

COMMITTEES

VETERANS AFFAIRS &
EMERGENCY PREPAREDNESS,
MINORITY CHAIRMAN

AGRICULTURE & RURAL AFFAIRS

CONSUMER PROTECTION &
PROFESSIONAL LICENSURE

ENVIRONMENTAL RESOURCES & ENERGY

TRANSPORTATION

POLICY

SENATE BOX 203046
ROOM 15-EW THE STATE CAPITOL
HARRISBURG, PA 17120-3046
TELEPHONE: (717) 787-1463
FAX: (717) 772-2108

EMAIL: tsolobay@pasenate.com
WEBSITE: www.senatorsolobay.com



Senate of Pennsylvania

TIMOTHY J. SOLOBAY
46TH DISTRICT

DISTRICT OFFICE


CANONSBURG BOROUGH BUILDING
68 EAST PIKE STREET, ROOM 205
CANONSBURG, PA 15317
TELEPHONE: (724) 746-3762
FAX: (724) 746-3509

SATELLITE OFFICES

GEORGE WASHINGTON HOTEL
60 SOUTH MAIN STREET, SUITE 207
WASHINGTON, PA 15301
TELEPHONE: (724) 223-2114
FAX: (724) 223-2117

GREENE COUNTY OFFICE BUILDING
93 E. HIGH STREET, ROOM 308
WAYNESBURG, PA 15370
TELEPHONE: (724) 627-9802

TO: All Senators

FROM: Senator Timothy J. Solobay 

DATE: March 12, 2012

SUBJECT: Co-sponsorship request.
Oil Company Franchise Tax solution to transportation funding.

The Transportation Funding Advisory Committee (TFAC) recommended funding scenarios and modernizations that provide needed additional revenues for our transportation system. The removal of the cap on the wholesale price, which the Oil Company Franchise Tax is based, provides the bulk of money needed for the state system of highways and bridges.

I intend to introduce legislation that will raise the floor and remove the cap over the next five (5) years. In order to ensure that monies do not dip below today's revenue intake it is necessary to provide a floor that does not go above today's ceiling of \$1.25. In 1983, when the Oil Company Franchise Tax became law the floor was set at \$0.90 and the ceiling was set at \$1.25. Obviously, the wholesale price of gasoline has increased drastically over this twenty-nine (29) year time span.

My legislation would increase the floor to \$1.25 in calendar year 2017 at which time the ceiling would be removed. Prior to that there would be a gradual increase in both the floor and ceiling over the previous four years. By the fifth year, it is estimated that revenues would generate an additional \$1.36 Billion.

If you are interested in co-sponsoring this legislation, please contact Patrick at pcusick@pasenate.com or by phone at 787-6700. Thank you.