

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1221 Session of
1993

INTRODUCED BY GERLACH, HUTCHINSON, FLEAGLE, GEIST, ARGALL,
ARMSTRONG, BAKER, BARLEY, BROWN, BUNT, CESSAR, CIVERA, CLARK,
CLYMER, CORNELL, DENT, DRUCE, DURHAM, EGOLF, FAIRCHILD,
FARMER, FLICK, GANNON, GLADECK, GODSHALL, GRUPPO, HENNESSEY,
KING, LAUB, LAWLESS, LEH, MARSICO, MILLER, NAILOR, NICKOL,
O'BRIEN, PERZEL, PETTIT, PHILLIPS, PICCOLA, PITTS, RAYMOND,
REBER, ROHRER, RYAN, SAURMAN, SCHEETZ, SCHULER, SEMMEL,
SERAFINI, D. W. SNYDER, STAIRS, STEIL, STRITTMATTER,
E. Z. TAYLOR, J. TAYLOR, TOMLINSON, VANCE, WOGAN,
M. N. WRIGHT AND ZUG, APRIL 19, 1993

REFERRED TO COMMITTEE ON FINANCE, APRIL 19, 1993

AN ACT

1 Providing for the establishment of the Pennsylvania Tax
2 Commission to evaluate the structure and system of taxation
3 in this Commonwealth, for the appointment of the members of
4 the commission, for the powers and duties of the commission
5 and for cooperation by other Commonwealth entities; and
6 providing for legislative impact statements.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Short title.

10 This act shall be known and may be cited as the Pennsylvania
11 Tax Commission Act.

12 Section 2. Purpose.

13 The General Assembly hereby finds that the key to both
14 economic growth and fiscal stability of this Commonwealth lies
15 in providing for a system of taxation which is fair and
16 equitable to its citizens, efficient and effective to administer

1 and consistent with Commonwealth goals to increase employment
2 opportunities and to provide for the general welfare of the
3 citizens of this Commonwealth without overtaxing private
4 resources. Furthermore, previous legislative and gubernatorial
5 commissions which have studied taxes have resulted in
6 recommendations which have served to guide the economic
7 advancement of individuals and businesses in this Commonwealth.
8 Section 3. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Chairman." The Chairman of the Pennsylvania Tax Commission.

13 "Commission." The Pennsylvania Tax Commission.

14 Section 4. Creation of commission.

15 The Pennsylvania Tax Commission is established to gather the
16 best available advice and information on tax policy and to
17 provide recommendations to the Governor and the General Assembly
18 for an equitable tax policy. In addition, the commission shall
19 provide for a continuing review of proposals which arise before
20 the General Assembly which affect the tax structure of this
21 Commonwealth.

22 Section 5. Membership.

23 The commission shall consist of 11 members appointed by the
24 Governor, one of whom shall be designated as chairman by the
25 Governor, and six ex officio members as designated by the
26 following: two members of the Senate, one member to be chosen by
27 the Majority Leader and one member to be chosen by the Minority
28 Leader; two members of the House of Representatives, one member
29 to be chosen by the Majority Leader and one member to be chosen
30 by the Minority Leader; the Secretary of the Budget; and the

1 Secretary of Revenue. The 11 public members to be chosen by the
2 Governor shall have at least one representative from each of the
3 following sectors: business, labor, local government, the
4 academic community and the private citizens of this
5 Commonwealth.

6 Section 6. Task forces.

7 The commission shall be assisted in its deliberations by the
8 formation and activities of such task forces as it shall deem to
9 be appropriate. These task forces shall be appointed by the
10 commission and shall report to it on problems, proposals and
11 alternatives regarding matters, including the following:

12 (1) Local tax reform.

13 (2) Local tax problems in the Delaware Valley.

14 (3) State corporate net income and capital stock and
15 franchise tax.

16 (4) State taxation of utilities, financial institutions
17 and insurance companies.

18 (5) Transportation taxes.

19 (6) Personal income, inheritance, estate, fiduciary and
20 personal property taxes.

21 (7) Sales, cigarette and alcohol taxes.

22 (8) Other State taxes.

23 (9) The administration and enforcement of tax laws.

24 (10) The impact of the tax system on economic
25 development, community conservation and energy conservation
26 and development.

27 Section 7. Powers and duties of commission.

28 The commission shall meet at least monthly and shall provide
29 for the calling of other special meetings as are deemed
30 necessary by the chairman. The chairman shall set a date, time

1 and place for the initial organizational meeting of the
2 commission, but in no case shall it take place later than 30
3 days from the effective date of this act.

4 Section 8. Staff.

5 The commission is hereby directed to utilize the services of
6 the Legislative Budget and Finance Committee and shall also be
7 allocated funds to provide for the letting of contracts for
8 additional special services as are needed.

9 Section 9. Initial report.

10 The commission shall prepare an initial evaluation of the
11 current structure of State and local taxation in this
12 Commonwealth for the purposes of determining whether this
13 Commonwealth's tax structure needs to be adjusted in ways which
14 will benefit both businesses and the citizens of this
15 Commonwealth. In so doing, the commission shall be required to
16 utilize the work that was previously prepared by tax commissions
17 which were established in prior years. In addition, the
18 commission or its task forces are encouraged to conduct public
19 hearings, as appropriate, to gather advice, recommendations and
20 data which are relevant to discharging their responsibilities.
21 The commission shall provide a final report to the Governor and
22 the members of the General Assembly no later than one year from
23 the effective date of this act.

24 Section 10. Continuing existence.

25 The commission shall maintain a continuing existence for the
26 purpose of evaluating progress in attaining the goals set forth
27 in its initial report and for producing an annual report which
28 evaluates the extent to which this Commonwealth's tax system is
29 being reformed to reflect the recommendations in the initial
30 report of the commission.

1 Section 11. Impacts of State legislation.

2 The commission shall be required to prepare on its own motion
3 or upon request by the General Assembly an evaluation of the
4 effect of any proposed tax legislation which is given first
5 consideration in either house of the General Assembly. As a
6 general rule, a bill proposing any change relative to a State-
7 imposed or locally imposed tax shall not be given second
8 consideration in either house of the General Assembly until the
9 commission has attached an evaluation of the impact of the
10 proposed change on this Commonwealth's citizens and businesses.
11 In addition, an amendment to any bill regarding a tax issue
12 shall not be considered by either house of the General Assembly
13 until a similar analysis is prepared by the commission. This
14 requirement may be waived if the commission has not produced the
15 evaluation within 20 legislative days of the date on which the
16 subject bill was given first consideration.

17 Section 12. Effective date.

18 This act shall take effect in 30 days.