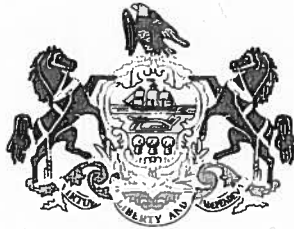


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MEMORANDUM

TO: All House Members

FROM: Rep. Kerry A. Benninghoff
171st Legislative District

DATE: May 2, 2012

SUBJECT: Business Privilege Tax

The business privilege tax has been the topic of much debate and consideration amongst the General Assembly and the various levels of the Pennsylvania Court System in recent years. The issues surrounding the business privilege tax largely stem from the manner in which the tax is provided for within the Local Tax Enabling Act.

Specifically, there seems to be concerns at both the state and local level regarding grey area contained within the Local Tax Enabling Act as it relates to the scope of taxing powers local governments have with the business privilege tax and certain business activities. In order to clear this matter up, I will be introducing legislation in the near future with the intent of clarifying the Local Tax Enabling Act pertaining to the business privilege tax and business activities conducted outside of a local government's geographic boundaries.

If enacted, my legislation will prohibit local governments that possess the ability to levy a business privilege tax from expanding the scope of said tax to include business activities conducted outside the boundaries of the local government.

Please join me in my efforts to lend clarity regarding the business privilege tax and the Local Tax Enabling Act. If you wish to co-sponsor this important piece of legislation, please contact Amy anoel@pahousegop.com or call 717-783-1918.