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House of Representatives COMMONWEALTH OF PENNSYLVANIA HARRISBURG

COMMITTEES

HUMAN SERVICES POLICY STATE GOVERNMENT

PA LEGISLATIVE BLACK CAUCUS, **TREASURER**

MEMORANDUM

TO:

All Members of the House of Representatives

FROM:

Representative Harold James

DATE:

July 25, 2012

SUBJECT:

Co-sponsorship Memo - Enabling Distressed Municipalities to Impose Tax on

Liquor and Malt and Brewed Beverages

In the near future, I plan to introduce legislation amending Act 47 of 1987, the Municipalities Financial Recovery Act, to enable distressed municipalities to levy a tax on liquor and malt and brewed beverages. Ordinances would be modeled after the First Class School District Liquor Sales Tax Act of 1971, which authorizes a tax of 10% of the sale price.

Under the provisions of Act 47, nearly two dozen municipalities across our Commonwealth are financially distressed. The recent addition of our capital, Harrisburg, has renewed debate over the efficacy of the options it provides. I believe it is time for new thinking about this enduring problem. By enabling distressed municipalities to adopt ordinances levying this tax, we empower local officials and give hope to those municipal leaders who are eager to emerge from distress and thrive again.

I plan to introduce this legislation by August 10th. If you would like to co-sponsor this bill, please contact Debbie Wegert at dwegert@pahouse.net or 717.783.1792 (Caucus Extension 6189).