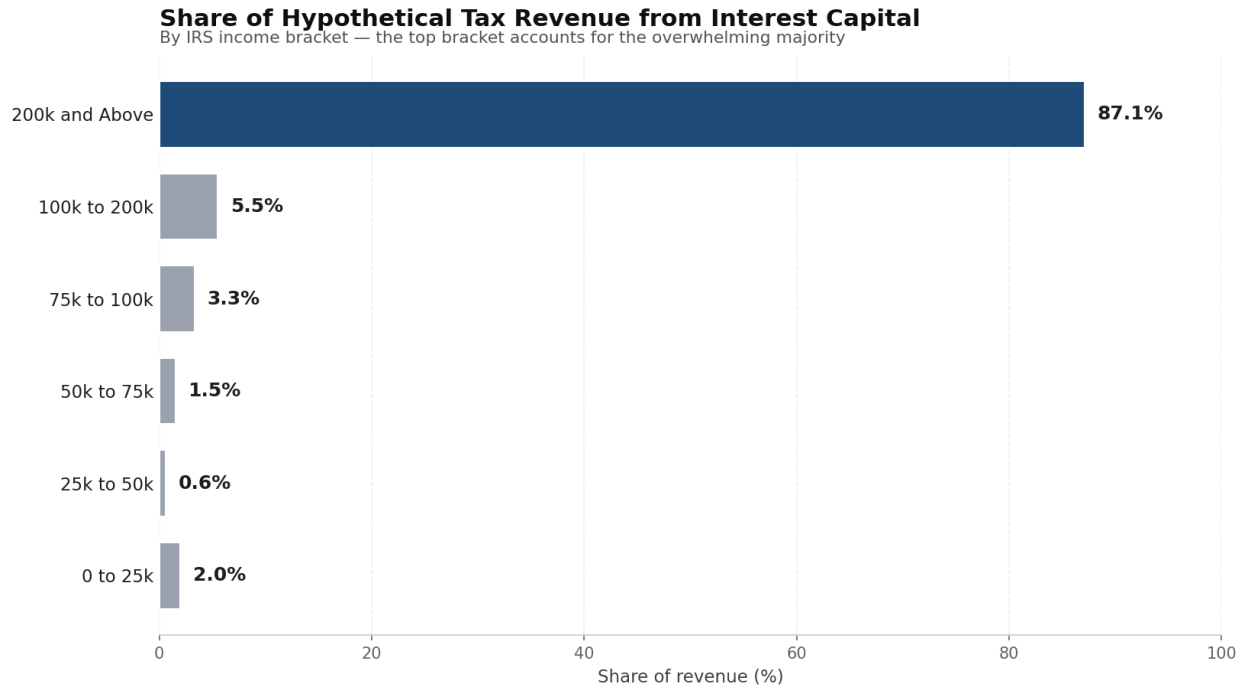
Income Bracket	Tax Revenue	Tax Revenue Percent
$1 under $25,000	232,134	1.01%
$25,000 under $50,000	76,347	0.33%
$50,000 under $75,000	204,012	0.89%
$75,000 under $100,000	298,342	1.30%
$100,000 under $200,000	1,095,042	4.76%

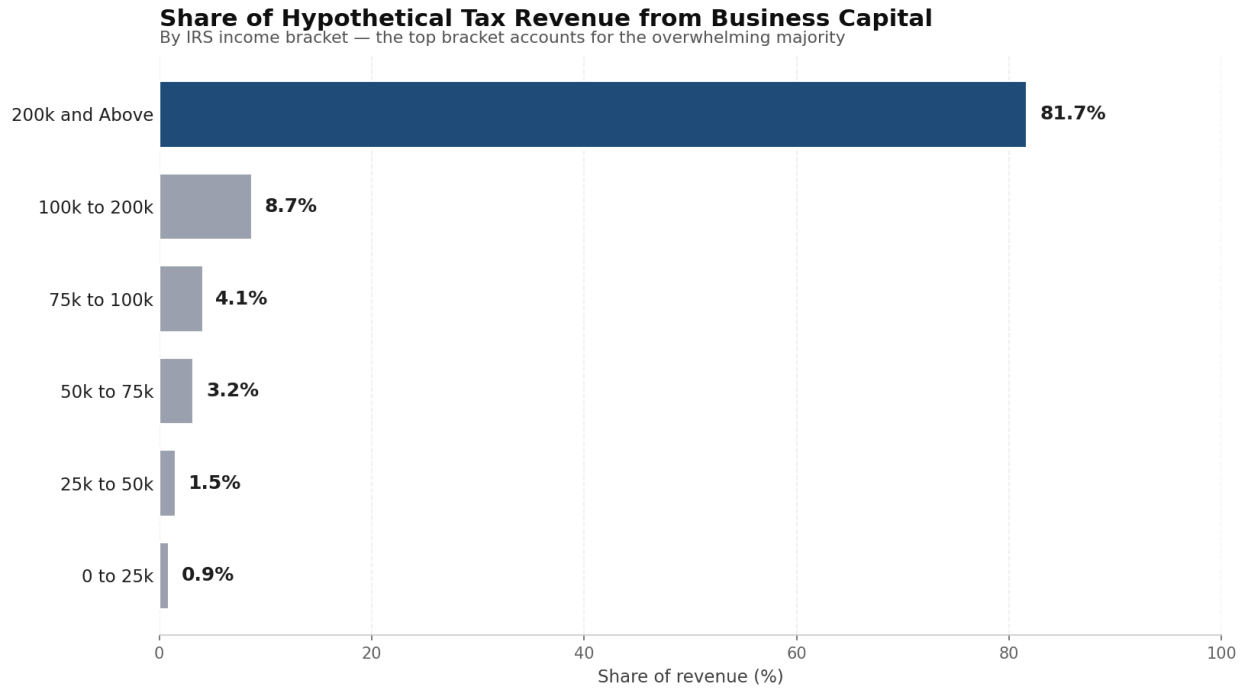
Income Bracket	Tax Revenue	Tax Revenue Percent
$200,000 or more	21,075,955	91.71%





Hypothetical revenue from business assets and interest bearing accounts hovers around 6 percent and 4 percent respectively. Business assets are the most sensitive to mid range income. Households earning between $100,000 and $200,000 would contribute nearly 9 percent of business class revenue, a higher share than they contribute in any other class. Table 6 in the appendix shows the full hypothetical tax revenue per asset class and per income bracket for Lehigh County taxpayers.





More scenarios can be derived and tested on the online data tool, accessible at https://maayo.shinyapps.io/Wealth_Tax_Lehigh/.

RECOMMENDATION: PROGRESSIVENESS UNDER UNIFORMITY CLAUSE

The institutional design governing these statistics is established by the laws of the state constitution's Uniformity Clause. Results show that a uniform ad valorem tax on selected intangible assets, levied at a flat rate to satisfy the strict requirements, would be most progressive if it taxed capital assets first, followed by partnerships. Levying taxes on interest capital and business assets would be less progressive.

To compare progressivity across asset classes, we again use the Gini coefficient, but applied to a different ratio. Earlier in the paper, the Gini measured the degree of inome inequality. Here, it measures how unevenly the tax burden falls relative to net worth. A higher Gini in this context means the wealthy bear a disproportionately larger share of the tax burden compared to their share of household wealth, which is exactly what a progressive tax should do.

Table 7 presents the corresponding Gini coefficients by asset class. In this analysis, **Capital** refers primarily to dividends and capital gains, **Partnership** refers to partnership and S corporation interests, **Interest** refers to taxable and tax exempt interest income, and **Business** refers to non partnership business income.

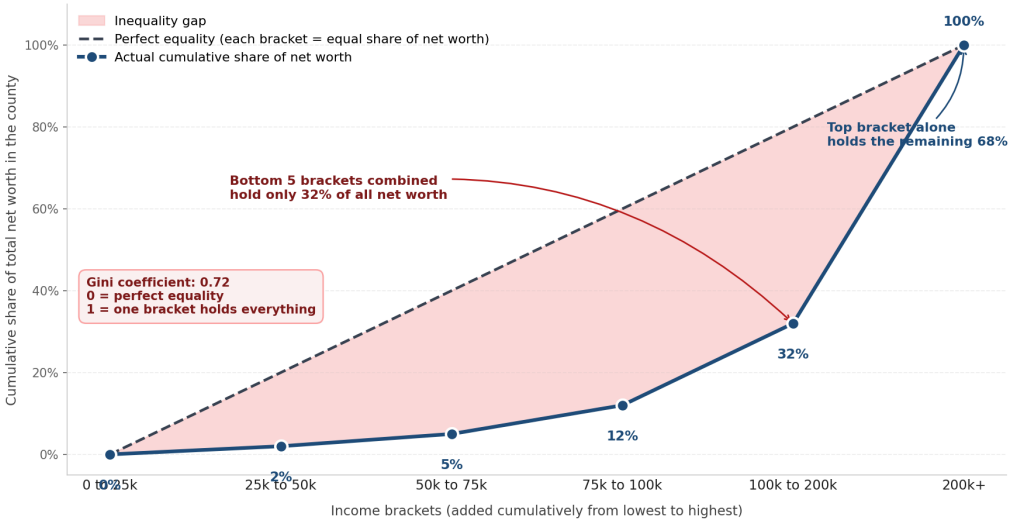
Table 7

Asset Class	Gini
Capital	0.72
Partnership	0.39
Interest	0.34
Business	0.24

The Lorenz curves below illustrate this inequality of tax liability relative to net worth, across assett classes. Capital assets, with the highest Gini at 0.72, displays the most progressive pattern. Households earning more than $200,000 bear a tax burden that far exceeds their share of net worth. Taxing capital would therefore be the most progressive option for the county within the constraints of the Uniformity Clause.

How Net Worth Adds Up Across Lehigh County, PA

Lorenz curve of capital / net worth (2022 IRS data) — reading left to right, this is the running total share of all wealth held in the county once you include each bracket up to that point.

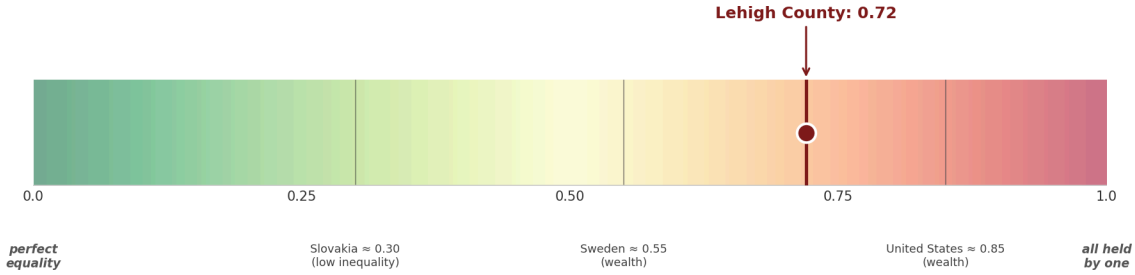


Wealth Concentration in Lehigh County, PA

Capital Lorenz curve, discrete view (2022 IRS data)

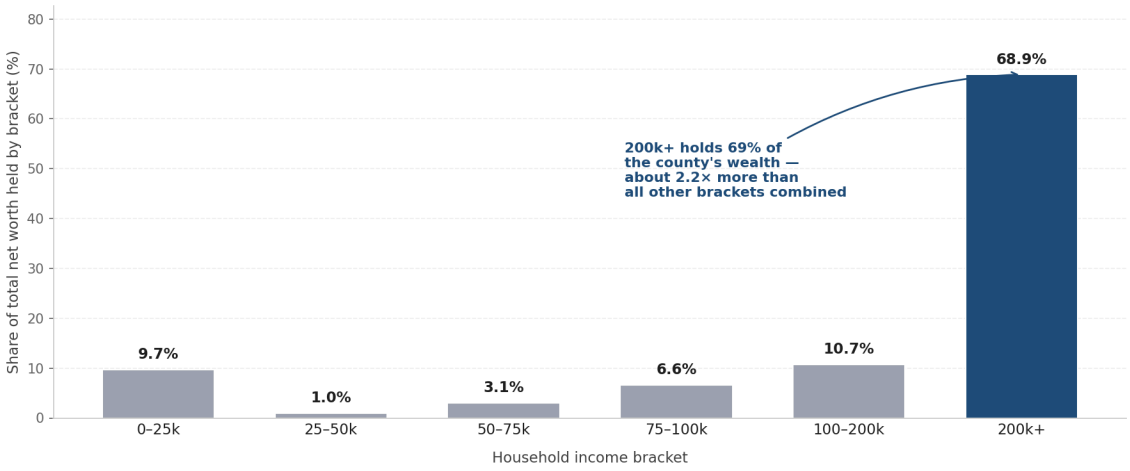
What does a Gini of 0.72 mean?

The Gini coefficient summarizes inequality in one number: 0 means everyone has the same, 1 means one bracket holds everything.

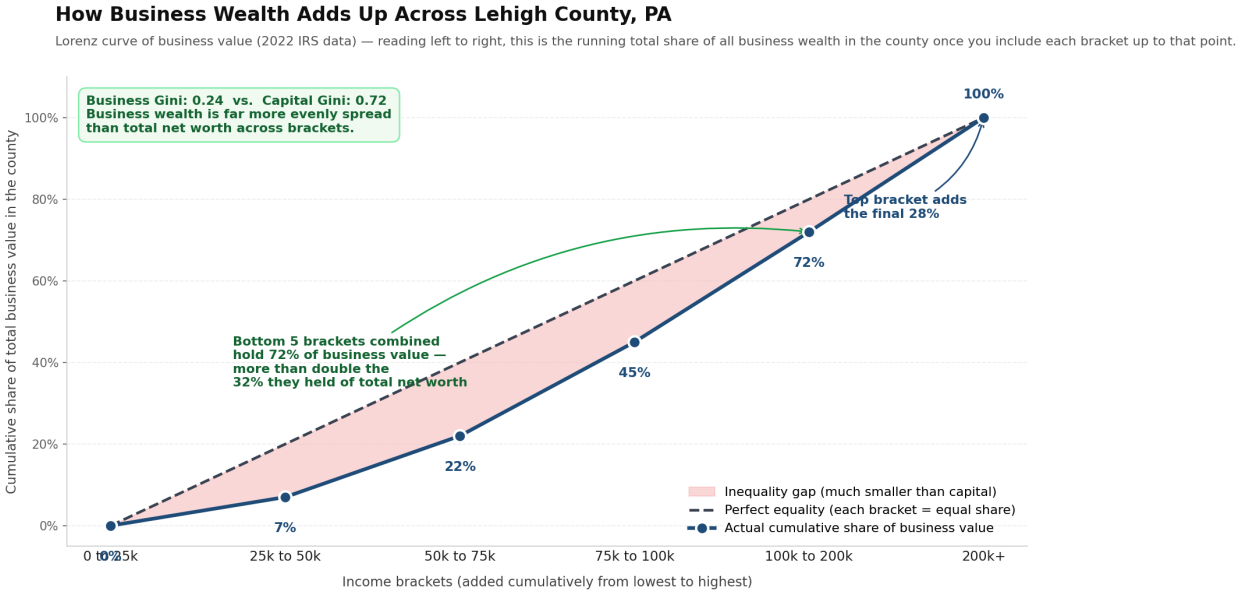


How that 0.72 plays out across brackets

Each bar is one bracket's share of all net worth in the county.



By contrast, the Lorenz curves for business assets lies much closer to the line of equality (Gini 0.24). A tax on business assets would distribute its burden roughly in proportion to net worth. Taxpayers would contribute proportionally to their wealth rather than disproportionately. That is a more neutral outcome than a capital focused tax, though still fully consistent with the requiremetns of the Uniformity Clause.

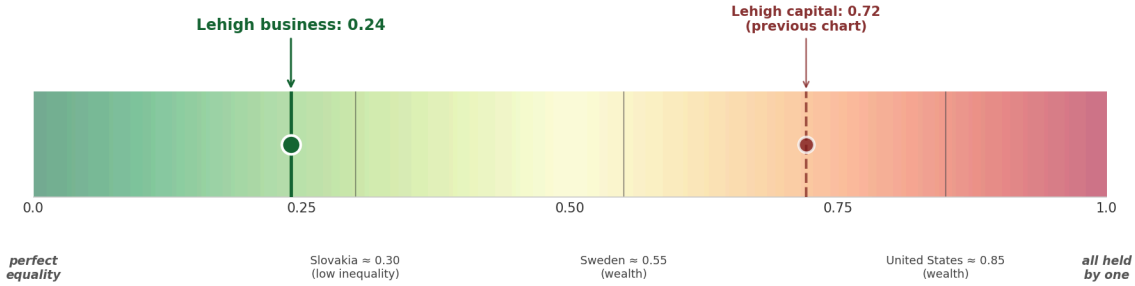


Business Wealth Distribution in Lehigh County, PA

Business Lorenz curve, discrete view (2022 IRS data)

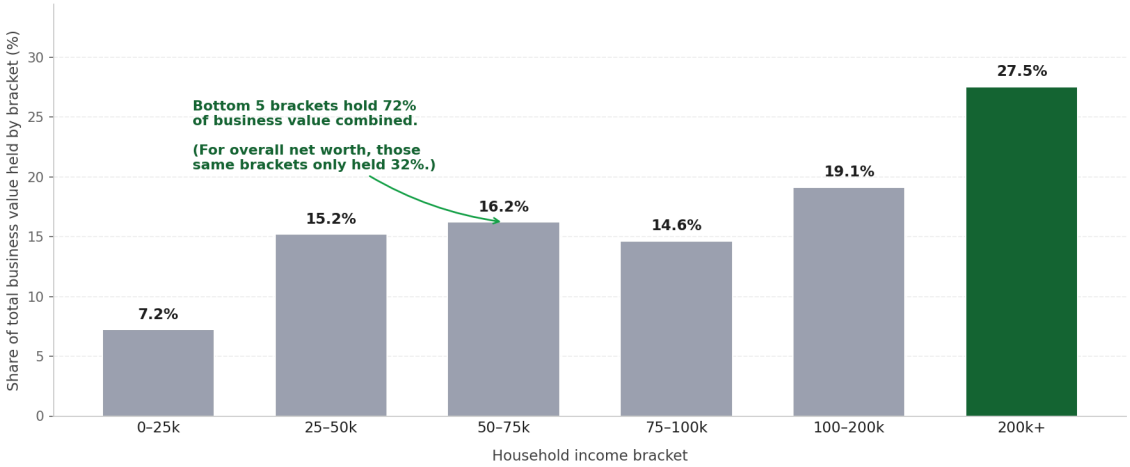
A Gini of 0.24 means business wealth is spread fairly evenly

Compare to the previous chart: capital (overall net worth) had a Gini of 0.72 — much further to the right on this scale.



Each bracket holds a meaningful share of business value

Compare to capital, where the 200k+ bracket alone held ~69% of all net worth.



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