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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

MEMORANDUM


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DATE: January 10, 2011

FROM: Representative Gordon R. Denlinger 

TO: All House Members

SUBJECT: Reintroduction of Legislation
(**Prior HB 1006** – 2% Reduction in State Spending)

In April of 2006, the Tax Foundation released a report illustrating Federal, state and local tax burden data. Estimated at 10.4% of income, Pennsylvanian's state and local tax burden percentage ranks as the 24th highest nationally. Although very close to the national average of 10.6%, it is estimated that Pennsylvania taxpayers pay \$4,057 per-capita for state and local taxes. How much revenue the state and local governments are able to collect in taxes is critical, but how they administer and utilize the revenues is more vital to the success of the state's economy.

As lawmakers we must initiate policies that allow Pennsylvania to compete effectively with other states in the arena of jobs and economic opportunities. We can no longer permit the free-spending ways that only hinder economic growth. Although many studies indicate that Pennsylvania is in the "middle of the pack" in its economic performance, other assessments illustrate quite the opposite. According to Forbes Magazine in August of 2006, Pennsylvania ranks as the 10th worst state to do business in the United States. We must take action to limit our government growth and increase our economic growth. Reduction in state spending is the first step in taking Pennsylvania out of the "middle of the pack" and placing it to the top of the list among other leading states.

I intend to reintroduce legislation that would reduce state spending by 2% for the 2011-2012 budget. In addition, I plan to reduce the rate of the personal income tax levied on Pennsylvania S Corporations in order encourage economic growth.

If you are interested in supporting this legislation please contact Jesica Murphy at Jlmurphy@pahousegop.com.

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