It's axiomatic in American politics: once a problem is clearly identified the "political marketplace" will produce a solution for it. And the axiom holds in most public policy areas. Indeed, for many policy problems our politicians all but trip over one another offering solutions to our collective problems. The recent flood from Congress of business ethics legislation is one vivid recent example of this phenomenon. Health care bills and educational quality legislation are contemporary examples at the state level.

But this usually reliable policy sequence - - problem perceived, followed by solution proffered - - hasn't worked well with Pennsylvania's chronic property tax problem - - not that our legislators haven't been giving it the old college try. In the current session of the legislature at least 70 bills have been introduced to address some aspect of the property tax problem. These bills range from comprehensive state and local tax reform to more narrowly crafted proposals to deal with a single aspect of the property tax question.

To be frank, some of the proposed legislation is pretty good, and some of it isn't. But the larger point is that we have no lack of proposed solutions here. An abundance of them exists. What we lack is some consensus about which of them will work in Pennsylvania.

And that is the nub of the problem. Virtually everyone believes that Pennsylvania's property tax system needs some fixing, but there is virtually no consensus about what should be done to fix it. It is that lack of consensus about what to do that has prevented us from doing almost anything at all. In more than a decade of struggle the legislature has accomplished little, except pass a law - - a very bad law, Act 50 - - that tossed the problem back to local school districts to resolve.

But why has consensus on this issue been so hard to achieve?

Fundamentally, we argue that two enormous barriers to consensus exist: one essentially economic in nature - - and the other essentially political in nature. In combination, they have confounded a generation of Pennsylvania policy makers.

The economic barrier is a familiar one. It can be summed up in the old business clich?: "there ain't no free lunch," or as Yogi Berra didn't - - but might have - - put it, "Nothing can really add up."

The problem is " tax shifting." Solving the property tax problem is going to require some tax shifting. In plain terms, tax shifting means that some taxpayers pay more so that others can pay less. Paying more taxes - - unsurprisingly enough - - doesn't please everyone. Agreeing that your retired Uncle Josh and Aunt Mim should not have to pay a big property tax bill is easy enough, but you agreeing to pay it instead is not so salutary a prospect.

Who actually pay more depends on what taxes are "shifted." Generally speaking, shifting a large portion of the property tax burden to the sales tax, for example, would hit consumers harder, while shifting to the income tax would put more burdens on income earners.
The political barriers to consensus are also formidable. The issue itself has been on the agenda for a generation. In 1987 Governor Robert Casey did try to bring about "local tax reform". But, that effort ended disastrously, and since then few pols have wanted to travel down that road again. Since 1987, property tax reform has been widely regarded as a no win issue, with the political liabilities far outweighing the possible political gains.

This prevailing view has foreclosed meaningful reform; so, instead local property taxes have become part of a long running legislative shell game. Both Republicans and Democrats play the game.

It works like this: first, the bait -- state pols promise to keep state taxes low or not raise them, and they have kept those promises. So, the state income tax and sales tax (the two main sources of state revenue) have not materially changed since the 1970's. Lawmakers maintain harmony with their constituents, and their reelection rates high.

Then the switch: education is the major state appropriation, and a substantial portion of that appropriation goes to fund school district education. And education costs are rising steadily. As a result, keeping taxes low at the state level means that the state proportionately funds less and less of the cost of education while local school districts must fund more. State mandates compound the problem.

Simply put, mandates are state laws and administrative regulations that require local governments and school districts to perform certain functions, but the state rarely provides the full measure of compensation for them. Many of the mandates are popular and right thinking. But they leave local governments, especially school districts, virtually helpless to control their own expenditures.

The inevitable result: local property taxes have been going up steadily, and in some cases, sharply, year after year as local school districts are forced to cover more and more education costs. Politically, state officials are winners by "exporting" the problem to local government, but policy wise education funding is a mess. It's a classic example of good politics making bad policy.

All these circumstances have produced considerable financial pressure on many local property tax payers, who have in turn begun to exert enormous political pressure on elected officials to reduce the taxes they pay. Amidst the growing turmoil there are signs that, at last, the winds of changing are blowing in Pennsylvania.

One of these signs is the prominence the property tax issue has in the gubernatorial campaign. In fact, it has become one of the major issues in this year's election--both Mike Fisher and Ed Rendell have agreed to call a special session of the state legislature to pass property tax reform.

And the legislature is getting involved. A majority of members signed petitions demanding a special session before this legislature adjourns sine die, and the legislature meets this week in special session to take up the property tax reform question. The call for a special session has focused attention on the problem more sharply than at any other time since 1987.
Equally important, demographics provide inexorable impetus for reform. Pennsylvania's population is aging at the same time education costs are rising. The increasing share of education costs are being borne by the property tax at the exact time that aging local tax payers on fixed incomes are less able to pay.

In addition, the down turn in the economy and the wild ride on Wall Street are adding fuel to a fire already burning hotly. And it's an election year. Many legislators would love to return home with the boast that they helped solve the "property tax problem" - never mind that they helped to cause it in the first place.

The bottom line: politically, it is the most propitious time in decades to deal with the property tax issue. Moreover, the economic and political forces that have prevented change may have dissipated enough to make property tax reform a reality. Voting against tax reform might well become a political liability.

And it is a problem that will not go away. Indeed, the longer the delay the more difficult it becomes to find a solution. Pennsylvania's taxpayers have already run out of patience. Now they are running out of time, too.