

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 1871

PRINTER NO. 3620

AMOUNT

\$500,000 - \$600,000 in FY 2016-17

FUND

General Fund

DATE INTRODUCED

March 15, 2016

PRIME SPONSOR

Representative Taylor

DESCRIPTION AND PURPOSE OF BILL

House Bill 1871 amends the Constitution of the Commonwealth of Pennsylvania to permit the City of Philadelphia to impose varying tax rates on real estate based on real estate use.

The constitutional amendment prohibits the City of Philadelphia and the School District of Philadelphia from increasing the tax rate on businesses to more than 15% from other real estate subject to tax. The City of Philadelphia shall reduce the aggregate revenue from other taxes imposed on businesses and any wage and net profits tax by the amount of any tax revenue attributable from the variance.

In order to amend the Pennsylvania Constitution, the bill proposing the amendment must be passed by the General Assembly in two consecutive legislative sessions, be advertised per Article XI, §1 of the Constitution, and finally be approved by the electorate.

FISCAL IMPACT:

Under Article XI, §1 of the Constitution of the Commonwealth of Pennsylvania, the Secretary of the Commonwealth is required to have the proposed amendment published in two newspapers in every county throughout the Commonwealth, upon the first and second passage of the bill by the General Assembly. In addition, the Secretary is required to submit the proposed amendment to the qualified electors of the Commonwealth upon second passage.

According to the Department of State, it is estimated to cost approximately \$500,000 - \$600,000 for the required advertisement of the passage of this Constitutional amendment.