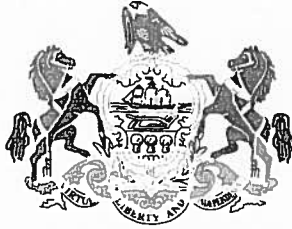


ROB KAUFFMAN, MEMBER
89TH LEGISLATIVE DISTRICT



DEPUTY WHIP

Committees:
Agriculture & Rural Affairs
Consumer Affairs
Labor & Industry
State Government

House of Representatives

Commonwealth of Pennsylvania
Harrisburg

May 25, 2012

TO: All House Members

FROM: Representative Rob Kauffman
89th Legislative District

SUBJECT: EIT Exemption - Active Duty Military Pay

As you are all aware, Act 32 of 2008 was enacted with the intent of streamlining the manner in which the earned income tax (EIT) is collected at the local level. However, when Act 32 was enacted, the definition of "earned income" was modified in order to mirror language that currently exists within the Tax Reform Code. As a result of this definitional change, the scope of the EIT was increased to include active duty military pay that is earned within the boundaries of the Commonwealth.

Prior to Act 32, active duty military pay was exempt from the EIT regardless of where it was earned. With this in mind, in the near future, I will be introducing legislation which will amend the Local Tax Enabling Act by exempting all active duty military pay, regardless of where it is earned, from the EIT.

In many cases, active duty military operations in Pennsylvania involve National Guard members that are called to service when a natural disaster strikes or another significant event occurs. When these brave National Guard members provide assistance relating to these matters, they are often forced to leave their families, take a leave of absence from their employment, and place their lives on the line all while being paid at a lower wage. By exempting this pay from the EIT, I believe it is the least we can do to show appreciation for our brave service men and women.

With this in mind, I would like to encourage all of you to join me in my efforts to restore the EIT exception relating to active duty military pay. If you wish to co-sponsor this important piece of legislation, please contact Elana Maynard at 705-2004 or by email at emaynard@pahousegop.com.