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Senate of Pennsylvania

RICHARD ALLOWAY, II
SENATOR

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JUN 27 2012

TO: All Senators
FROM: Senator Richard Alloway, *Richard*
RE: Introduction of Legislation—Redistribution of the Johnstown Flood Tax
DATE: June 27, 2012

In the near future, I plan to introduce legislation to amend and redistribute the Johnstown Flood Tax.

As a result of the damage from the 1936 Johnstown, PA flood, the Pennsylvania General Assembly imposed an emergency tax on all alcohol sold in the Commonwealth. The "temporary" 10% tax was initially intended to help pay for clean up, recovery, and assistance to flood victims. Though the recovery was assisted by the federal government and completed within six years of the disaster, the tax was never repealed. The tax was raised to 15% in 1963 and to 18% in 1968, where it stands today. The nearly \$200 million collected annually no longer goes to flood victims, however, instead going into the general fund for discretionary use by lawmakers.

This legislation would redistribute the Johnstown Flood Tax having 10% go to the local school district and 5% go to the municipality in which the liquor was sold for use to offset local police costs. The remaining 3% would continue to go into the general fund as it has since the tax was enacted.

If you are interested in joining me as a co-sponsor of this legislation, please contact Melissa Knepper at mknepper@pasen.gov or by phone at 772-2929.