



Commonwealth of Pennsylvania
House of Representatives

M E M O R A N D U M

TO: All House Members

FROM: Hon. Mario Scavello

SUBJECT: Gross Receipts Tax Repeal (Former HB 676)

In the near future, I plan to introduce legislation of vital importance to the citizens of Pennsylvania and the growth of the technology industry in Pennsylvania.

In 2003, the 5% state Gross Receipts Tax (GRT) was extended to include wireless services. My legislation will amend the Tax Reform Code of 1971 to repeal the GRT on wireless services. Bear in mind, Pennsylvania also already imposes a 6% state Sales and Use Tax on wireless services. This results in an 11% "double tax" on wireless services.

With this tax structure, Pennsylvania now ranks eighth nationally in taxes and fees on wireless services. Over the past several years, Pennsylvania holds the dubious distinction of being the state that has imposed the largest increase in taxes on wireless services.

Repealing the GRT is critical to support technological progress, promote worker productivity, and create jobs in telecommunications. State government must begin viewing emerging technologies as positive forces at work in the market place, rather than "cash cows to be milked." This high tax on wireless services, without a doubt, impedes the technology rollout necessary for Pennsylvania to lead the nation and the world in the telecommunications industry.

Please join me in repealing this onerous tax on wireless services. If you wish to co-sponsor, please contact Kendra Snuffer at ksnuffer@pahousegop.com or 787-7723.

Previous co-sponsors: BENNINGHOFF , ADOLPH , BAKER , BARRAR , CALTAGIRONE , CAUSER, CLYMER , CREIGHTON , CUTLER , DENLINGER , ELLIS , FAIRCHILD , GABLER, GRELL , GROVE, GRUCELA , HARHAI , HARHART , HARRIS , HESS , HICKERNELL , HORNAMAN , HUTCHINSON , KAUFFMAN , MAJOR , MARSICO , METCALFE , METZGAR, MILLARD , MOUL , OBERLANDER, O'NEILL , PALLONE , PERRY , PETRARCA , PETRI , PICKETT , RAPP , REICHLEY , ROHRER , SONNEY , STERN , STEVENSON , SWANGER , TRUE , TURZAI , VULAKOVICH , WATSON , MURT and LONGIETTI