

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

TUESDAY, FEBRUARY 8, 1994

SESSION OF 1994

178TH OF THE GENERAL ASSEMBLY

No. 11

### HOUSE OF REPRESENTATIVES

The House convened at 10:40 a.m., e.s.t.

#### THE SPEAKER PRO TEMPORE (GREGORY C. FAJT) PRESIDING

##### PRAYER

REV. CLYDE W. ROACH, Chaplain of the House of Representatives, from Harrisburg, Pennsylvania, offered the following prayer:

Let us pray:

Father, You are rich in houses and land;  
The wealth of the world You hold in Your hand;  
Of rubies and diamonds, of silver and gold,  
Your coffers are full; You have riches untold.  
We are children of the King.

Remind us of this as we go about preparing a budget for our Commonwealth.

Remind us again that You have resources aplenty and You will always provide for our needs according to Your riches in glory.

In the words of Peter Marshall, "Forgive our lack of faith that begs for pennies when we would write checks for millions, that strikes a match when we could have the sun."

We ask that You bless and keep our Governor, our Speaker, the leadership on both sides of the aisle, and every member of this legislature, one by one.

In Your dear name we pray. Amen.

##### PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by members and visitors.)

##### JOURNAL APPROVAL POSTPONED

The SPEAKER pro tempore. Without objection, the approval of the Journal of Monday, February 7, 1994, will be postponed until printed. The Chair hears no objection.

##### JOURNAL APPROVED

The SPEAKER pro tempore. However, the Journal of Tuesday, September 28, 1993, is in print, and without objection, it will be approved. The Chair hears no objection.

### SENATE MESSAGE

#### JOINT SESSION

The clerk of the Senate, being introduced, presented the following extract from the Journal of the Senate, which was read as follows:

In the Senate  
February 7, 1994

RESOLVED, (the House of Representatives concurring), That the Senate and House of Representatives meet in Joint Session on Tuesday, February 8, 1994 at 11:00 a.m. in the Hall of the House of Representatives for the purpose of hearing an address by His Excellency, Governor Robert P. Casey; and be it further

RESOLVED, That a committee of three on the part of the Senate be appointed to act with a similar committee on the part of the House of Representatives to escort His Excellency, the Governor of the Commonwealth of Pennsylvania, to the Hall of the House of Representatives.

Ordered, That the clerk present the same to the House of Representatives for its concurrence.

On the question,

Will the House concur in the resolution of the Senate?  
Resolution was concurred in.

Ordered, That the clerk inform the Senate accordingly.

##### LEAVES OF ABSENCE

The SPEAKER pro tempore. Are there requests for leaves of absence? On that, the Chair recognizes the Representative from Butler, Representative Steighner.

Mr. STEIGHNER. Thank you, and good morning, Mr. Speaker.

Mr. Speaker, I would ask for leave for today only for the gentleman from Philadelphia, Mr. BUTKOVITZ, and the gentleman from Allegheny, Mr. LEVDANSKY.

The SPEAKER pro tempore. Without objection, those leaves of absence will be granted.

The Chair notes that the Republican Caucus requests leaves for Representatives NICKOL, PERZEL, and DURHAM. Without objection, those leaves of absence are granted.

##### MASTER ROLL CALL

The SPEAKER pro tempore. The Chair is about to take the master roll call. Members will proceed to vote.

The following roll call was recorded:

## PRESENT—195

Acosta	Farmer	Lucyk	Saurman
Adolph	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Scheetz
Argall	Fleagle	Manderino	Schuler
Armstrong	Flick	Markosek	Scrimenti
Baker	Freeman	Marsico	Semmel
Barley	Gamble	Masland	Serafini
Battisto	Gannon	Mayernik	Smith, B.
Bebko-Jones	Geist	McCall	Smith, S. H.
Belardi	George	McGeehan	Snyder, D. W.
Belfanti	Gerlach	McNally	Staback
Birmelin	Gigliotti	Melio	Stairs
Bishop	Gladeck	Merry	Steelman
Blaum	Godshall	Michlovic	Steighner
Boyes	Gordner	Micozzie	Steil
Brown	Gruitza	Mihalich	Stern
Bunt	Gruppo	Miller	Stetler
Buxton	Haluska	Mundy	Stish
Caltagirone	Hanna	Nailor	Strittmatter
Cappabianca	Harley	Nyce	Sturla
Carn	Hasay	O'Brien	Surra
Carone	Hennessey	Olasz	Tangretti
Cawley	Herman	Oliver	Taylor, E. Z.
Cessar	Hershey	Pesci	Taylor, J.
Chadwick	Hess	Petrarca	Thomas
Civera	Hughes	Petrone	Tigue
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trelo
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colafrilla	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana
Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker
Fargo			

## ADDITIONS—0

## NOT VOTING—0

## EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

## LEAVES CANCELED—1

Levdansky

## COMMUNICATION FROM GOVERNOR

## REQUEST FOR JOINT SESSION

The Speaker pro tempore laid before the House a communication in writing from the office of His Excellency, the Governor of the Commonwealth:

Commonwealth of Pennsylvania  
Office of the Governor  
Harrisburg

January 19, 1994

The Honorable William DeWeese  
Speaker of the House  
House of Representatives  
139 The Capitol  
Harrisburg, Pennsylvania 17120

Dear Speaker DeWeese:

If it meets with the approval of the General Assembly, I would like to address the members in Joint Session on Tuesday morning, February 8, at 11:00 a.m., to present my proposed budget for the 1994-95 fiscal year.

Sincerely,  
Robert P. Casey  
Governor

## RESOLUTION

## COMMITTEE TO ESCORT SENATE

Mr. ITKIN offered the following resolution, which was read, considered, and adopted:

In the House of Representatives  
February 8, 1994

RESOLVED, That the Speaker appoint a committee of three to escort the members and officers of the Senate to the Hall of the House for the purpose of attending a Joint Session of the General Assembly.

## COMMITTEE APPOINTED

The SPEAKER pro tempore. The Chair appoints as a committee to wait upon the Senate, the lady from Erie County, Ms. Bebko-Jones; the gentleman from Cambria County, Mr. Yewcic; and the gentleman from Bucks County, Mr. Druce.

The committee will proceed with the performance of its duties.

## COMMITTEE TO ESCORT GOVERNOR APPOINTED

The SPEAKER pro tempore. Pursuant to the concurrent resolution previously adopted by the House, the Chair appoints as a committee to escort the Governor to the hall of the House, the gentleman from Delaware, Mr. Kirkland; the lady from Philadelphia, Mrs. Lederer; and the lady from Berks County, Mrs. Miller.

The committee will proceed with the performance of its duties.

**BILL REPORTED FROM COMMITTEE,  
CONSIDERED FIRST TIME, AND TABLED**

**HB 2265, PN 2824**

By Rep. GEORGE

An Act amending the act of July 28, 1988 (P.L.556, No.101), known as the Municipal Waste Planning, Recycling and Waste Reduction Act, further providing for the cost of training certain inspectors.

CONSERVATION.

**CALENDAR**

**BILLS ON THIRD CONSIDERATION**

The House proceeded to third consideration of **HB 2075, PN 2545**, entitled:

An Act amending the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, adding provisions relating to limited liability companies.

On the question,

Will the House agree to the bill on third consideration?

**BILL TABLED**

The SPEAKER pro tempore. The Chair recognizes the majority leader.

Mr. ITKIN. Mr. Speaker, I move that HB 2075, PN 2545, be placed on the table.

On the question,

Will the House agree to the motion?

Motion was agreed to.

**BILL REMOVED FROM TABLE**

The SPEAKER pro tempore. The Chair recognizes the majority leader.

Mr. ITKIN. Mr. Speaker, I move that HB 2075 be taken off the table.

On the question,

Will the House agree to the motion?

Motion was agreed to.

**FILMING PERMISSION**

The SPEAKER pro tempore. The Chair wishes to advise members that he has given permission to Paul Vathis of the Associated Press to take still photographs, and also, obviously, there will be cameras in the hall of the House today for the Governor's budget address and other photographers, and the members are put on notice that those pictures will be taken today.

**REPORT OF COMMITTEE  
ESCORTING SENATE**

The SPEAKER pro tempore. The Senate is now entering the hall of the House. Members and guests will please rise.

The Chair recognizes the Sergeant at Arms of the House.

The SERGEANT AT ARMS. Mr. Speaker, the chairwoman of the committee on the part of the House, Ms. Bebko-Jones.

The SPEAKER pro tempore. The Chair recognizes the chairwoman of the committee escorting the Senate, Representative Bebko-Jones.

Ms. BEBKO-JONES. Mr. Speaker, your committee appointed to wait upon the Senate and escort them to the hall of the House has performed that duty and reports that the Senate is in attendance.

The SPEAKER pro tempore. The committee is discharged with the thanks of the House.

The Chair requests the Lieutenant Governor, the Honorable Mark S. Singel, to preside over the proceedings of the joint session of the General Assembly.

The President pro tem of the Senate, the Honorable Robert J. Mellow, is invited to be seated on the rostrum.

The members of the House and Senate will please be seated.

**JOINT SESSION OF THE  
GENERAL ASSEMBLY**

**THE LIEUTENANT GOVERNOR  
(MARK S. SINGEL) PRESIDING**

The LIEUTENANT GOVERNOR. This being the day and time agreed upon by a concurrent resolution of the Senate and the House of Representatives to hear an address by His Excellency, the Governor, the Honorable Robert P. Casey, this joint session will please come to order.

The General Assembly will be at ease while we await the appearance of the Governor.

**REPORT OF COMMITTEE  
ESCORTING GOVERNOR**

The LIEUTENANT GOVERNOR. The Governor is entering the hall of the House. Will the General Assembly please rise.

The Chair recognizes the chairman of the committee to escort the Governor, the Senator from Fayette, Senator Lincoln.

Mr. LINCOLN. Mr. President, as chairman of the committee to escort the Governor, I wish to report that His Excellency, the Governor, is present and is prepared to address this joint session.

The LIEUTENANT GOVERNOR. Members of the General Assembly, I have the honor and the privilege of presenting His Excellency, the Governor, the Honorable Robert Patrick Casey, who will now address this joint session.

**FISCAL YEAR 1994-95  
BUDGET ADDRESS OF  
GOV. ROBERT P. CASEY**

The GOVERNOR. Lieutenant Governor Singel, Speaker DeWeese, President Pro Tempore Senator Mellow, Attorney

General Preate, State Treasurer Catherine Baker Knoll, Auditor General Barbara Hafer, members of our General Assembly, members of the Cabinet, honored guests, and my fellow citizens:

Before beginning the budget message, I would like to beg your indulgence for just 1 minute.

This is my last budget address, and I want to acknowledge and ask to stand for recognition a man who has served with extraordinary ability and distinction and great professional skill as our Budget Secretary since I was elected. His name is Michael Hershock, and he has a staff of extremely dedicated public servants, and they have been of tremendous help to me and to all of you and to the people of this State for the last 7 years.

I would like Michael Hershock to stand now and be recognized.

Thank you very much.

And now to the budget.

I believe this budget can be summed up in two words, "increased opportunity."

Yes, this budget has increased opportunity for the family of Pennsylvania written all over it.

It is also a commonsense budget and a realistic budget. It meets head-on the problems of exploding costs for health care for the poor. At the same time, it recognizes that unless we change our policy of providing additional State benefits to welfare recipients, these programs face complete extinction.

I do not want to see this happen.

This budget limits some State-funded benefits to those able to work, with the overall goal of crafting a program which is sensible, fair, and compassionate.

Unless we have the courage to do this, programs such as ours, which provide benefits not mandated by Federal law, are in clear and present danger of being eliminated altogether.

I have struggled throughout this recession and you have struggled with me to keep the safety net intact for those who need help the most. I have resisted strong pressure to reduce benefits for women, children, and families. These policies of resisting these pressures continue in this budget. Indeed, these programs for women and children are expanded and in many cases increased.

In addition, this budget proposes significant increases in virtually every area of human services, increases which will benefit the poor.

This budget is fair because it gives consideration to all groups affected: taxpayers, business people, and those truly in need of assistance from State government.

We are in the position to provide the significant benefits contained in this budget because we have been prudent managers of the public purse throughout the most crippling recession in 50 years.

You will recall the winter of 1991 when Pennsylvania, like most States, was devastated by recession. We were forced to increase taxes. But the tax increase came only after I cut \$800 million from the budget, closed a number of State institutions which were bleeding the treasury, laid off 2,000 State

employees, and ordered other belt-tightening measures. All of this was bitter medicine at that time. And while we had to increase taxes, we built in an automatic tax reduction of \$470 million which took effect the following year.

Once again, in the following year, I was forced to cut another \$450 million from the budget.

The important thing to note is that we produced two surpluses - one in 1991-92 and the other in 1992-93 - by controlling and reducing spending, not by generating additional revenue, because the economy was simply flat on its back.

Now, once again, this year, this same pattern will continue. We expect to produce a surplus in the range of \$267 million by controlling spending and generating significant Federal reimbursement, while at the same time being handicapped, once again, by no additional revenue beyond what we estimated would come into the State treasury. In short, these surpluses were produced by controlling spending and living within our means.

It was this record of strong fiscal management which drew comments of praise from commentators like the Wall Street Journal and which enabled us to keep Pennsylvania's bonds from being downgraded throughout the recession, when many other large States saw the downgrading of their State bonds.

And in the latest vote of confidence from Wall Street which came just last month, the respected bond-rating agency, Standard and Poor's, hailed, and I quote, the "remarkable turnaround" in our fiscal situation following the recession, noting that Pennsylvania had produced a "much larger" surplus—their words—than they had expected, crediting our, and again I quote, "strong fiscal actions," "expenditure control," and "conservative budget management."

Equally significant, Standard and Poor's is bullish on Pennsylvania's economic prospects—read that, "more jobs." Listen to what they had to say, and I quote: "Because of the modernization and restructuring of many of its manufacturing plants and the relative cost advantages available to business, compared to its neighbors, Pennsylvania is likely to experience stronger economic activity over the next several years than other states in the region."

So we begin with that historical context as we examine this budget today, and the first subject I would like to talk to you about is the overriding subject of education.

In the last 7 years, the educational landscape has been drastically changed. The State's annual investment in basic education has increased by \$1.7 billion; minimum teacher salaries were raised for the first time in 20 years; we began the largest capital construction program for our State colleges in our history - a \$467-million investment; tuition challenge grants kept tuition increases within reasonable limits; our teacher loan-forgiveness program brought more than 2,600 dedicated teachers to underserved and rural areas and urban areas as well; we began a basic reform to bring equal educational opportunity to all Pennsylvania children regardless of where they live; we made early intervention services for developmentally delayed children an entitlement, an

entitlement, so that now we provide these services to more than 27,000 children across this State.

Our reforms have borne rich fruit. For the third year in a row, we have experienced a decline in the number of students dropping out of school. The number of Pennsylvania high school graduates going on to college has risen 13 percent, from 51 percent to 64 percent, over the last 7 years.

This budget continues and expands these reforms and complements them with new reforms that redefine what we expect of our children, if they are to compete for the jobs of the 21st century.

For basic education, this budget proposes an increase of \$165 million, bringing the total spending on basic education to over \$5 billion in this budget — more than one-third of the entire State budget.

It continues our commitment to equal opportunity for all children by increasing our investment in poorer districts by \$108 million. When we began last year, some schools were spending as little as \$3,400 per pupil. With this year's increase, no district will be spending less than \$4,700 per pupil, a \$1,300 increase in just 2 years.

You know, in education, like everything else, results are what count. In the final analysis, our children will be judged by what they can do in English, science, mathematics, and other academic subjects, as they compete against children across the world for the jobs of the 21st century.

To prepare our young people for the challenges of international competition, we have instituted educational reforms that will elevate the academic achievement of all students. Working with Pennsylvania 2000, representing business leaders, educators, and parents, we are now focusing on performance and results — on what students need to know to compete for jobs — and we are doing so in a way that encourages parental involvement at the school district level like never before.

The cornerstone of our education reforms is accountability. The taxpayers of Pennsylvania deserve to see the results of their \$5-billion investment in the public school system. For the first time in Pennsylvania, we are developing challenging and precise academic performance standards for student achievement, with strong testing and assessment, to measure objectively our students' and schools' performance. This year's budget will continue our unprecedented \$4 1/2-million investment to develop a strong system of standards, testing, and assessment.

We have brought under control, for the first time, the skyrocketing costs of special education. We did this by placing ultimate responsibility in the elected school boards rather than in the intermediate units. This has stabilized the special education program and brought new educational opportunities to thousands of children with special needs. This budget increases our investment in special education by \$34 million.

I think it is important for our people to understand the special education program, to know that we serve 271,000 children in this program, approximately 70 percent of whom have special needs and the remaining 30 percent of whom

participate in the so-called gifted program for exceptionally talented students. Now, here again, some States, under the pressure of the recession, eliminated the gifted program entirely. We have expanded it so that the total investment in special education in Pennsylvania now approximates \$590 million annually.

This budget once again expands our commitment to children who are developmentally delayed. By helping them early in their lives, we give them a real chance to meet the challenges that they face and lead healthy, normal lives. The budget proposes an investment of almost \$97 million in the Early Intervention Program, an increase of \$21 million or 28 percent, which will enable us to increase the number of children served from approximately 24,700 to 27,200.

The budget increases higher education funding by almost \$53 million to complement the largest capital investment program for State colleges in Pennsylvania's history.

Now, these increases raise combined spending for basic and higher education to approximately \$6.8 billion in this budget.

How about the cost of college education? Our families understand full well the backbreaking financial burden of paying for their children's college education. To help them, we have increased funding for the college scholarship grant program, as you know, by 10 percent each year since I took office. This budget proposes another 10-percent increase, raising our commitment to this program to \$206 million, more than double the funding of 8 years ago. The maximum grant has been increased from \$1,750 in 1986 to \$2,600 this year.

And again, this year, 20,000 more students are receiving the benefit of this program than when I took office.

Now, as an additional relief to the pocketbooks of Pennsylvania families, the budget contains our Tuition Challenge Grant Program once again, investing \$32 million as an incentive to State-owned and State-related universities to keep tuition increases to a minimum.

By passing this budget, you will substantially reduce the financial burden of a college education on Pennsylvania families.

I want to talk now about the safety of our people.

To make sure Pennsylvania is a safe place for our children and our grandchildren, we are investing in programs to help protect our people in their homes and on our streets. Protecting people from violence and crime is the most basic duty of government. We have dramatically increased funding for law enforcement and corrections.

This budget increases funding for drug law enforcement, for example, by almost \$2 million, an increase of 12.8 percent. Funding for local drug task forces is increased by over \$800,000, a 14.6-percent increase.

Because of the special problems presented by juvenile crime, we are increasing State funding for juvenile probation services by 10 percent. Funding for youth development centers and forestry camps for juveniles is increased by 15 percent.

And while our crime rate in Pennsylvania continues to decline, the number of violent crimes committed by juveniles has increased sharply. So we are attacking this problem head-

on, using over \$3 million to provide a new 100-bed secure facility for the most dangerous juvenile offenders.

This year we are increasing our corrections budget by \$126 million, a 21-percent increase, to staff five new prisons to alleviate overcrowding.

And to protect our people as offenders move from prison to parole, we have increased funding for probation and parole by 10 percent and have doubled the funding for intensive parole supervision, an increase of 121 percent.

The funding for the State Police has been increased by \$17 million. We are providing over \$8 million to train municipal police officers and improve the quality of local police services to provide additional protection for our people.

So State government is in law enforcement at the local level in a very big way, and that is as it should be.

I would like to pass now to the important subject of human services and welfare programs.

This budget substantially increases our commitment to women, children, older citizens, and families.

Consider this — substantial funding increases in a wide range of human service programs in this budget. Just listen to the list: State health care centers; mental health services; community mental retardation services; AIDS (acquired immune deficiency syndrome) services; early intervention for developmentally delayed children; county child welfare services, including a child-oriented change to draw down more Federal funds and increase our total Federal-State investment by \$38 million; expansion of family centers; special education; attendant care for the disabled; in-home services for older Pennsylvanians; State food purchases for the poor; domestic violence; rape crisis; nonhospital residential services for drug and alcohol treatment, including our new programs to enable mothers who are chemically dependent to receive long-term care and treatment with their children; new programs for people with developmental disabilities; and programs to improve maternal and child health care.

Under a recent Federal mandate, poor children eligible for health care under the so-called Medical Assistance or Medicaid Program are entitled to periodic health screenings, as recommended by the Academy of Pediatrics, and treatment for all conditions identified in the screens. This budget increases Pennsylvania's commitment to this program by \$51 million. As of September 30, 1993, the Department of Public Welfare identified a total of 726,000 children eligible for these services. We are now engaging in an aggressive outreach program to inform families about the availability of these services.

Now, this same program for children expands mental health services for children to allow them to remain at home, provides residential treatment not previously provided, provides increases in dental and pediatric fees to induce doctors to serve more poor children, and provides personal care services for children in foster homes.

Now, taken as a whole, these human service program increases represent a commitment by Pennsylvania taxpayers in this budget of over \$287 million.

We now come to what I call the Pac-Man of State budgets — health care for the poor, or the so-called Medical Assistance or Medicaid Program, driven by Federal mandates, whose cost is divided between the Federal Government and Pennsylvania.

This budget commits—now listen to this number—\$2,552,375,000 in State funds, State funds, to this program, an increase of \$264 million, 11.6 percent. This is, by far, the single largest dollar increase in this budget.

In addition to welfare programs mandated by the Federal Government, such as Aid to Families with Dependent Children, the so-called AFDC program, Pennsylvania provides supplemental benefits which are paid for exclusively by State tax dollars.

Largely because of the skyrocketing increases in federally mandated health care for the poor, some States have eliminated all State-funded supplemental welfare aid completely. States have come to realize they can no longer afford boxcar increases in health care for the poor, support supplemental State welfare benefit programs, do justice to other priorities, while at the same time considering the interests of the taxpayers who, after all, pay the bill for all of these programs.

I am convinced that we must reform and reduce the cost of our State-financed welfare program or risk its extinction altogether.

Now, I do not want to see this safety net removed.

But the choice is just that stark.

Either change the current system to a more rational, less expensive system while still serving the needs of those who need help the most, or risk its total elimination.

These are the considerations which convinced me that we must make significant changes, and we must do it now.

Accordingly, I am recommending a revision in eligibility for State-financed welfare benefits. Under the current system, age and work history are the dominant criteria for eligibility. I propose we substitute as the dominant eligibility criterion the ability to work.

My plan will provide benefits for the following individuals, many of whom are not now covered, by the way, under the current general assistance or State-financed program.

First, parents in two-parent households who do not qualify for AFDC payments. This represents an expansion of the current policy, which limits long-term cash grants to only one spouse, removing a powerful disincentive that threatens marriage and family stability, many times forcing the father out of the house as a condition of continuing benefits, which makes no sense whatsoever.

Second, benefits for pregnant women throughout all 9 months of pregnancy. This, too, is an expansion of the current policy which covers only the last 3 months of pregnancy, when it is too late to catch problems, neonatal problems, for the mother or the child. They have got to be caught early. You know the statistics and the studies. So many poor women never see a physician until the very end of their pregnancy. It is too late then. The child is sometimes in serious trouble. We are going to cover that for the entire period of pregnancy. I think that is the right thing to do.

Everyone tells us our kids should stay in school, and I agree. The trouble is, under the current welfare policy, there is a disincentive. We have got to remove that disincentive. So the third category of beneficiaries we are going to be adding to the program are children up to the age of 20 if they are enrolled full time in secondary school. They have got to be enrolled full time. If they stay in school and get their diploma and position themselves to be able to work and get a job and make something of themselves, we will continue to help them. The current policy ends benefits at age 18. So what is a kid supposed to do? He has got to go into the workforce. He cannot stay in school. He cannot afford it. We are going to change that, because I think it is the right thing to do. A strong incentive, therefore, for young people in their late teens to finish high school and lead productive lives instead of lives of dependency.

Number four, another category of people that are going to be eligible under this plan for State benefits — persons with physical or mental disabilities certified by a physician, the walking wounded of our society, who need this help and who ought to receive it from a compassionate government interested in their welfare.

The fifth category of people who are going to receive benefits — persons undergoing drug or alcohol treatment.

The sixth category — a brand-new category, by the way — victims of domestic violence.

Now, all of this taken together is going to add some people to the program, but it would also mean that year-round cash benefits for people over 45 would be eliminated, unless they qualify under the six criteria just mentioned.

These affected individuals would get 60 days of cash grants every 2 years. Medical benefits and food stamps would continue.

Now, another category of recipient under the current program who now receives 90 days of cash grants each year would instead receive 60 days of cash grants every 2 years. Once again, their medical benefits and food stamps would continue to be provided.

These changes will save \$88 million in the upcoming budget and \$110 million in its second year.

Within 30 days, I will put in place an action plan to survey all available training programs throughout State government and, where possible, make them available on a priority basis for the purpose of training and helping to find employment for all those affected by the changes in our State-financed welfare program which I am announcing today.

With these changes, the State-funded welfare program, over and above what is required by Federal law, will continue to provide benefits to 264,000 people at a total cost to State taxpayers of \$1.1 billion and will provide a safety net more generous than 40 States in our country.

I would like to move now to the important subject of elderly citizens.

In 1987, the Lottery Fund was on a collision course with disaster, heading for a certain and substantial deficit. One of the major causes of this condition was that the fund was

required to pay for programs which had previously been paid for by the General Fund.

It took us 7 years, and I said in 1986, when I was running for this job, we were going to do it, and we have done it. It took us 7 years, but we have corrected that situation so that these programs are now being paid for by the General Fund, as they should have been in the first place. This is one of the major reasons the Lottery Fund is now solvent, in the black, and stable, providing security for the programs our older citizens need.

The stability of the Lottery Fund has enabled us to maintain the PACE (Pharmaceutical Assistance Contract for the Elderly) Program and to make significant improvements in services for older citizens. This budget includes the following increases: \$2 million for senior center improvements; \$2 million for senior center health promotion programs; \$2 million in the PennCARE Program to provide additional in-home services; and a \$698,000 expansion of the program to protect older citizens from abuse.

Nothing is more important than creating new jobs, as all of us know full well.

Pennsylvania invests more money in job creation and economic development than any other State in this country. I propose to expand that commitment in this budget.

The Sunny Day Program, for example, would receive an increase of \$25 million and the Minority Business Development Program would receive a record-setting increase of \$8 million.

This budget also requests that the Customized Job Training Program, one of the most popular of our economic development programs, be increased by \$2.2 million to a total of \$10 million.

This budget continues our strong commitment to the Industrial Resource Centers Program by proposing an appropriation of \$7.8 million, and the Ben Franklin Partnership funding would be set under this budget at \$25 million.

I want to talk now about cutting taxes.

In order to create jobs and give a helping hand to working families in Pennsylvania, I am proposing cuts in the corporate net income tax and the personal income tax which total \$125 million.

Under my proposal, the corporate net income tax rate of 12.25 percent would be cut over 3 years to 9.99 percent.

I propose to pay for the first 2 years of the tax cut in the same way that business firms and individuals are saving money all across the country because of the low interest rates currently in effect; namely, by refinancing existing debt at a lower interest rate.

The Pennsylvania Industrial Development Authority bonds currently carry an interest rate of 7 percent. We believe we can refinance that debt at a rate of 5 percent. This would produce enough dollars to insure PIDA's capacity to fund business loans while providing significant funding to help pay for the business tax cut at a minimum cost to the General Fund.

Under this plan, I propose we repeal the dedicated transfer from the corporate net income tax to PIDA, enacted several

years ago, because it would no longer be necessary to insure PIDA's capacity to handle loan demand. This would produce, this one change alone would produce, \$70 million and thus pay for the tax cut in the first year.

My plan would dedicate a total of \$244 million in the second year to pay for the tax cut as follows. And notice this is year 2; I am not around anymore, but we are proposing a plan that will pay for this tax cut in year 2, as an assist to you and to my successor. We propose to do it as follows: \$35 million from the repeal of the dedicated tax to PIDA; second, a transfer of \$100 million from the proceeds of the PIDA refinancing to the Rainy Day Fund; and finally, the closing of the utility gross receipts tax in year 2—not in this budget year, year 2—closing that loophole, which would produce another \$109 million.

This plan insures a source of funding for the first 2 years—There is no free lunch, okay? You have got to pay for these things.

This plan insures a source of funding for the first 2 years so that the tax cut will not adversely affect Pennsylvania's budget in any way while making minimal demand on the General Fund.

What about the tax cut for working families? We would accomplish it by doubling the exemption for dependents from \$1,500 per year to \$3,000 per year. This would mean a family of five, earning \$18,300 annually, would not pay any tax. The tax cut would provide a savings in excess of \$500 to that family, and we estimate that the tax cut would benefit an additional one-half million low-income working families in our State.

Under this plan, \$52 million would be placed directly in the pockets of Pennsylvania's working families, giving them a helping hand to pay for those things that are needed the most, like food, clothing, and educational expenses. Like the scholarship program, this plan puts money directly into the pockets of taxpayers. I think they can figure out how to spend it a lot better than we can for their own needs. But it also strengthens families. There is no middleman; there is no administrative cost; there is no overhead. It goes right to the family, just like a scholarship grant. That is why they are good programs. And by the way, the Feds ought to be doing the same thing.

Try and support a child on what the Federal deduction is, the exemption for children. It is not possible. They want to talk about strengthening families, cutting down on violence, giving kids a real chance. That is the way to do it, by giving them the wherewithal to pay for their own needs — food, clothing, educational expense. That is good policy, not just here but in Washington.

This tax policy of direct aid to people also encourages them, if they are on welfare, to take jobs because the tax savings is an incentive to do just that.

I urge you to enact both of these tax cuts to create jobs and help Pennsylvania's working families.

This budget can be summed up in two words, "increased opportunity," for women, children, and families, particularly

low-income working families, by cutting their income tax so they are better able to provide for family needs.

Increased opportunity for the small businessperson — a business tax reduction to lower costs, increase competitiveness, and create new jobs.

Increased opportunity for those in need of prenatal care, food, nutrition, and health care — additional funds to make life more livable and increase the incentives to leave welfare and become employed.

Increased opportunity for children in poor school districts, who are entitled to the same opportunity for a quality education as children who live in more affluent districts.

Increased opportunity for young people who find the cost of affording a college education more difficult each year.

Increased opportunity for older citizens — a Lottery Fund which is solvent and, finally, after 7 years, free of the drain of paying for General Fund programs.

Yes, this budget has increased opportunity for the family of Pennsylvania written all over it.

I believe this budget is fair and equitable. The programs in this budget have been discussed with leaders on both sides of the aisle in the General Assembly.

I believe by working together, we can find common ground, enabling us to pass this budget and demonstrate to the people of Pennsylvania that State government has the capacity and the will to work for them.

I urge you to pass this budget and pass it on time.

I stand ready to work with you to achieve that goal. Thank you.

### JOINT SESSION ADJOURNED

The LIEUTENANT GOVERNOR. The Chair asks that members of the House and visitors remain seated for just a moment while the Governor exits.

The Chair would ask the members of the House to remain seated while the members of the Senate congregate in the middle aisle for their departure from the hall of the House.

The business for which the joint session having been assembled having been transacted, the session is now adjourned.

### THE SPEAKER (H. WILLIAM DeWEESE) PRESIDING

The SPEAKER. The House will come to order.

### MOTION TO PRINT PROCEEDINGS OF JOINT SESSION

The SPEAKER. The Chair recognizes the majority leader.

Mr. ITKIN. Mr. Speaker, I move that the proceedings of the joint session of the Senate and House be incorporated in the Legislative Journal.

On the question,

Will the House agree to the motion?

Motion was agreed to.



**STATEMENT BY MAJORITY LEADER**

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Mr. Itkin, on the opportunity to announce his perspectives on the Governor's budget address.

Mr. ITKIN. Mr. Speaker, Governor Casey spoke of increased opportunity, and when you think about it, is that not why we are here? When the founders of our country put together our guiding principles, they talked about life, liberty, and the pursuit of happiness. They envisioned a nation where people were free to choose their professions, their homes, and their churches. In large part, that vision has become a reality.

But the founders never guaranteed that actual happiness would result from the pursuit, and although historians often note that they were quick to protect their rights as landowners and prosperous businessmen, they tried their best to eliminate class distinctions as they outlined the rights and responsibilities expected of citizens of this new country.

That is something to keep in mind as we carry this budget forward, because it seems lately that society is demanding tough sacrifices from the poorest citizens while fiercely defending the privileges of the middle and upper classes.

For growth to happen, for society to move forward, everyone has to move in the same direction at the same pace. This economy is growing. That is the good news. The bad news is, it is not growing fast enough.

The Governor has said, and most legislative leaders agree, that business tax cuts are in order. They send a message to the business community that we want to stimulate Pennsylvania's economy and to spur business expansion. But these kinds of cuts require big bucks, and that is something we just do not have, particularly in light of our two biggest budget drains — corrections and welfare.

The ballooning corrections budget, unfortunately, is something this legislature has not faced squarely. We keep spending money for new prisons, conveniently forgetting that the costs do not stop when the last cell is built. Each new prison takes money to operate, and each new prisoner takes money to feed and supervise.

But while the corrections budget grows more bloated with each passing year, the Governor has suggested that we streamline the welfare system, trying to make it cost effective without hurting the most vulnerable citizens.

However, even with the suggestions we have just heard, this year's welfare budget is bigger than last year's.

Some may argue that businesses did not get enough tax relief, that the Governor's proposals reach more deeply into the out years than into his last year in office. He is relying on forecasts that predict more rapid economic growth in the years following this one, and we have got to live with those predictions. We have to be realistic about what we can and cannot do during this fiscal year.

Those who clamor for deeper business tax cuts will probably say it is easy; just cut deeper into welfare. But it is not that easy. It is, in fact, the great conflict of this budget. Granting welfare to businesses means taking welfare away

from indigents, and there are a lot of people in this chamber who will not stand for that. It is a heck of a dilemma.

This is going to be an extremely difficult year, but we have a responsibility to adopt a balanced budget by June 30. Are we going to fight just as strongly over tax cuts as we fought over tax increases three summers ago, or are we going to measure up to the task and show the people of Pennsylvania that we can act in a bipartisan, responsible manner?

Let us ask every segment of society to move in the same direction and at the same pace. Although some will argue that the business tax cuts do not go deep enough, let us look farther into the future than 1995. If businesses thrive, then people can get jobs. If people can get jobs, then they can get off welfare. If they are off welfare and they have jobs, they can concentrate on getting health care and schooling for their kids.

Looked at in that perspective, it is a win-win situation. But if we ignore the long-term gains and instead demand that businesses get complete and instant relief from past tax increases, then we will not get anywhere.

We must continue with the frugal policies that have seen this State through a major recession and work together for the good of all Pennsylvanians. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman for his remarks.

**STATEMENT BY MINORITY LEADER**

The SPEAKER. The Chair recognizes the Republican floor leader, Mr. Ryan.

Mr. RYAN. Thank you, Mr. Speaker.

Mr. Speaker, all in all, I was very pleased to hear the remarks of the Governor of the Commonwealth. It is a shame that it took us 7 years to convince the Governor that our message is the right message, that what we have advocated for years is something that he should adopt. And I saw today many of the things that we have talked about over the past several years really coming forth from the Governor's lips, although massaged a little bit and not bought into entirely, but perhaps before the budget is adopted, he will have taken a better look at what we have proposed and maybe will be convinced that our proposals are not all that bad, because he has adopted a good many of them.

Two weeks ago, many of us—all of us, I suspect—were very proud and pleased and we felt good to see the Governor here in our hall and really watched his miraculous return to government. I know everybody that was in this room that day that I could see, you could just see a feeling of well-being at the thought that the Governor was back with us and was in apparently good health, certainly far better than he had been in 6 months or a year ago. Today I am again delighted to say that I still feel that same warm glow at seeing our Governor reappear here before us in good health.

In keeping with that good-hearted spirit, I surely am going to surprise Mr. Itkin and members of the Democrat side and perhaps some of the members of my own caucus when I say that I want to commend the Governor for much of what I

heard today. The action regarding the support of women and children's programs I think was very, very commendable.

Governor, this is one Republican leader who wants to say thank you. I want to thank you for listening to us. I want to thank you for looking at our bold welfare measures, but I am going to ask you to keep looking; keep looking at what we have proposed.

This is one Republican leader who believes your first step in helping our job creators by cutting business taxes is to be applauded, but you have to keep helping; you cannot quit. And as I said 2 weeks ago, we have to start reducing taxes and creating jobs today.

Mr. Itkin, the gracious leader of the majority party at the moment, I say to you, it is not easy to make a change, but this is a time when there would be an easy transition into some of the welfare cuts that we have made reference to. I say it is easy because we have already done it.

There are 165 of us in this hall who have bitten the bullet, so to speak, when we passed over to the other chamber \$239 million in tax savings and welfare reform. I asked the Budget Secretary 2 weeks ago to look carefully at the welfare reform proposals in HB 1341, which is the bill that so many of you on the other side and our members voted in favor of when we put 165 votes up for that bill, a bipartisan measure, if there was ever one that passed this House, that contained meaningful and long-overdue welfare reform.

I agree with the Governor; I agree, could not agree more and have said it and Bob Flick has said it and others have said it for years that we no longer can afford to be the only governmental body that is putting out so many of these dollars when we finance welfare programs that the Federal Government does not participate in. We cannot afford it anymore, and as the Governor pointed out—and I do not have that speech open before me—but even with what he proposes, we are doing better than 40 other States. My recollection is from several weeks ago that what we do is better than some 30 States, and we should really be out of it. This State cannot afford to be into that situation under its current fiscal crisis.

Now, I urge the Governor to sit down with his Democrat leaders in the Senate while they have the control of the Senate, for however long that lasts, and I urge him to urge the Senate leaders to allow HB 1341 to become law, because I feel certain that if it is brought to the floor of the Senate, that it will pass as handily in the Senate as it passed here in the House when it passed with 165 votes.

Now, I think it was interesting to note—and it is a shame there are not more members of the press present on the floor; I am not reading that roll call—but the only spontaneous applause that took place today when the Governor made his speech—think about it—the only spontaneous applause that took place when the Governor made his speech—I am not talking about when the Governor entered the room, because we all stood up and applauded, spontaneously, because we were glad to see him back; I was glad to see him back; we were all glad to see him back—the only spontaneous applause that took place was during the speech when he twice talked in terms about the

welfare reform that he was proposing. That is when he received spontaneous applause, and I think that should tell you something.

This House has spoken clearly and stamped its approval on welfare reform to put able-bodied men and women out to seek employment, create residency requirements, and provide funding for job-training programs.

Now, I put a chart up a couple of weeks ago. I am not going to bother you with that again, unless some of you want to see it, and if you want to see it, I would be glad to send you little copies of it, and you can use it in your next campaigns. I will have my name on it.

The Governor called for a cut—now, you are going to get it anyway—the Governor called for a cut in CNI, the corporate net income tax, and when he called for that, when he called for that cut, he said we were going to cut from 12.25 to 9.9 percent over a 3-year period. Now, by adopting that bill that we have already adopted, all of us, most of us here in this House today, we could do that immediately. We do not have to wait 3 years to help the business community. We could do that immediately. We would not be back where we were before the 1991 taxes when the taxes were 8 1/2 percent, but we would be where the Governor wants to get in 3 years with the stroke of a pen, effective July 1.

And we could do one other thing. We could take care of this problem that we are having with the loss carry-forward. Now, one businessman was quoted last week in a newspaper column, and he said this, and I believe it, and I have said it but he says it in better words, and no one has ever quoted me, so I am going to use somebody else's quote. He said the "greatest inequity of PA tax law is the disallowance of net operating losses. This disallowance can single-handedly and completely reduce the chance of a faltering company to rebound. Profits do not necessarily correlate with the ability to pay after a loss has been incurred," close quote.

Every business group that I have ever spoken to, every group that has ever been in my office has told me the same thing, that the net operating loss, the restoration of that is almost as important as the reduction of CNI. We could do that. We could do that this year, and I would urge you to hold out, as you talk to Mr. Itkin, hold out for this reduction. This should be part of our budget.

The last thing is the widows and the widowers of Pennsylvania, and I am not going to keep that up. I think we should address that issue, take care of them, and provide for the same equity that every other State in the United States has, including the Federal Government, the great tax gobblers of all times. They do not even do what we do; they do not even do what we do. We are worse than the Federal Government when it comes to taxing widows and widowers. Now, that is incredible to believe — that we are worse than the Federal Government on taxes — but we are. We are worse than every State in the United States. Somebody says, well, we are going to keep that tax. It is just wrong; it is wrong, and we should address that, and we have never done anything but pay lip

service and gave some tiny little break to widows and widowers.

Finally, by correcting these inequitable tax burdens, we will improve our marks in relation to business friendliness from an embarrassing and devastating D as reported in the CATO — that is C-A-T-O — Institute's Fiscal Policy Report Card on America's Governors. It came out last month. Now, that report blames the Governor for jumping on the tax hike bandwagon as well as for doubling the State budget during his first 5 years in office, and we were all part of that, and notes that it all adds up to a below-average economic and fiscal record for Governor Casey.

But let us change it; let us put it back. We have the opportunity to put it back. Let us get together; let us, I say force the Governor, and I do not mean that. I mean, let us persuade the Governor to see the error of his ways. Let us show him that what 165 of us did makes sense. It was sensible enough for us to vote on, it should be sensible enough for the Senate and the Governor to also participate in it.

By reducing taxes today, we can compete for jobs. We can do all the things that we tell our business people that we want to do.

Part of the Governor's plan—and it is out a few years, as the majority leader so adequately put it—is pie in the sky. It is based on these utility taxes, which have several times come before us and have several times been shot down.

Now, it is just not fair to tell the— How many of you here are going to vote to impose a utility tax? How many heroes are there that are going to stand up and vote to impose the utility tax? Very few, very few. There were very few the last time that it came up. There were very few the time before that. It is not right for the Governor to talk in terms of a utility tax that is going to be imposed to give tax relief a couple of years out when he is not going to be here. That is pie in the sky. It is a sham. It is not becoming to a man of his stature, a distinguished person such as the Governor. It is Irish blarney. I am familiar with that. The only other person as good is the Speaker.

The extra dollars that the Governor proposes the field of education receive I think is great. I think it is wonderful. I, of course, am disappointed that so little of it attaches to the so-called wealthier suburban districts outside of the cities of Philadelphia and Pittsburgh. But, you know, I understand these things happen. I do not like it. This is going to lead to higher property taxes for those of us who are not covered by this \$108-additional million that goes to them. I do not think it is completely equitable that we receive none of the pie. But that is something that might be looked at so that there is some equity in the distribution of funds. But I just say that as an aside, somewhat parochial.

Higher ed. I think the Governor stood by his commitment to restore funding to State-aided higher educational institutions. In 1992 these fine institutions got 50 percent of their funding needs. Last year they got 75 percent. This year, support went up to 96.5 percent, all of this in keeping with the commitment that the Governor made some 2 or 3 years ago.

The unfortunate part about it is, that was his commitment, but that was not a great commitment to start with. I mean, you know, that was his commitment: you get no money this year, you get zero; next year you are going to get 50 percent; the next year 75 percent; the following year 96 percent, and you are going to get no cost-of-living increases in the meantime, and here I am saying, boy, thanks. Well, thanks. I mean, 96 percent of what we got 3 years ago is better than what we got 2 years ago, which was zero. But he did live up to that commitment, and for that I think the institutions of Pennsylvania are grateful and should be grateful, because they did not have to do it. They did not do it for a couple of years. But we, all of us, and the Governor, we gave them less than what we have given them over a period of many years, but we expected them to maintain their same standards, but we cut our standard of support.

I was pleased to see another increase in student grants administered by PHEAA (Pennsylvania Higher Education Assistance Agency). I think that was good.

Remember, I stood here 2 weeks ago and I said, please, please, listen to my ag-tourism message so I do not have to talk about that again. Well, as best I understand—and I confess, I really have not had it completely checked out yet—from what I can see, it appears that part of my message got through and that the ag portion of it at least registered. There is more money in ag government, I am told—that is the governmental employees that work here for the Capitol in the Ag Department—there is more money available for them. There is no additional money for research. There is no additional money for the extension schools, the ag extension schools, nor is there money for ag promotion. But there was more money into the ag lines, and there are some other ag expenditures that I have not seen yet that were not there in prior years. So I am not going to be entirely negative with ag. They have taken a crack at ag, and they did not get a full handle on the bat, but maybe we can help between now and then.

No increase for tourism. That part just went right over their heads from 2 weeks ago; maybe had that part of the budget already at the printer's and could not change it.

I think that the Governor did a good job on pumping up funding to control juvenile crime. I said here a couple of weeks ago—and I am not suggesting for a moment that he did this because of any of my remarks; I think it is just coincidental that we both were on the same track—I believe we have got to spend a lot of attention with serious juvenile crime. I am not talking about stealing a bicycle; I am talking about the heavy-duty crimes that we find some of the juveniles getting involved in. The Governor has pumped up funding in that area, and I congratulate him for that. I think it is long overdue. We all should have looked at this probably a little longer and harder than we have over the years.

All in all, the message, I think, was a good one. What you have heard from me here, of course, is the downside of it. I am not going to come over and stand before a television camera and a microphone and sing the praises of the other

party. I think it is my job, rather, to point out the shortcomings of what has been presented to us.

The other portions of the budget that have not been called to your attention by me for the most part I have found satisfactory, and there are far more of them, incidentally—and I say this sincerely—there is far more concerned with this budget that is good than is bad. I am simply pointing out those portions that, like a sore thumb, were throbbing and that I could grab hold of and say, this does not look right or this deserves some further attention.

All in all, I think it is a year when we truly could have bipartisan effort. If in fact we do have it, if in fact we do have it, it would be a shame that it happened in the last year of the administration instead of in the first or second year, and things would have been a lot easier during these previous years. But I think there is a chance that something can be done. We have got to work together. The Governor is entirely right when he said in his message that he had talked to the leaders. He had talked to me, and I know he had talked to leaders from all four caucuses. The next several weeks will probably tell the story when we have all had an opportunity to digest exactly what is in the budget, the budget books. They are long; they are complicated; they require the work and the effort of the Appropriations Committees of four caucuses, men and women who know far more about this than Mr. Itkin or I, and I say that without trying to take a swing at my friend, Mr. Itkin. But we just have not had a chance to really go through this, nor have we had the chance—I have not had the chance; I am not going to accuse him of it—of being totally briefed. I have been briefly briefed, if you will.

All in all, Mr. Speaker, I thought it was a very fine address by the Governor except for those half dozen items that I called to the attention of the House. I offered the Governor a shortcut to some of these problems by stirring the Senate up and adopting this one bill which I think would solve many of our problems.

All in all, though, I was very pleased to hear the address of the Governor. I cannot say that I am sorry that it is his last. I am sorry as an individual that it is his last time here; I am not necessarily sorry to see the last of a Democrat Governor address us for the next 8 years. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman for his—The Chair was going to thank the gentleman for his halting and circuitous magnanimity.

#### STATEMENT BY MR. EVANS

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Evans.

Mr. EVANS. Thank you, Mr. Speaker.

Mr. Speaker, there are a couple of items in the Governor's budget request that should be applauded. I am pleased that the Governor reported on several performance audits. The gentleman on the other side of the aisle expressed that he would like to have bipartisan cooperation, and I stand today to say to him that I would like to assure that that occurs, that we

must work together to demonstrate accountability in State government.

Last week, Mr. Speaker, this House unanimously approved legislation requiring the establishment of goals and objectives in State government and the means to measure our progress in reaching those goals.

Mr. Speaker, I am pleased that the Governor is building on the education equity funding we fought so hard to begin this year with 108 million additional dollars to help our poorer school districts. Mr. Speaker, I would like to recognize Chairman Ron Cowell for his leadership on this issue.

I am also pleased to see programs such as intense supervision under Probation and Parole increased. Programs such as this are the key to reducing our costs of corrections. We need to be smart, not just tough, as we expand our corrections system.

This proposal of \$15.6 billion is a 4.1-percent increase over the 1993-94 budget. Much of this increase is eaten up by the costs of corrections and medical assistance. Millions of dollars are unavailable for education, job training, economic development, and crime prevention; dollars unavailable for programs like the micro-loan program in Commerce or crime prevention grants.

I am concerned that corrections alone shows a 25-percent increase over the current year when that \$108 million for education equity is only a 3.5-percent increase. Let me repeat that: a 25-percent increase for corrections and only a 3.5 percent for education equity.

Over the past 5 years, there has been a 17.9-percent increase in the number of people receiving cash grant assistance on a monthly basis.

In his proposal, the Governor has some tough choices to restructure welfare. His proposals broaden eligibility for the neediest and encourage families to stay together. But we need to look at the entire package closely.

The gentleman on the other side of the aisle may recall that this side of the aisle offered a welfare initiative. No, it was not a perfect welfare initiative, but it was just a beginning on our attempt to address this issue of welfare.

I am concerned about the impact of Federal actions on our budget. The reduction in Federal funds for the heating cost program costs us. The interest we are being charged by the U.S. Department of Health and Human Services costs us. In medical assistance, the decrease in our rate of Federal financial participation will cost almost \$15 million in State funds.

The Appropriations Committee has started its work. Budget hearings begin February 14. We plan to take a comprehensive look at Pennsylvania's economic outlook and what the Governor's proposal means.

This is an open invitation to all of you as members on this floor to participate in this process. This is not a closed-door process. In spite of the fact that people have said in the past that they do not have a chance to participate, every hearing that will be conducted will be a joint hearing held with every standing committee. So we stand here today to offer, to put

out, to encourage those of you who are in on those committee meetings to attend the hearings.

Two years ago this House passed a package of bills I introduced to improve our process for adopting a budget. When the Senate did not pass the bills, I introduced them last year. Again they passed the House.

Central to these bills is the requirement that each of the four caucuses introduce, by the end of the third week of May, a complete and balanced budget proposal. These bills passed with overwhelming bipartisan support.

The benefits of the reform measures are obvious. When both sides introduce a complete and balanced budget proposal, the public and the media can see clearly where we agree and where we disagree. They can see clearly how much we would spend on what programs and how we would pay for it.

I believe this empowers people to be active participants in deciding how we spend their tax dollars. It educates our constituents about the difficult choices we face when adopting a budget, and in the end, it makes us better, truer representatives of the people.

Finally, each of us, Mr. Speaker—and I do not exclude myself—has been tempted in the past to call for spending without imposing on ourselves the discipline of also stating clearly how we will pay for that spending. Let me repeat that, Mr. Speaker: I do not exclude myself, have been tempted in the past to call for spending without imposing on ourselves the discipline of also stating clearly how we will pay for that spending. The budget reforms that we voted for twice will help us resist all of that temptation.

For the third year running, Mr. Speaker, the House Democratic Caucus will make our reality match our rhetoric. We will introduce a complete and balanced budget.

I ask, Mr. Speaker, I invite, I urge my colleagues on the other side of the aisle to do the same, that this is not an effort that we are in by ourselves. I say to you, Mr. Speaker, that if the gentlemen and the gentleman who is the minority chair of the Appropriations Committee are prepared, that the majority leader and myself and the rest of the members of our caucus are also prepared and that we will do the right thing for the people of the Commonwealth of Pennsylvania.

We also have to understand, Mr. Speaker, that the bottom line is that we have to make tough choices, and those choices will not be easy. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

Mr. Itkin is recognized.

Mr. ITKIN. Mr. Speaker, would my good friend, the gentleman from Delaware, the distinguished minority leader, consent to a brief interrogation?

The SPEAKER. The jocular gentleman accedes.

Mr. ITKIN. Thank you, Mr. Speaker.

I felt today, listening to the distinguished minority leader, that he was like a young boy going to Santa Claus and sitting down with his Christmas list proposing a number of changes, tax cuts that he was advocating. I was curious, as Santa, trying to understand what he really wanted for Christmas. Was it the CNI reduction or the net operating loss carry-forward, or

perhaps not those, perhaps the widow's tax exemption? If you could have your wish list ordered, what would be your preference?

Mr. RYAN. This is a wonderful Christmas for you. You do not even have to—if you like to see things as I do and everyone else does—you do not have to go through that trauma of trying to pick one of the three. You can have all three, because all three are represented in the savings that are realized by the adoption of HB 1341. You have got it all.

Mr. ITKIN. Thank you very much.

Mr. RYAN. I am Santa Claus. I am giving you all three of these things.

Mr. ITKIN. Okay. You are drawing a heavy sleigh, Matt.

Mr. RYAN. Well, do you know what I am going to do? I am going to send over to you a piece of this literature that has it all abbreviated for you. This is a late Christmas, or an early Christmas as the case may be.

#### ANNOUNCEMENT BY MR. STEIGHNER

The SPEAKER. Does the secretary of the caucus have any announcement on our lunch schedule?

The gentleman, Mr. Steighner, from Butler is recognized.

Mr. STEIGHNER. Thank you, Mr. Speaker.

Mr. Speaker, there will be an immediate meeting of the Democratic leadership and the committee chairmen in room 39E as soon as the House recesses, and we would ask that the House return to session at 2 o'clock this afternoon.

#### REPUBLICAN CAUCUS

The SPEAKER. The gentleman from Blair, Mr. Geist, is recognized.

Mr. GEIST. Thank you, Mr. Speaker.

A serious inquiry because of the weather out west. What is the schedule, the rest of the schedule, for the House going to be for the week?

The SPEAKER. The pronouncements of earlier this morning—internal pronouncements, I might add—were that we would align ourselves with a decision that was rendered from the administration. Quite frankly, for the last couple of hours I have been incommunicado, and I would like to address that question at 2 p.m.

Mr. GEIST. Okay.

Based upon that then, the Republicans will take one-half hour for lunch and convene in the caucus room. We have to go over the tax reform amendments, and it should be a very informative caucus.

So we will break. At the break, one-half hour for eating and then the rest of the time dedicated to learning tax.

The SPEAKER. Will the House yield momentarily and linger momentarily.

(Conference held at Speaker's podium.)

The SPEAKER. The House will return to session at 2 p.m.; the House will return to session at 2 p.m.

The Chair thanks the membership for their indulgence.

**BILLS SIGNED BY SPEAKER**

The Chair gave notice that he was about to sign the following bills, which were then signed:

**SB 701, PN 1844**

An Act amending the act of May 17, 1921 (P. L. 789, No. 285), entitled, as amended, "The Insurance Department Act of 1921," further providing for application of the act and for group policies, for computation of reserve liability and certain other reserves, for certain managers and agents and for the suspension of business.

**SB 705, PN 1757**

An Act amending the act of May 17, 1921 (P. L. 682, No. 284), entitled "The Insurance Company Law of 1921," further providing for group policies, for purposes for which companies may be incorporated, for capital stock and for certain reports; providing for admitted assets and for the disposition of unassigned funds; and further providing for additional investment authority, for title insurance companies, for broker controlled property and casualty insurers, for insurance holding companies and for risk retention and surplus lines.

**SB 1384, PN 1801**

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, providing for damages for conversion of timber.

**SB 1404, PN 1700**

A Supplement to the act of June 28, 1993 (P. L. 134, No. 31), entitled "Highway Supplement to the Capital Budget Act of 1993-1994," itemizing public highway projects to be constructed by current revenues of the Department of Transportation, together with the estimated financial costs; and making appropriations.

**RECESS**

The SPEAKER. The House stands in recess until 2 p.m.

**RECESS EXTENDED**

The time of recess was extended until 2:30 p.m.

**AFTER RECESS**

The time of recess having expired, the House was called to order.

**GUESTS INTRODUCED**

The SPEAKER. The Chair would like to recognize two friends of Representatives Bud George and Tim Pesci who are in the hall of the House today - Paul Parcharko and Angelo Cravata. Gentlemen, please stand and be recognized.

**BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED**

**HB 1637, PN 1889** By Rep. PETRONE

An Act amending the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, further providing for the collection of tax and municipal claims by suit, for the retirement

board, for eligibility for retirement allowances and for requirements for credit for previous service; and providing for deputy fire marshals.

**URBAN AFFAIRS.**

**RULES SUSPENDED**

The SPEAKER. The Chair recognizes the majority leader. Mr. ITKIN. Mr. Speaker, I move for a momentary suspension of the rules for the consideration of three resolutions - Mr. Reber's, Mr. Sather's, and Mr. Tulli's resolutions.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

**YEAS-184**

Adolph	Fee	Manderino	Scheetz
Allen	Fichter	Markosek	Schuler
Argall	Flick	Marsico	Scrimenti
Armstrong	Freeman	Masland	Semmel
Baker	Gamble	Mayernik	Serafini
Barley	Gannon	McCall	Smith, B.
Battisto	Geist	McGeehan	Smith, S. H.
Bebko-Jones	George	McNally	Snyder, D. W.
Belardi	Gerlach	Melio	Staback
Belfanti	Gigliotti	Merry	Stairs
Bishop	Gladeck	Michlovic	Steelman
Blaum	Godshall	Mihalich	Steighner
Boyes	Gordner	Miller	Steil
Brown	Gruitza	Mundy	Stern
Bunt	Gruppo	Nailor	Stetler
Buxton	Haluska	Nyce	Stish
Caltagirone	Harley	O'Brien	Strittmatter
Cappabianca	Hasay	Olasz	Sturla
Carn	Hennessey	Oliver	Surra
Cawley	Herman	Pesci	Tangretti
Cessar	Hershey	Petrarca	Taylor, E. Z.
Chadwick	Hess	Petrone	Taylor, J.
Civera	Hughes	Pettit	Thomas
Clark	Hutchinson	Phillips	Tigue
Clymer	Itkin	Piccola	Tomlinson
Cohen, L. I.	Jadlowiec	Pistella	Trello
Cohen, M.	James	Pitts	Trich
Colafiglia	Jarolin	Preston	True
Colaizzo	Josephs	Raymond	Tulli
Conti	Kaiser	Reber	Uliana
Cornell	Kasunic	Reinard	Vance
Corrigan	Keller	Richardson	Van Horne
Cowell	Kenney	Rieger	Veon
Coy	King	Ritter	Vitali
Curry	Kirkland	Roberts	Waugh
Daley	Kukovick	Robinson	Williams
DeLuca	LaGrotta	Roebuck	Wogan
Dempsey	Laub	Rohrer	Wozniak
Dent	Laughlin	Rooney	Wright, D. R.
Dermody	Lawless	Rublely	Wright, M. N.
Donatucci	Lederer	Rudy	Yandrisevits
Drnce	Lee	Ryan	Yewcic
Evans	Leh	Santoni	Zug
Fairchild	Lescovitz	Sather	
Fajt	Lloyd	Saurman	DeWeese,
Fargo	Lucyk	Saylor	Speaker
Farmer	Lynch		

NAYS—7

Carone	Fleagle	Krebs	Platts
Egolf	Hanna	Maitland	

NOT VOTING—4

Acosta	Birmelin	Micozzie	Washington
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EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

A majority of the members elected to the House having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

RESOLUTIONS

The SPEAKER. HR 252, which the clerk will read.

The following resolution was read:

House Resolution No. 252

A RESOLUTION

Congratulating Hershey Foods Corporation, a great American tradition, on its 100th Anniversary.

WHEREAS, On February 9, 1994, Hershey Foods Corporation will kick off a yearlong celebration of its 100th Anniversary; and

WHEREAS, Hershey Foods Corporation, headquartered in Hershey, Pennsylvania, a leading North American producer of chocolate, confectionery, grocery and pasta products, was established in Lancaster, Pennsylvania, in 1894 by Milton Snavely Hershey under the name of Hershey Chocolate Company. The name was changed in 1968 to Hershey Foods Corporation to reflect the company's expanding product line; and

WHEREAS, Hershey Chocolate U.S.A., the corporation's largest division, produces traditional American favorites, including Hershey's milk chocolate bar and Hershey's milk chocolate bar with almonds, Hershey's Kisses and Hershey's Kisses with Almonds chocolates, Hershey's cocoa, baking chocolate and syrup, Reese's peanut butter cups, Kit Kat wafer bars, Cadbury's products, Almond Joy candy bar, Mounds candy bar, York peppermint pattie and Twizzlers candy. Newer products include Hershey's Cookies 'n' Mint chocolate bar, Amazin' Fruit gummy bears, Hershey's Hugs and Hershey's Hugs with Almonds chocolates and Reese's peanut butter in a jar; and

WHEREAS, The products of Hershey Foods Corporation, its subsidiaries and licensees are distributed and exported to approximately 65 countries around the world. The company employs nearly 14,000 people and has licensees or manufacturing operations in the United States, Canada, Mexico, Germany, Japan, Korea, Italy, the Netherlands and Belgium; and

WHEREAS, The Hershey, Pennsylvania Plant of Hershey Chocolate U.S.A. is the largest chocolate and confectionery manufacturing facility in the world, with more than 2 million square feet of floor space; therefore be it

RESOLVED, That the House of Representatives extend its congratulations and best wishes to Hershey Foods Corporation on the celebration of its 100th Anniversary.

Frank Tulli, Jr.  
 Ronald S. Marsico  
 Jeffrey E. Piccola  
 Peter J. Zug  
 Ronald I. Buxton  
 Jerry L. Nailor  
 Patricia H. Vance  
 Albert H. Masland

C. Allan Egolf  
 John W. Fichter  
 Ruth C. Rudy  
 Thomas W. Dempsey  
 Joseph F. Markosek  
 Anthony J. Melio  
 Charles W. Dent  
 Dante Santoni, Jr.  
 Stanley E. Saylor  
 Victor John Lescovitz  
 Timothy L. Pesci  
 Albert W. Pettit  
 Linda Bebeko-Jones  
 Timothy F. Hennessey  
 Joseph R. Pitts  
 Richard J. Cessar  
 Jere W. Schuler  
 Elinor Z. Taylor  
 P. Michael Sturla  
 Leonard Quirico Gruppo  
 Thomas E. Armstrong  
 Katie True  
 Jim Lynch  
 Arthur D. Hershey  
 Dick L. Hess  
 Edward H. Krebs  
 Jeffrey W. Coy  
 Elaine F. Farmer  
 T. J. Rooney  
 Lawrence Roberts  
 David Orr King  
 Jerry A. Stern  
 Matthew E. Baker  
 David G. Argall  
 Stephen R. Maitland  
 Thomas P. Gannon  
 Merle H. Phillips  
 Frank J. Gigliotti  
 Anthony Hardy Williams  
 Susan Laughlin  
 Larry O. Sather  
 Frank Dermody  
 Matthew N. Wright  
 William F. Keller  
 David R. Wright  
 Howard L. Fargo  
 Thomas W. Druce  
 Patrick E. Fleagle  
 Todd R. Platts  
 Michael L. Waugh  
 Carole A. Rubley  
 Gregory C. Fajt  
 Joseph W. Battisto  
 Lita Indzel Cohen

On the question,  
 Will the House adopt the resolution?

The SPEAKER. The Chair recognizes the distinguished gentleman from Hershey, Pennsylvania, Mr. Tulli.

Mr. TULLI. Thank you, Mr. Speaker.

Today I rise to remind the members of the purpose of HR 252.

This resolution is to honor a Pennsylvania treasure. I hold an example of that treasure in my hand — a Hershey chocolate bar. Hershey Foods, tomorrow, will begin its celebration of 100 years in business in Hershey, Pennsylvania. They, of course, are in the foods business, especially in the chocolate business. You will find on your desks a listing of their

accomplishments in the confectionery and pasta businesses, and I hope you will find a sample of their handiwork.

Hershey Foods has been an excellent corporate citizen of our Commonwealth. They are a homebred company. They employ 14,000 people around the world, with the largest amount here in the Commonwealth of Pennsylvania. They pay their employees well, they serve them well, and they serve all of the communities in which they produce very well.

So for that reason, Mr. Speaker, I ask that on HR 252 you give recognition to Hershey Foods, the due that they should have for 100 years in business. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentlelady from Lehigh, Ms. Ritter.

Ms. RITTER. Mr. Speaker, I have a question of the Chair. Before I eat this Hershey bar, does this violate the ethics rules of this House for us to receive something of value in exchange for our votes?

The SPEAKER. The Chair would speculate in the negative.

Ms. RITTER. Thank you, sir.

The SPEAKER. The Chair recognizes the gentleman from South Pacific Avenue.

Mr. PISTELLA. Thank you, Mr. Speaker.

Mr. Speaker, I just had a question. Since the gentleman from Hershey was so gracious to share with us the wonderful Hershey's chocolate bar, I was wondering if he would be willing to share with all the members the cosponsorship of this resolution for this fine business.

Mr. TULLI. Mr. Speaker, most of the members are cosponsors, and I certainly would be glad to leave the resolution open on the table for all the other members to sign up. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—192

Acosta	Fargo	Lynch	Saurman
Adolph	Fee	Maitland	Saylor
Allen	Fichter	Manderino	Scheetz
Argall	Fleagle	Markosek	Schuler
Armstrong	Flick	Marsico	Scrimenti
Baker	Freeman	Masland	Semmel
Barley	Gamble	Mayernik	Serafini
Battisto	Gannon	McCall	Smith, B.
Bebko-Jones	Geist	McGeehan	Smith, S. H.
Belardi	George	McNally	Snyder, D. W.
Belfanti	Gerlach	Melio	Staback
Birmelin	Gigliotti	Merry	Stairs
Bishop	Gladeck	Michlovic	Steelman
Blaum	Godshall	Micozzie	Steighner
Boyes	Gordner	Mihalich	Steil
Brown	Gruitza	Miller	Stern
Bunt	Gruppo	Mundy	Stetler
Buxton	Haluska	Nailor	Stish
Caltagirone	Hanna	Nyce	Strittmatter
Cappabianca	Harley	O'Brien	Surla
Carn	Hasay	Olasz	Surra
Carone	Hennessey	Oliver	Tangretti

Cawley	Herman	Pesci	Taylor, E. Z.
Cessar	Hershey	Petrarca	Taylor, J.
Chadwick	Hess	Petrone	Thomas
Civera	Hughes	Pettit	Tigue
Clark	Hutchinson	Phillips	Tomlinson
Clymer	Itkin	Piccola	Trello
Cohen, L. I.	Jadlowiec	Pistella	Trich
Cohen, M.	James	Pitts	True
Colafiglia	Jarolin	Platts	Tulli
Colaizzo	Josephs	Preston	Uliana
Conti	Kasunic	Raymond	Vance
Cornell	Keller	Reber	Van Horne
Corrigan	Kenney	Reinard	Veon
Cowell	King	Richardson	Vitali
Coy	Kirkland	Rieger	Waugh
Curry	Krebs	Ritter	Williams
Daley	Kukovich	Roberts	Wogan
DeLuca	LaGrotta	Robinson	Wozniak
Dempsey	Laub	Roebuck	Wright, D. R.
Dent	Laughlin	Rohrer	Wright, M. N.
Dermody	Lawless	Rooney	Yandrisevits
Donatucci	Lederer	Rubley	Yewcic
Druce	Lee	Rudy	Zug
Egolf	Leh	Ryan	
Evans	Lescovitz	Santoni	DeWeese, Speaker
Fairchild	Lloyd	Sather	
Fajt	Lucyk		

NAYS—0

NOT VOTING—3

Farmer	Kaiser	Washington
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EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

\* \* \*

The SPEAKER. HR 250 is brought to the floor by the gentleman from Montgomery, Mr. Reber.

The following resolution was read:

House Resolution No. 250

A CONCURRENT RESOLUTION

Memorializing Congress to enact legislation to authorize each state to prohibit the disposal within its borders of solid waste generated outside its borders.

WHEREAS, The Constitution of Pennsylvania declares that the people of this Commonwealth have a right to clean air, pure water and the preservation of the natural, scenic, historic and aesthetic values of the environment; that Pennsylvania's public natural resources are the common property of all the people, including generations yet to come; and that the Commonwealth, as trustee of these resources, shall conserve and maintain them for the benefit of all the people; and

WHEREAS, The Commonwealth is responsible for the protection of the health, safety and welfare of its citizens through effective control of solid waste management practices; and

WHEREAS, The disposal of solid waste in landfills and by incineration poses a critical threat to the health, safety and welfare of the citizens of this Commonwealth; and

WHEREAS, The Commonwealth adopted in 1988 an innovative recycling program to reduce the volume of solid waste



which is placed into landfills or incinerated and to reduce the need for additional landfills and incinerators; and

WHEREAS, The shipment of solid waste into this Commonwealth from other states, and potentially from Canada, undermines this Commonwealth's efforts to reduce the need for additional landfills and incinerators; and

WHEREAS, The United States Supreme Court has determined that state laws which attempt to place limits on the amount of waste which can be accepted from another state are a violation of the Interstate Commerce Clause of the United States Constitution; therefore be it

RESOLVED (the Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize Congress to enact legislation which would empower each state to restrict or prohibit the shipment of solid waste into the state from another state or another country; and be it further

RESOLVED, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

Robert D. Reber, Jr.  
Camille "Bud" George

On the question,  
Will the House adopt the resolution?

The SPEAKER. The gentleman from Montgomery is recognized.

Mr. REBER. Thank you, Mr. Speaker.

Mr. Speaker, for the record, Chairman George, the majority chairman of the Conservation Committee, and I, in the minority capacity on that committee, for a number of years have been looking at the issue relative to the importation of waste into the Commonwealth. I know the Governor has been very interested in this issue, has met already with our congressional delegation.

What this resolution simply does is memorialize Congress to take a look at getting around, if you will, the concerns of the interstate commerce clause and various Supreme Court decisions to allow for reasonable regulation of the interstate importation of solid waste.

I would deeply appreciate your vote on this, and, Mr. Speaker, there have been a number of members on both sides of the aisle that have asked to be cosponsors, and I would ask that the desk be left open so they could join their names to this resolution. Thank you.

The SPEAKER. In response to the gentleman's request, the desk will remain open so that additional cosponsors may be added to the resolution.

On the question recurring,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—190

Acosta	Fajt	Lucyk	Sather
Adolph	Fargo	Lynch	Saurman
Allen	Farmer	Maitland	Saylor
Argall	Fee	Manderino	Scheetz
Armstrong	Fichter	Markosek	Schuler
Baker	Fleagle	Marsico	Scrimenti
Barley	Flick	Masland	Semmel
Battisto	Freeman	Mayernik	Serafini
Bebko-Jones	Gamble	McCall	Smith, B.

Belardi	Gannon	McGeehan	Smith, S. H.
Belfanti	Geist	McNally	Snyder, D. W.
Birmelin	George	Melio	Staback
Bishop	Gerlach	Merry	Stairs
Blaum	Gigliotti	Michlovic	Steelman
Boyes	Gladeck	Micozzie	Steighner
Brown	Godshall	Mihalich	Steil
Bunt	Gordner	Miller	Stern
Buxton	Gruitza	Mundy	Stetler
Caitagirone	Gruppo	Nailor	Stish
Cappabianca	Haluska	Nyce	Strittmatter
Carn	Hanna	O'Brien	Sturla
Carone	Harley	Olasz	Surra
Cawley	Hasay	Oliver	Tangretti
Cessar	Hennessey	Pesci	Taylor, E. Z.
Chadwick	Herman	Petrarca	Taylor, J.
Civera	Hershey	Petronc	Thomas
Clark	Hess	Pettit	Tigue
Clymer	Hutchinson	Phillips	Tomlinson
Cohen, L. I.	Itkin	Piccola	Trello
Cohen, M.	Jadlowiec	Pistella	Trich
Colafella	Jarolin	Pitts	True
Colaizzo	Josephs	Platts	Tulli
Conti	Kaiser	Preston	Uljana
Cornell	Kasunic	Raymond	Vance
Corrigan	Kenney	Reber	Van Horne
Cowell	King	Reinard	Veon
Coy	Kirkland	Richardson	Vitali
Curry	Krebs	Rieger	Waugh
Daley	Kukovich	Ritter	Wogan
DeLuca	LaGrotta	Roberts	Wozniak
Dempsey	Laub	Robinson	Wright, D. R.
Dent	Laughlin	Roebuck	Wright, M. N.
Dermody	Lawless	Rohrer	Yandrisevits
Donatucci	Lederer	Rooney	Yewcic
Druce	Lee	Rubley	Zug
Egolf	Leh	Rudy	
Evans	Lescovitz	Ryan	DeWeese,
Fairchild	Lloyd	Santoni	Speaker

NAYS—0

NOT VOTING—5

Hughes	Keller	Washington	Williams
James			

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

Ordered, That the clerk present the same to the Senate for concurrence.

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The SPEAKER. The final resolution for the moment, HR 251, the gentleman, Mr. Larry Sather, offers the resolution.

The following resolution was read:

House Resolution No. 251

A RESOLUTION

Urging the Governor to proclaim the week of February 19 through 26, 1994, as "FFA Week in Pennsylvania."

WHEREAS, The FFA and agricultural education provide a strong foundation for the youth of America and the future of agriculture; and

WHEREAS, The FFA promotes premier leadership, personal growth and career success among its members; and

WHEREAS, Agricultural education and the FFA ensure a steady supply of young professionals to meet the growing demands in the science, business and technology of agriculture; and

WHEREAS, The FFA motto—"Learning to do, doing to learn, earning to live, living to serve"—gives direction of purpose to these students who will provide the leadership for America; and

WHEREAS, The FFA performs the valuable service of encouraging cooperation, promoting good citizenship and inspiring patriotism among its members; therefore be it

RESOLVED, That the House of Representatives urge the Governor to proclaim the week of February 19 through 26, 1994, as "FFA Week in Pennsylvania."

Larry O. Sather  
John E. Barley  
Bruce Smith  
William R. Lloyd, Jr.  
Matthew J. Ryan  
John W. Fichter  
Lynn B. Herman  
Timothy L. Pesci  
Ruth C. Rudy  
Dante Santoni, Jr.  
Richard A. Geist  
Jerry A. Stern  
Dick L. Hess  
Terry R. Scheetz  
Arthur D. Hershey  
Daniel F. Clark  
Patricia H. Vance  
Frank A. Serafini  
Sheila M. Miller  
Samuel E. Rohrer  
Jeffrey W. Coy  
John R. Gordner  
Thomas W. Dempsey  
Jerry L. Nailor  
Anthony J. Melio  
Alvin C. Bush  
Charles W. Dent  
Stanley E. Saylor  
Anthony L. Colaizzo  
Howard L. Fargo  
Edward H. Krebs  
Victor John Lescovitz  
Albert W. Pettit  
Edward J. Lucyk  
Russ Fairchild  
Jere W. Schuler  
Peter J. Zug  
Timothy F. Hennessey  
Joseph R. Pitts  
Richard J. Cessar  
Herman Mihalich  
T. J. Rooney  
P. Michael Sturla  
Katie True  
David G. Argall  
Joseph M. Uliana  
Thomas F. Yewcic  
Leonard Quirico Gruppo  
Jim Lynch  
Thomas M. Tighe  
Thomas E. Armstrong  
Elaine F. Farmer  
David Orr King  
Frank W. Yandrisevits

Frank J. Gigliotti  
Matthew E. Baker  
Ronald S. Marsico  
Stephen R. Maitland  
Merle H. Phillips  
C. Allan Egolf  
George E. Saurman  
Matthew N. Wright  
Todd R. Platts  
Donald W. Snyder  
Patrick E. Fleagle

On the question,  
Will the House adopt the resolution?

The SPEAKER. The gentleman, Mr. Sather, is recognized.  
Mr. SATHER. Thank you, Mr. Speaker.

I would like to thank those members of the General Assembly who have signed the resolution.

The resolution, briefly, is declaring the week of February 19 through 26 as "FFA Week in Pennsylvania."

I would also ask that upon favorable consideration of this resolution, it remain open so that additional signatures could be added to the resolution. Thank you, Mr. Speaker.

The SPEAKER. The Chair would direct the clerks to have the desk remain open so that additional sponsorships can be included, including the Speaker's signature for this very worthy resolution.

On the question recurring,  
Will the House adopt the resolution?

The following roll call was recorded:

#### YEAS—194

Acosta	Fargo	Lucyk	Saurman
Adolph	Farmer	Lynch	Saylor
Allen	Fee	Maitland	Scheetz
Argall	Fichter	Manderino	Schuler
Armstrong	Fleagle	Markosek	Scrimenti
Baker	Flick	Marsico	Semmel
Barley	Freeman	Masland	Serafini
Battisto	Gamble	Mayernik	Smith, B.
Bebko-Jones	Gannon	McCall	Smith, S. H.
Belardi	Geist	McGeehan	Snyder, D. W.
Belfanti	George	McNally	Staback
Birmelin	Gerlach	Melio	Stairs
Bishop	Gigliotti	Merry	Steelman
Blaum	Gladeck	Michlovic	Steighner
Boyes	Godshall	Micozzie	Steil
Brown	Gordner	Mihalich	Stern
Bunt	Gruitza	Miller	Stetler
Buxton	Gruppo	Mundy	Stish
Caltagirone	Haluska	Nailor	Strittmatter
Cappabianca	Hanna	Nyce	Sturla
Carn	Harley	O'Brien	Surra
Carone	Hasay	Olasz	Tangretti
Cawley	Hennessey	Oliver	Taylor, E. Z.
Cessar	Herman	Pesci	Taylor, J.
Chadwick	Hershey	Petrarca	Thomas
Civera	Hess	Petrone	Tighe
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colaella	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana

Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker

NAYS—0

NOT VOTING—1

Hughes

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

The SPEAKER. The Chair congratulates the gentleman, Mr. Sather, first-term member, on having his resolution adopted.

**RULES SUSPENDED**

The SPEAKER. The Chair recognizes the majority leader. Mr. ITKIN. Mr. Speaker, I move for a suspension of the rules for the consideration of HR 238.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—188

Acosta	Fargo	Lucyk	Saurman
Adolph	Farmer	Lynch	Saylor
Allen	Fee	Manderino	Scheetz
Argall	Fichter	Markosek	Schuler
Armstrong	Flick	Marsico	Scrimenti
Baker	Freeman	Masland	Semmel
Barley	Gamble	Mayernik	Serafini
Battisto	Gannon	McCall	Smith, B.
Bebko-Jones	Geist	McGeehan	Smith, S. H.
Belardi	George	McNally	Snyder, D. W.
Belfanti	Gerlach	Melio	Staback
Birmelin	Gigliotti	Merry	Stairs
Bishop	Gladeck	Michlovic	Steelman
Blaum	Godshall	Micozzie	Steil
Boyes	Gordner	Mihalich	Stern
Brown	Gruitza	Miller	Stetler
Bunt	Gruppo	Mundy	Stish
Buxton	Haluska	Nailor	Strittmatter
Caltagirone	Hanna	Nyce	Sturla
Cappabianca	Harley	O'Brien	Surra

Carn	Hasay	Olasz	Tangretti
Cawley	Hennessey	Oliver	Taylor, E. Z.
Cessar	Herman	Pesci	Taylor, J.
Chadwick	Hershey	Petrarca	Thomas
Civera	Hess	Petrone	Tigue
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colafrilla	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Preston	Utiana
Conti	Kaiser	Raymond	Vance
Cornell	Kasunic	Reber	Van Horne
Corrigan	Keller	Reinard	Veon
Cowell	Kenney	Richardson	Vitali
Coy	King	Rieger	Washington
Curry	Kirkland	Ritter	Williams
Daley	Krebs	Roberts	Wogan
DeLuca	Kukovich	Robinson	Wozniak
Dempsey	LaGrotta	Roebuck	Wright, D. R.
Dent	Laub	Rohrer	Wright, M. N.
Dermody	Laughlin	Rooney	Yandrisevits
Donatucci	Lawless	Rubley	Yewcic
Druce	Lederer	Rudy	Zug
Egolf	Lee	Ryan	
Evans	Leh	Santoni	DeWeese,
Fairchild	Lescovitz	Sather	Speaker
Fajt	Lloyd		

NAYS—4

Carone	Fleagle	Maitland	Platts
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NOT VOTING—3

Hughes	Steighner	Waugh
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EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

A majority of the members elected to the House having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

**CALENDAR CONTINUED**

**RESOLUTIONS**

Ms. BISHOP called up HR 238, PN 3198, entitled:

A Resolution committing State government to the reduction of violence.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—187

Acosta	Fajt	Lynch	Sather
Adolph	Fargo	Maitland	Saurman
Allen	Farmer	Manderino	Saylor
Argall	Fee	Markosek	Schuler
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Masland	Serafini
Barley	Flick	Mayernik	Smith, B.
Battisto	Freeman	McCall	Smith, S. H.

Bebko-Jones	Gamble	McGeehan	Snyder, D. W.
Belardi	Gannon	McNally	Staback
Belfanti	Geist	Melio	Stairs
Birmelin	George	Merry	Steelman
Bishop	Gerlach	Michlovic	Steighner
Blaum	Gigliotti	Micozzie	Steil
Boyes	Gladeck	Mihalich	Stern
Brown	Godshall	Miller	Stetler
Bunt	Gruppo	Mundy	Stish
Buxton	Haluska	Nailor	Strittmatter
Caltagirone	Harley	Nyce	Sturla
Cappabianca	Hasay	O'Brien	Surra
Carn	Hennessey	Olasz	Tangretti
Carone	Herman	Oliver	Taylor, E. Z.
Cawley	Hershey	Pesci	Taylor, J.
Cessar	Hess	Petrarca	Thomas
Chadwick	Hutchinson	Petrone	Tigue
Civera	Itkin	Pettit	Tomlinson
Clark	Jadlowiec	Phillips	Trello
Clymer	James	Piccola	Trich
Cohen, L. I.	Jarolin	Pistella	True
Cohen, M.	Josephs	Pitts	Tulli
Colaella	Kaiser	Platts	Uliana
Colaizzo	Kasunic	Preston	Vance
Conti	Keller	Raymond	Van Horne
Cornell	Kenney	Reber	Veon
Corrigan	King	Reinard	Vitali
Cowell	Kirkland	Richardson	Washington
Coy	Krebs	Rieger	Waugh
Curry	Kukovich	Ritter	Williams
Daley	LaGrotta	Roberts	Wogan
DeLuca	Laub	Robinson	Wozniak
Dempsey	Laughlin	Roebuck	Wright, D. R.
Dent	Lawless	Rohrer	Wright, M. N.
Dermody	Lederer	Rooney	Yandrisevits
Donatucci	Lee	Rubley	Zug
Druce	Leh	Rudy	
Egolf	Lescovitz	Ryan	DeWeese,
Evans	Lucyk	Santoni	Speaker

NAYS-6

Gordner	Hanna	Scrimenti	Yewcic
Gruitza	Lloyd		

NOT VOTING-2

Hughes	Scheetz
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EXCUSED-6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

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Mr. FICHTER called up HR 239, PN 3199, entitled:

A Resolution proclaiming the week of February 7 through 11, 1994, as "School Counseling Week" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-193

Acosta	Fargo	Lucyk	Saylor
Adolph	Farmer	Lynch	Scheetz
Allen	Fee	Maitland	Schuler
Argall	Fichter	Manderino	Scrimenti
Armstrong	Fleagle	Markosek	Semmel
Baker	Flick	Marsico	Serafini
Barley	Freeman	Masland	Smith, B.
Battisto	Gamble	Mayernik	Smith, S. H.
Bebko-Jones	Gannon	McCall	Snyder, D. W.
Belardi	Geist	McGeehan	Staback
Belfanti	George	Melio	Stairs
Birmelin	Gerlach	Merry	Steelman
Bishop	Gigliotti	Michlovic	Steighner
Blaum	Gladeck	Micozzie	Steil
Boyes	Godshall	Mihalich	Stern
Brown	Gordner	Miller	Stetler
Bunt	Gruitza	Mundy	Stish
Buxton	Gruppo	Nailor	Strittmatter
Caltagirone	Haluska	Nyce	Sturla
Cappabianca	Hanna	O'Brien	Surra
Carn	Harley	Olasz	Tangretti
Carone	Hasay	Oliver	Taylor, E. Z.
Cawley	Hennessey	Pesci	Taylor, J.
Cessar	Herman	Petrarca	Thomas
Chadwick	Hershey	Petrone	Tigue
Civera	Hess	Pettit	Tomlinson
Clark	Hutchinson	Phillips	Trello
Clymer	Itkin	Piccola	Trich
Cohen, L. I.	Jadlowiec	Pistella	True
Cohen, M.	James	Pitts	Tulli
Colaella	Jarolin	Platts	Uliana
Colaizzo	Josephs	Preston	Vance
Conti	Kaiser	Raymond	Van Horne
Cornell	Kasunic	Reber	Veon
Corrigan	Keller	Reinard	Vitali
Cowell	Kenney	Richardson	Washington
Coy	King	Rieger	Waugh
Curry	Kirkland	Ritter	Williams
Daley	Krebs	Roberts	Wogan
DeLuca	Kukovich	Robinson	Wozniak
Dempsey	LaGrotta	Roebuck	Wright, D. R.
Dent	Laub	Rohrer	Wright, M. N.
Dermody	Laughlin	Rooney	Yandrisevits
Donatucci	Lawless	Rubley	Yewcic
Druce	Lederer	Rudy	Zug
Egolf	Lee	Ryan	
Evans	Leh	Santoni	DeWeese,
Fairchild	Lescovitz	Sather	Speaker
Fajt	Lloyd	Saurman	

NAYS-0

NOT VOTING-2

Hughes	McNally
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EXCUSED-6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

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Mr. ITKIN called up **HR 246, PN 3204**, entitled:

A Resolution establishing a select committee of the House of Representatives to investigate the illegal proliferation and use of firearms including semiautomatic weapons.

On the question,  
Will the House adopt the resolution?

The SPEAKER. *The gentleman, Mr. Ryan, is recognized on HR 246, on page 12.*

Mr. RYAN. Mr. Speaker, we spent a great deal of time earlier today talking about the budget and putting money into education. Where I came from, where I was raised, 242 came before 246. I did not agree to pass over 242, which comes before 246. HR 242 happens to be my resolution, and I object to its being passed over. This is the one that was called on to be done yesterday.

I really resent this. This was to have been done yesterday, and I consider this a breach of faith to, without consulting with me, just ask that this be passed over and move on to another resolution, and this is the kind of thing that is going to start a war again, and I hope that it does not happen, but it is going that way. I hope that the majority leader and the Speaker reconsider just where we are on the calendar right now.

The SPEAKER. The Chair recognizes the majority leader.

Mr. ITKIN. Mr. Speaker, it has always been the prerogative of the majority party to set the agenda, to try to find an ordered way of handling things efficiently. Obviously, the members of the House are aware of the fact that the resolution that I am introducing today for consideration embraces pretty much what the minority leader's resolution does but goes beyond that.

Mr. RYAN. Mr. Speaker?

Mr. ITKIN. If the House—

### PARLIAMENTARY INQUIRY

The SPEAKER. The gentleman, Mr. Ryan. For what purpose does the gentleman rise?

Mr. RYAN. Point of parliamentary inquiry.

The SPEAKER. The gentleman is recognized and may state his point.

Mr. RYAN. What would be the appropriate motion to put this resolution, HR 246, on the table?

I will assign the following reasons: When we broke last week, it was with the distinct understanding—and I will ask the House stenographers to get the words of the majority leader and the words of the Appropriations Committee chairman—that it was going into Appropriations for the purpose of getting a fiscal note and it would be out on Monday and voted, and here we are playing games. I resent what you are doing. It is slipshod, it is slippery, and it is not becoming to you.

I move that HR 246 be tabled.

The SPEAKER. The gentleman rose to make a point of parliamentary inquiry. The gentleman may now be recognized. The gentleman will yield momentarily.

The gentleman will be recognized momentarily. The gentleman, Mr. Itkin, had the floor and has yet to yield the floor.

The gentleman, Mr. Itkin, is now recognized, the point of parliamentary inquiry having been made.

Mr. ITKIN. Mr. Speaker, I appreciate the indulgence of the House to deal with HR 246. Certainly, if Mr. Ryan objects to its consideration, at the appropriate time he can make the appropriate motion, which he is very much acquainted with the rules of procedure on this House floor.

But the reason why I decided to present this resolution first is because I think it is an ordered way of dealing with the issue before us, and that is the problem of violence and crime that is perpetuating in our communities.

Here in the House, this issue is starting to look like one of those horror movies with endless and ever-bloodier sequels.

First, "Assault Weapon" was a big hit in the Senate, when nearly every member there voted to overturn Philadelphia's ban.

Then came "Assault Weapon 2: Nightmare on Third Street" here in the House, but the plot had a surprising twist. A lot of members suddenly realized that the views of their constituents differed from those of the gun lobbyists, and they voted to approve a statewide ban.

But last week's "Assault Weapon 3: Lost in Harrisburg" suffered the flaw seen in many sequels. It was rushed through, artlessly and carelessly, when proponents smelled an easy box-office winner.

Personally, I think they miscalculated, and with my proposed sequel, "Assault Weapon 4: The Final Chapter," we can correct last week's hasty misstep.

Some people say that today's dueling resolutions make us look inconsistent, that the House cannot seem to make up its mind. Well, we cannot look any more inconsistent than we did after last week's vote to overturn our own vote for a statewide assault weapons ban. And besides, my mind is made up, even if others are not.

I have made up my mind to learn as much about the whole issue as I can. That is why I introduced this resolution, to form a panel that can tell us where the real problems are so that we can take corrective action and actually save lives.

In fact, after last week's rash vote, one House member who voted to eliminate the assault weapons ban that he had favored only 6 weeks before had this to say about the whole issue, and I quote: "The problems are not with these dramatic-looking, Star Wars-type things, but rather they are with the more mundane \$25 specials. If what we did didn't amount to much anyway, wouldn't it be better to do it right?" End of quote.

Well, here is our opportunity to do it right. And for those of you who feel uneasy about this resolution, I am pleased to say that you can vote "yes" without reservation, because the House member I just quoted, the one who suggested a more thorough examination of the broader issue, was none other than Matt Ryan.

My resolution establishes a select committee to investigate the illegal proliferation of all firearms, not just semiautomatic weapons.

Under this resolution, the panel is expanded to include someone from the State Health Department, since firearms violence is, from all accounts, a rising star in this State's health care crisis.

Under this resolution, the panel would release its findings concurrently with the Pennsylvania Anti-Violence Education Initiative. That way, we will have a substantial body of facts and figures on which to base legislation and plenty of time to take action on those bills.

This is the sensible, sane way to approach a sensitive issue. It is the best way to circumvent the real-life horror stories, the bloody sequels acted out in our streets and towns every single day, as more and more fathers and mothers and brothers and sisters and grandparents, sons, daughters, nieces, and nephews are forever silenced by firearms.

Even Matt Ryan agrees that this is the way to go, so let us tell the people of Pennsylvania that we are committed to uncovering the root causes of violent crime and finding effective solutions.

Matt, I am looking for your support for this resolution. Thank you.

The SPEAKER. Would the minority leader and the majority leader please approach the dais for 1 minute.

Mr. RYAN. From different sides.

(Conference held at Speaker's podium.)

**RESOLUTION TABLED**

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Ryan.

Mr. RYAN. Mr. Speaker, I move that HR 246 be tabled.

The SPEAKER. The gentleman from Delaware moves that HR 246 be tabled. This is not debatable, except by the floor leaders.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

**YEAS—126**

Adolph	Fleagle	Lucyk	Scheetz
Allen	Flick	Lynch	Schuler
Argall	Gamble	Maitland	Scrimenti
Armstrong	Gannon	Markosek	Semmel
Baker	Geist	Marsico	Serafini
Barley	George	Masland	Smith, B.
Belardi	Gerlach	Mayernik	Smith, S. H.
Belfanti	Gladeck	McCall	Snyder, D. W.
Birmelin	Godshall	Merry	Staback
Boyes	Gordner	Micozzie	Stairs
Brown	Gruitza	Miller	Steighner
Bunt	Gruppo	Nailor	Steil
Carone	Hanna	Nyce	Stern
Cessar	Harley	O'Brien	Stish
Chadwick	Hasay	Pesci	Strittmatter
Civera	Hennessey	Petrarca	Surra

Clark	Herman	Pettit	Tangretti
Clymer	Hershey	Phillips	Taylor, E. Z.
Cohen, L. I.	Hess	Piccola	Taylor, J.
Conti	Hutchinson	Pitts	Tomlinson
Cornell	Jadlowiec	Platts	True
Corrigan	Kenney	Raymond	Tulli
Coy	King	Reber	Uliana
Dempsey	Krebs	Reinard	Vance
Dent	Kukovich	Roberts	Waugh
Dermody	LaGrotta	Rohrer	Wogan
Druce	Laub	Rubley	Wright, D. R.
Egolf	Laughlin	Ryan	Wright, M. N.
Fairchild	Lawless	Sather	Yandrisevits
Fargo	Lee	Saurman	Yewcic
Farmer	Leh	Saylor	Zug
Fichter	Lloyd		

**NAYS—68**

Acosta	Evans	McNally	Santoni
Battisto	Fajt	Melio	Steelman
Bebko-Jones	Fee	Michlovic	Stetler
Bishop	Freeman	Mihalich	Sturla
Blaum	Gigliotti	Mundy	Thomas
Buxton	Haluska	Olasz	Tigue
Caltagirone	Hughes	Oliver	Trello
Cappabianca	Itkin	Petrone	Trich
Carn	James	Pistella	Van Home
Cawley	Jarolin	Preston	Veon
Cohen, M.	Josephs	Richardson	Vitali
Colafella	Kaiser	Rieger	Washington
Colaizzo	Kasunic	Ritter	Williams
Cowell	Keller	Robinson	Wozniak
Curry	Kirkland	Roebuck	
Daley	Lederer	Rooney	DeWeese, Speaker
DeLuca	Manderino	Rudy	
Donatucci	McGeehan		

**NOT VOTING—1**

Lescovitz

**EXCUSED—6**

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the motion was agreed to.

\* \* \*

Mr. RYAN called up **HR 242, PN 3169**, entitled:

A Concurrent Resolution establishing a select committee of the General Assembly to investigate the use of certain automatic and semiautomatic weapons.

On the question,  
Will the House adopt the resolution?

The SPEAKER. On the resolution, does the gentleman from Delaware seek recognition?

Mr. RYAN. Mr. Speaker, this resolution we covered, I think, fairly thoroughly the other day. It is essentially the same resolution— It is the same resolution that we went over. The only difference is, we now have a fiscal note that indicates that it may cost as much as \$2,000.

I would ask that the House vote favorably on this concurrent resolution.

The SPEAKER. The gentleman from Allegheny, Mr. Michlovic, is recognized on the Ryan resolution.

Mr. MICHLOVIC. Thank you, Mr. Speaker.

Mr. Speaker, I am going to vote against the House resolution, if nothing more, to show that it is a sham. Assigning a commission to study any subject and having that commission have the liberty to come in here on November 30 to submit a report, the very day we go sine die adjournment, is a sham, and I am going to vote that way. I ask those of you who agree with me to vote the same way. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the resolution, the gentleman, Mr. Williams, from Philadelphia is recognized.

Mr. WILLIAMS. Thank you, Mr. Speaker.

Mr. Speaker, last week when we engaged in this conversation about this particular resolution, I requested that we ask for a fiscal note, at which time the minority leader was kind enough to submit and have his resolution subjected to the Appropriations Committee with trepidation. He did that and discovered that in fact the cost was nominal, but during the course of that period of time, myself and some others studied the item a little bit closer and at which point in time we found out that we, in State government, have created the Joint State Government Committee to in fact carry out these particular activities.

Frankly, Mr. Speaker, there is a resolution which I have drafted, which unfortunately follows this particular activity, which I thought would precede this activity so that we could have a very objective Joint State Government Committee which would not allow us or which would not engage us in partisan activity. Republicans are assuming credit for this particular activity to gain cover or whatever it might be at the particular time, and I would hope that members would frankly consider that when they are casting a vote on this.

I recognize it would be very difficult to vote against this particular resolution, but for those who want to do it in a very responsible manner, that want to have the NRA (National Rifle Association) and other sportsmen's groups as an adviser, as opposed to actually sitting on the task force, I would ask them to delay their vote and share in casting with HR 245 as opposed to the particular HR 242. It is not that HR 242 is not a good resolution. It is just not complete, it is not thoroughly done, and I do not think it is completely thought out. I think we should leave it to the experts that we appropriate money to, that we give money to every year, and why would we want to duplicate their efforts, expend money for the Joint State Government Committee as well as create our own activity, I am not quite clear on, but I would hope that members would consider that when they are casting this vote. Thank you, Mr. Speaker.

The SPEAKER. Does the gentleman, Mr. McNally, seek recognition? The gentleman indicates he does. He is recognized on the Ryan resolution.

Mr. McNALLY. Mr. Speaker, I rise to oppose HR 242.

As one of the earlier speakers described it, this is a sham. It really falls to the level of being ridiculous. We have a committee under this resolution that would be appointed to make recommendations, and among the members of this committee would be designees of organizations such as the Federation of Sportsmen's Clubs, Unified Sportsmen of Pennsylvania, the NRA, Handgun Control, Keystone Citizens for the Preservation of Rights.

Now, Mr. Speaker, I ask you, what sort of recommendations do we expect these designees to make? Do we really honestly think for one moment that the designee of Handgun Control is going to sit on this committee, deliberate and listen to the evidence, and at the conclusion of the committee's work, end up saying perhaps, oh, well, the Uzi is not such a bad gun; we ought to keep that legal? Do you think that the person from the Handgun Control is going to say, oh, well, you know, the AK-47, that is a fine weapon? We already know what the position and the recommendation of Handgun Control is, and for that matter, the same thing goes for the Federation of Sportsmen's Clubs, the Unified Sportsmen of Pennsylvania, and the National Rifle Association. They have already decided their position on this issue and on these particular weapons. Why would we invite them to join in these deliberations as supposedly objective members of this committee? We know what their recommendations are. They have given those recommendations to us already, and this idea of having a committee to study this issue and then asking these individuals to come up with recommendations is absolutely absurd. I do not understand why we would be doing this.

As for the question of— If you look at page 2, look at line 2, that the select committee be created to investigate the illegal proliferation and uses of firearms, including semiautomatic weapons, and investigate their use in the commission of crimes in this Commonwealth. Well, Mr. Speaker, what is there to investigate? Pick up the phone; call up the Bureau of Alcohol, Tobacco, and Firearms; call the FBI. That type of information is available already. You do not need a committee to investigate it. There is not anything new that is going to be discovered by this committee. We know what the answers are. We have already made a decision, and the groups that we are asking to participate on this committee have already made their decisions.

This is really absurd. All it is is a CYA resolution, and we ought to defeat it.

The SPEAKER. The gentleman, Mr. Godshall.

Mr. GODSHALL. Thank you, Mr. Speaker.

I rise to wholeheartedly support this resolution.

This resolution would have, for the first time, groups from all sides sitting down at the same table. We have law enforcement; we have the sportsmen's groups; we have legislators; we have people that are involved sitting down at a table and looking at possible solutions.

I ask for a "yes" vote on this. And another point I want to make is that it does call for the findings and any recommendations by May 30 unless the committee decides it

needs more time; that is, the committee decides, not me, not you, but the committee decides.

So this is a good-faith resolution, and I ask for your support. Thank you.

The SPEAKER. The gentleman, Mr. Adolph, is recognized on the Ryan resolution.

Mr. ADOLPH. Thank you, Mr. Speaker.

I rise to support HR 242, and the reason I support HR 242 is because I really feel that a blue-ribbon committee is necessary. The reason why it is necessary is that we have not been able to get any type of ban for Philadelphia or Pittsburgh inside the House of Representatives. I voted against HB 185 and we got 62 votes. We were unable to keep the ban in Philadelphia and Pittsburgh, in the urban areas that need some type of ban on assault weapons. We do not have the votes here to pass a ban of assault weapons in the House of Representatives.

The previous speaker, Representative McNally, said, do they think the NRA designee or the sportsmen's group designee is going to support a ban of assault weapons? No, they are not going to support a ban of assault weapons. But do you think the designee of the Handgun Control or the F.O.P. (Fraternal Order of Police) or the Attorney General's Office is not going to support a ban?

We are sitting down here to offer a compromise just so they can come back out with something that we can move forward in. We are not going to be able to move forward in the House. Sixty-two votes we garnered last week. It is not going to change. If we really want to do something, let two sides work it out where the camera and the reporters are not around and see if we can make some type of improvement.

I wholeheartedly ask my colleagues who voted against HB 185 to consider this and to see if we can come out with some type of compromise so we can move Pennsylvania and make Pennsylvania a safer and a better place to live. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes Mr. Corrigan from Bucks.

Mr. CORRIGAN. Thank you, Mr. Speaker.

As a cosponsor of HR 242, I urge the members of the House on both sides of the aisle to vote "yes."

I am about assault-weaponed out. I do not know how long this debate is going to go on. Let us adopt this resolution. Let us get something constructive done. I think the time that has been put into this issue in the past 2 months is excessive. I think that we need to put this issue to rest.

Let us vote "yes" on HR 242 and get on with the more important business of the House.

The SPEAKER. The gentleman from Allegheny County, Mr. Cowell, on the Ryan resolution.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, I join with those colleagues who have urged that we not accept HR 242. I would urge that we defeat this and return to the Itkin resolution, HR 246, which is much preferable.

HR 242 in its current form becomes an excuse for this House of Representatives to do nothing on an issue that is of concern to Pennsylvanians all over this State. It is an excuse for us to sit and do nothing until the end of this session, because we will have the convenience of saying, some committee is studying the issue. It is a delaying tactic because there is no certainty, even if we pass this resolution today, that this committee will ever be formed, because the creation of the committee, even after our passage of the resolution today, would still require action by the Senate, and there is no reason to believe that that action would occur anytime soon or if ever.

So if we are serious about studying the issue, and that is a reasonable request, then we ought to pursue the Itkin resolution instead of the language in HR 242. We ought to allow this House to act unilaterally and create a commission or a committee and get on with business rather than tying our hands until the Senate does something. We ought to create that committee or that study body now and require that body to report back to us with its findings and recommendations in the near future, not sometime at the end of this session, as is the scenario created by HR 242, which says there will be a report midway through this year but then the committee can continue its investigation and issue a report by November 30, which happens to be the day when we go out of existence and when, for all intents and purposes, for this session, any kind of report becomes irrelevant.

Mr. Speaker, I would urge that we defeat HR 242 and then return to consideration of HR 246. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman from Allegheny and recognizes another gentleman from Allegheny, Mr. Kaiser.

Mr. KAISER. Mr. Speaker, I rise in opposition to HR 242. I agree with some of my colleagues that this is a CYA resolution.

I would like to give you and shed a little light on a conversation I had with a city of Pittsburgh police officer last Friday. I left my safe home in the suburbs and I had to travel down to the south side of the city of Pittsburgh to fill out a police report. My car was accidentally bumped in the city. I happened to walk in the police station and there was a young police officer sitting on the side. I went up to that police officer and I said, "Would you be willing to take an accident report?" He said, "Yes, Representative Kaiser, I'll do that." I said, "How do you know me?" He said, "Well, I used to be your constituent, and I moved in the city to become a police officer." During the course of taking the report, I asked him, "What do you think about this ban on assault weapons?" He said, "I'm the one." I said, "What do you mean, 'I'm the one'?" He said, "I'm the one who was driving my police car up in St. Clair Village when some kids opened fire on me with automatic weapons." He said, "I'd been on the job for 9 months, and I was very scared." He said, "Please do all you can to ban assault weapons." I talked a little further with him and I found out not only did I used to represent this young man, I knew his uncle and aunt. They were neighbors of mine in Brentwood.



This resolution does very little to protect the police. I have no problem out in my district. I represent the suburbs. We have no problems, but eventually they will be out there.

This resolution is bad news. Go in and talk to your police officers who represent Philly and Pittsburgh, those people that lay their lives on the line every day. See what they have to say about this resolution. I am safe here. I do not have to worry about it.

When I was talking to Officer Todd DiCenzo, he said, "I wear a bulletproof vest. I need this, but if I get caught in crossfire, I'm done; I'm done."

Please remember that when you are casting your vote, and remember, let us protect our police officers. Thank you.

The SPEAKER. The Chair thanks the gentleman and recognizes Representative King.

Mr. KING. Thank you, Mr. Speaker.

Certainly we can see that this resolution is a starting point to a meeting of the minds. I would just like to suggest to the former speaker that in his compelling and eloquent remarks, he spoke about the fear of the police officer and the fact that a police officer has to go out equipped with a bulletproof vest.

I can assure you that as we read other articles concerning this particular issue, that the fundamental end result of discussion is the banning of all guns, the banning of all guns. You know it. You have read those same articles. You belong to the groups who espouse that. But let me tell you one thing. If you think that that police officer fears for his life when he meets a criminal with a gun, how do you think that poor homeowner feels when he meets that same criminal with a gun? Does he have the protection? Can he call that police officer? Can he be there in time?

Several weeks ago, several weeks ago in the Post-Gazette there was an article about a burglary, a burglary in which the gentleman was found on top of a roof huddled behind a chimney. Up on the roof with this gentleman there was a VCR (videocassette recorder) and a recorder with a remote control. In addition to the VCR and the remote control, the gentleman had on his possession a wirecutter, a knife, and a .38-caliber revolver. Now, I submit to you, why would the burglar, in which we only see maybe 3 or 4 percent of them ever convicted, why would this gentleman ever think that he needs not only a knife and a wirecutter but he needs a pistol? I submit to you, because he is fearful of running into the homeowner, the gentleman or lady who owns the VCR.

So let us not kid ourselves about what the ultimate goal here is. The ultimate goal is to strip away the Second Amendment. Think about it.

The SPEAKER. The gentleman, Mr. Olasz, is recognized.

Mr. OLASZ. Thank you, Mr. Speaker.

I am sure I will create a little excitement in this House today. Yes, Joe, we will give them something to think about.

The SPEAKER. The gentleman, Mr. Olasz, has an especially poignant pronouncement, and the membership should be alerted.

Mr. OLASZ. Mr. Speaker, I have heard various comments from this floor today, and one in particular I have to respond

to right now, and that is regarding the sine die date of November 30. The question or the statement was, why do we not do something about it? Why are we waiting until then? The fact of the matter is, we did do something about it. We did something about 2 weeks ago when the vote was 134 to 63 against. What kind of game and dance are we playing? I mean, usually a football game lasts four quarters; a basketball game is 40 minutes; yeah, hockey 60 minutes, three periods. This thing, why is it going on until November? Because the opponents do not want to accept the fact that they were defeated. The score was registered. Now we are into this. Well, if we are into this, I am looking at this list of automatic weapons, Mr. Speaker, and one weapon that I do not see listed on here is the weapon of abortion.

Abortion wipes out 1.3 million lives a year. In 21 years, just imagine the number of deaths that we have had. I told you I would create some excitement. We showed our total disrespect for life 21 years ago, and no ban on any weapon is going to stop the slaughter that occurs out on the streets, in these wards, wherever they go. The fact of the matter is, someone greater than us has to answer the problem.

You talk about gun control. Those automatic weapons do not discharge themselves. They have someone to pull the trigger. We heard speeches here last week. We went home and what did we find in Pittsburgh? A murderer was out on bond. They reduced the bond to \$50,000 for a murder. While he was out, what did he do? He murdered two more people. Do you blame the gun, the automatic weapon? I do not know what he used.

But this is a plain fact of life. Go out there on the street and find out what exists. CNN had a program on here. A 13-year-old already had in his possession every firearm available. We had the man from California. Sure, he went through the process of a 5-day waiting period, and then he came back to New York and murdered people on a subway train. Well, I guarantee you, if those duly licensed people were carrying guns on that train, that man would have never had an opportunity to put a clip in the gun. He would have never had an attempt to reload because one of us would have plugged him before he would have got that other clip in there.

Everything that we are doing with this gun control legislation is caught up in the psychosis of the moment. Let us stop it. What are we going on? Promises, not performance.

I said last week, go look at the areas with the toughest gun control laws in the land. That is where you will find the majority of murders taking place. And I repeat the same statement that I made last week: Prohibition did not stop the flow of booze, and gun control is not going to stop these illegal weapons.

I am against mandatory sentences, but in some of these instances, you have to exact a pound of flesh for what is being done. If you are against building prisons and permanent incarceration, I said long ago the perfect answer is, take these aircraft carriers out of mothballs, tow them out to sea, anchor them to the abandoned oil rigs, and tell them, here you are, guys; you can play ball on the flight deck; you can swim; there

is a galley there for you to cook your food; there are laundries on them, and we do not need guards in these high-priced prisons.

But to continually use this as a campaign issue, and believe me, that is all it is, pure and simple — playing on the hysteria of the moment. This is not going to stop this slaughter, because if you go out on the street, the same thing I said years ago, what kind of gun do you want to rent? Do you want it for an hour? Do you want it for half a day? Do you want it for a day, or do you want us to do the job for you? This is all a sham — resolutions, bills, whatever. We put the score on the board here weeks ago, 134-63. That is the majority decision.

I hope you think about it and vote in the affirmative for HR 242, for what good it will do. Thank you.

The SPEAKER. The gentleman from Philadelphia, Mr. Thomas, is recognized on the Ryan resolution.

### POINT OF ORDER

Mr. ITKIN. Mr. Speaker?

The SPEAKER. The gentleman will yield momentarily.

There is a point of order being offered by the gentleman from Allegheny, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, the Ryan resolution, HR 242, is a concurrent resolution and appears under House resolutions out of order. I wanted to make sure that the House was aware of the fact that had the calendar been printed correctly, that my resolution, HR 246, would have preceded Mr. Ryan's in its order on the calendar and that Mr. Ryan's resolution should have followed mine in the order of today's calendar. At this point I am not willing to make an issue out of it, but I just wanted to clarify it for the record, Mr. Ryan.

The SPEAKER. The Chair thanks the gentleman and recognizes Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I was not going to comment on this resolution, but it was almost impossible for me to sit here knowing that I do not have a problem in standing for the victims of assault weapons. But it was hard for me to sit here and continue to hear this discussion about, this would do nothing; the Ryan resolution would do nothing; the Itkin resolution would not do anything; a ban on assault weapons would not do anything. Mr. Speaker, I find it very disturbing to hear that kind of discussion.

As I listened to it, I am reminded of something that Dr. King used to say, and that is that a man or woman who is unwilling to die for something does not have a right to live. What Dr. King meant is that we know that in the Commonwealth of Pennsylvania there are children, families, police officers that have been cut down at the hands of assault weapons. We know that law enforcement officers have come to this Capitol and have said to all of us that the law enforcement community is at a serious disadvantage given the level of ornament that is in the hands of the criminal throughout the Commonwealth of Pennsylvania.

It almost is frustrating to go out and work as a police officer or as a district attorney or as a probation or parole officer or as another law enforcement officer, that it is frustrating to go out and work from day to day knowing that there are individuals out there who are better armed than you are, who believe that they have a right, that they have rights under the Second Amendment just as you have rights under the Second Amendment. Even though we know it is very true that when the Second Amendment was crafted, it was never intended to mean that a 14-, 15-year-old could run up and down the street with an AK-47, a Mac 10, TEC-9, but the criminal believes that he or she has a right to bear arms under the Second Amendment. So violence will always beget violence. As long as we believe that we need to be armed, then we will continuously perpetuate the violence that is running rampant throughout our society.

So I do not want to take up too much time. I just want to make a point that it is important for each and every one of us to know that assault weapons, the proliferation of assault weapons in Pennsylvania, is getting out of hand. If we know that, then it is important for us to understand that we must do something while we have the chance, that we have a responsibility as elected officials, as representatives of 11.7 million people in the Commonwealth of Pennsylvania, to try and lead Pennsylvania and do what we can to make Pennsylvania a better place to live, work, and worship than it is now, because things are bad right now. They might not be as bad in Erie County as they are in Philadelphia County; they might not be as bad in Northumberland County as they are in Pittsburgh County, but to the Representatives of Northumberland County, Pittsburgh, Erie County, Philadelphia County, I say to all of you, one life, one victim of assault weapons, is just as important regardless of which one of the 67 counties that victim comes from. We can ill afford to sacrifice and offer up one life, one life. We do not have that luxury.

So, Mr. Speaker, it is time for us to stand for something. I do not care if we debate this issue until we sine die November 30 and then come back and debate it again December 1. I really do not care, because as long as children are being shot down, murdered, and maimed, wherever it happens in the Commonwealth of Pennsylvania, then we must do what we need to do in order to bring an end to it.

So the issue is not one of timing, it is not one of constitutional right or privilege, and it is not one of regulatory authority. It is a question of doing what we can and need to do while we have the chance and prevent another life from being taken at the end of an AK-47, TEC-9, or Mac 10. Let us get these weapons off the street. Thank you, Mr. Speaker.

Mr. RYAN. Mr. Speaker?

The SPEAKER. The gentleman from Delaware rises. For what point?

Mr. RYAN. Mr. Speaker, I purposely have not interrupted any of the previous speakers, but it has been called to my attention and I notice that, really, we are straying a long way from the content of the resolution, and we are really— And it has been interesting, I will say that, but it has been long, and

the debate has not been on the question of whether or not to adopt the resolution.

I would just think that with the weather conditions, with the idea that we are going to get involved in tax reform tonight, presumably, and we are going to take a break for dinner and come back and work again tonight, that we should hold the debate at least on point. And I am not being especially critical; I am simply calling it to the attention of the members.

The SPEAKER. The gentleman's admonition is on target, and the Chair will do his best to proceed along the lines which you have delineated.

The members will contain their remarks to the essence of the resolution.

Mr. Williams is recognized on the resolution.

Mr. WILLIAMS. Thank you, Mr. Speaker. On the resolution.

First, I want to rise and make my point as quite clear as possible. Apparently when I spoke earlier, some members were confused as to my position on the resolution.

While I recognize that the resolution certainly does not go to the heart of what I would like it to go to, it does not go to the extent that Mr. Itkin's went to and certainly does not resolve or address the issue of do we ban assault weapons in our society and certainly in Philadelphia County. I find it very difficult for us to be members of this chamber and not discuss at least looking at how we deal with firearms in the State of Pennsylvania, and on that point I would like to be recognized that I am going to be supportive of the resolution. But I do not want people to be confused as to what side I am on on this issue, but I am certainly not so paranoid of it that I would not want to study it or review it, so I believe members should support it.

But the comments to this point have suggested that you have to be on one side or the other to support Mr. Ryan's position, comments such as we know the ultimate goal is to outlaw guns in our society, which I think is totally ridiculous and farfetching. There are rules in our society for driving. There are rules in our society for drinking. I would suggest that we should have rules in our society regarding the regulation of these guns.

And I will close with this, Mr. Speaker, because I would like to be concise and move on to other business. People are sitting up here talking about this as if it is an activity and that there is a game going on and there is a score being cast. Well, I will tell you this, that there were at least 20 members who cast their votes one way one week and decided to change. That is one score. And I would suggest to you that the game is not over, but the public is watching, and they are certainly not in agreement with what we are doing today. The polls recognize that.

But more importantly, as I waited in my hotel room last night, I watched a movie about FBI agents who were tracking down bank robbers in Ohio. These bank robbers had every description of assault weapons and ammunition and the like, and they ended up taking out the lives of two FBI agents and permanently wounding six others. I think that that is the only

score that is relevant. I think the only score that is relevant is the body count which continues in our society because we do not regulate the activity of guns in our society.

And certainly I am not so paranoid to say that you should not have a gun in your household or that you should not be allowed to have a gun in your household, but I want you to be clear. If your car is ever carjacked, if a member of your family is ever murdered, if you are ever robbed in your home, the time from which you go get that gun and try to protect your family will not be enough. If people do not respect the laws that we have in our society, they certainly do not give a darn about that gun you have hidden under your pillow. And I hate to tell you, if your wife goes to get it, if she is not trained to use it, it is only going to result in further catastrophe to her and your family, and then you will be on this floor anguishing with that.

So I do not want anybody to be off the point. I am in support of the resolution, even though I certainly recognize it does not solve the issue and address the issue that we have all taken up. And I, too, will stand on many other debates along this line, but I believe that we should move along, vote for the resolution, and get on with the people's business. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the Ryan resolution, the gentleman, Mr. Phillips, seeks recognition. The gentleman is recognized.

Mr. PHILLIPS. Thank you, Mr. Speaker.

I ask for support of HR 242.

Let us not be deceived as to the makeup of the commission to be appointed. It is a balanced commission, and I think as so, all the views will be addressed. As we can see in this resolution, we have members of the police, Fraternal Order of Police, the Attorney General, local government, district attorney, the Governor's Office, members from the House, and sportsmen's groups. So we certainly do have a balanced committee.

I think it is necessary that we clarify the misinformation that all of us hear and read about every day concerning assault weapons, and I think it is about time that we get the facts. Let us see what weapons are used and what weapons are used to cause the problems that we have today. I think it is very important that we do not ban guns that have never been used in a crime. Let the commission do its work and report back to us with the accurate facts on the weapons that are listed in this resolution. Thank you very much.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,  
Will the House adopt the resolution?

(Members proceeded to vote.)

Mr. ITKIN. Mr. Speaker?

The SPEAKER. For what purpose does the gentleman rise?

Mr. ITKIN. I would just like to— I did not realize the vote was being taken. I wanted recognition.

The SPEAKER. The Chair would observe that nothing is in order but the taking of the vote.

On the question recurring,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—167

Adolph	Fichter	Lloyd	Schuler
Allen	Fleagle	Lucyk	Scrimenti
Argall	Flick	Lynch	Semmel
Armstrong	Freeman	Maitland	Serafini
Baker	Gamble	Manderino	Smith, B.
Barley	Gannon	Markosek	Smith, S. H.
Battisto	Geist	Marsico	Snyder, D. W.
Bebko-Jones	George	Masland	Staback
Belardi	Gerlach	Mayernik	Stairs
Belfanti	Gigliotti	McCall	Steelman
Birmelin	Gladeck	McGeehan	Steighner
Blaum	Godshall	Merry	Steil
Boyes	Gordner	Micozzie	Stern
Brown	Gruitza	Mihalich	Stish
Bunt	Gruppo	Miller	Strittmatter
Buxton	Haluska	Mundy	Sturla
Caltagirone	Hanna	Nailor	Surra
Carone	Harley	Nyce	Tangretti
Cawley	Hasay	O'Brien	Taylor, E. Z.
Cessar	Hennessey	Olasz	Taylor, J.
Chadwick	Herman	Pesci	Thomas
Civera	Hershey	Petrarca	Tomlinson
Clark	Hess	Petrone	Trello
Clymer	Hutchinson	Pettit	Trich
Cohen, L. I.	Itkin	Phillips	True
Cohen, M.	Jadlowiec	Piccola	Tulli
Colafrilla	James	Pistella	Uhiana
Colaizzo	Jarolin	Pitts	Vance
Conti	Josephs	Platts	Van Horne
Cornell	Kasunic	Raymond	Vitali
Corrigan	Keller	Reber	Waugh
Coy	Kenney	Reinard	Williams
Daley	King	Roberts	Wogan
DeLuca	Krebs	Rohrer	Wozniak
Dempsey	LaGrotta	Rublely	Wright, D. R.
Dent	Laub	Rudy	Wright, M. N.
Dermody	Laughlin	Ryan	Yandrisevits
Druce	Lawless	Santoni	Yewcic
Egolf	Lederer	Sather	Zug
Fairchild	Lee	Saurman	
Fargo	Leh	Saylor	DeWeese,
Farmer	Lescovitz	Scheetz	Speaker
Fee			

NAYS—27

Acosta	Fajt	Michlovic	Roebuck
Bishop	Hughes	Oliver	Rooney
Cappabianca	Kaiser	Preston	Stetler
Carn	Kirkland	Richardson	Tigue
Cowell	Kukovich	Rieger	Veon
Curry	McNally	Ritter	Washington
Donatucci	Melio	Robinson	

NOT VOTING—1

Evans

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

Ordered, That the clerk present the same to the Senate for concurrence.

\* \* \*

Mr. WILLIAMS called up HR 245, PN 3203, entitled:

A Concurrent Resolution directing the Joint State Government Commission to investigate the use of certain automatic and semiautomatic weapons; and creating a task force.

On the question,  
Will the House adopt the resolution?

The SPEAKER. On the resolution, the gentleman from Philadelphia is recognized.

Mr. WILLIAMS. Mr. Speaker, we have already engaged in this dialogue. My resolution, even though it uses the Joint State Government Commission, the business is the same. Mr. Ryan's resolution was considered prior to mine, so I withdraw my resolution, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman for his accession.

\* \* \*

Mr. ITKIN called up HR 247, PN 3205, entitled:

A Concurrent Resolution to authorize the Speaker of the House of Representatives to enter into an agreement to perform necessary duties and responsibilities to prepare for the 1997 National Conference of State Legislatures Annual Meeting in Philadelphia, Pennsylvania.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—195

Acosta	Farmer	Lucyk	Saurman
Adolph	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Scheetz
Argall	Fleagle	Manderino	Schuler
Armstrong	Flick	Markosek	Scrimenti
Baker	Freeman	Marsico	Semmel
Barley	Gamble	Masland	Serafini
Battisto	Gannon	Mayernik	Smith, B.
Bebko-Jones	Geist	McCall	Smith, S. H.
Belardi	George	McGeehan	Snyder, D. W.
Belfanti	Gerlach	McNally	Staback
Birmelin	Gigliotti	Melio	Stairs
Bishop	Gladeck	Merry	Steelman
Blaum	Godshall	Michlovic	Steighner
Boyes	Gordner	Micozzie	Steil
Brown	Gruitza	Mihalich	Stern
Bunt	Gruppo	Miller	Stetler
Buxton	Haluska	Mundy	Stish
Caltagirone	Hanna	Nailor	Strittmatter
Cappabianca	Harley	Nyce	Sturla

Carn	Hasay	O'Brien	Surra
Carone	Hennessey	Olasz	Tangretti
Cawley	Herrman	Oliver	Taylor, E. Z.
Cessar	Hershey	Pesci	Taylor, J.
Chadwick	Hess	Petrarca	Thomas
Civera	Hughes	Petrone	Tigue
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colafella	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana
Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker
Fargo			

NAYS—0

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

Ordered, That the clerk present the same to the Senate for concurrence.

**RULES SUSPENDED**

The SPEAKER. The Chair would ask the indulgence of the House.

The Chair recognizes the majority leader.

Mr. ITKIN. Due to the fact that tomorrow's schedule is problematic, I ask that the rules be temporarily suspended for the consideration of one more resolution, HR 244, PN 3211, on page 12.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—191

Acosta	Farmer	Lynch	Saurman
Adolph	Fee	Maitland	Saylor
Allen	Fichter	Manderino	Scheetz
Argall	Fleagle	Markosek	Schuler
Armstrong	Flick	Marsico	Scrimenti
Baker	Freeman	Masland	Semmel

Barley	Gamble	Mayermik	Serafini
Battisto	Gannon	McCall	Smith, B.
Bebko-Jones	Geist	McGeehan	Smith, S. H.
Belardi	George	McNally	Snyder, D. W.
Belfanti	Gerlach	Melio	Staback
Bishop	Gigliotti	Merry	Stairs
Blaum	Gladeck	Michlovic	Steelman
Boyes	Godshall	Micozzie	Steighner
Brown	Gordner	Mihalich	Steil
Bunt	Gruitza	Miller	Stern
Buxton	Gruppo	Mundy	Stetler
Caltagirone	Haluska	Nailor	Stish
Cappabianca	Harley	Nyce	Strittmatter
Carn	Hasay	O'Brien	Sturla
Carone	Hennessey	Olasz	Surra
Cawley	Herrman	Oliver	Tangretti
Cessar	Hershey	Pesci	Taylor, E. Z.
Chadwick	Hess	Petrarca	Taylor, J.
Civera	Hughes	Petrone	Tigue
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colafella	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana
Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Kukovich	Ritter	Williams
DeLuca	LaGrotta	Roberts	Wogan
Dempsey	Laub	Robinson	Wozniak
Dent	Laughlin	Roebuck	Wright, D. R.
Dermody	Lawless	Rohrer	Wright, M. N.
Donatucci	Lederer	Rooney	Yandrisevits
Druce	Lee	Rubley	Yewcic
Egolf	Leh	Rudy	Zug
Evans	Lescovitz	Ryan	
Fairchild	Lloyd	Santoni	DeWeese,
Fajt	Lucyk	Sather	Speaker
Fargo			

NAYS—1

Hanna

NOT VOTING—3

Birmelin	Krebs	Thomas
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EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

A majority of the members elected to the House having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

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Mr. COHEN called up HR 244, PN 3211, entitled:

A Resolution memorializing the Senate Foreign Relations Committee and the House Foreign Affairs Committee in Congress to hold open general hearings regarding the plight of the men, women and children caught in the war in Bosnia, Hercegovina.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—195

Acosta	Farmer	Lucyk	Saurman
Adolph	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Schoetz
Argall	Fleagle	Manderino	Schuler
Armstrong	Flick	Markosek	Scrimenti
Baker	Freeman	Marsico	Semmel
Barley	Gamble	Masland	Serafini
Battisto	Gannon	Mayernik	Smith, B.
Bebko-Jones	Geist	McCall	Smith, S. H.
Belardi	George	McGeehan	Snyder, D. W.
Belfanti	Gerlach	McNally	Staback
Birmelin	Gigliotti	Meljo	Stairs
Bishop	Gladeck	Merry	Steelman
Blaum	Godshall	Michlovic	Steighner
Boyes	Gordner	Micozzie	Steil
Brown	Gruitza	Mihalich	Stern
Bunt	Gruppo	Miller	Stetler
Buxton	Haluska	Mundy	Stish
Caltagirone	Hanna	Nailor	Strittmatter
Cappabianca	Harley	Nyce	Sturla
Carn	Hasay	O'Brien	Surra
Carone	Hennessey	Olasz	Tangretti
Cawley	Herman	Oliver	Taylor, E. Z.
Cessar	Hershey	Pesci	Taylor, J.
Chadwick	Hess	Petrarca	Thomas
Civera	Hughes	Petrone	Tigue
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colaella	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana
Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker
Fargo			

NAYS—0

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the resolution was adopted.

HR 238 RECONSIDERED

The SPEAKER. A reconsideration motion has been brought to the Chair.

The gentleman, Mr. Godshall, has asked that the vote by which HR 238, PN 3198, was passed on the 8th day of February be reconsidered.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—189

Acosta	Fargo	Lucyk	Saylor
Adolph	Farmer	Lynch	Schuler
Allen	Fee	Maitland	Scrimenti
Argall	Fichter	Manderino	Semmel
Armstrong	Fleagle	Markosek	Serafini
Baker	Flick	Marsico	Smith, B.
Barley	Freeman	Masland	Smith, S. H.
Battisto	Gamble	Mayernik	Snyder, D. W.
Bebko-Jones	Gannon	McCall	Staback
Belardi	Geist	McGeehan	Stairs
Belfanti	George	McNally	Steelman
Birmelin	Gerlach	Meljo	Steighner
Bishop	Gigliotti	Merry	Steil
Blaum	Gladeck	Michlovic	Stern
Boyes	Godshall	Micozzie	Stetler
Brown	Gordner	Mihalich	Stish
Bunt	Gruitza	Miller	Strittmatter
Buxton	Gruppo	Mundy	Sturla
Caltagirone	Haluska	Nailor	Surra
Cappabianca	Hanna	Nyce	Tangretti
Carn	Harley	O'Brien	Taylor, E. Z.
Carone	Hasay	Olasz	Taylor, J.
Cawley	Hennessey	Oliver	Thomas
Cessar	Herman	Pesci	Tigue
Chadwick	Hershey	Petrarca	Tomlinson
Civera	Hess	Petrone	Trello
Clark	Hughes	Pettit	Trich
Clymer	Hutchinson	Phillips	True
Cohen, L. I.	Itkin	Piccola	Tulli
Cohen, M.	Jadlowiec	Pistella	Uliana
Colaella	James	Platts	Vance
Colaizzo	Jarolin	Preston	Van Horne
Conti	Josephs	Reber	Veon
Cornell	Kaiser	Reinard	Vitali
Corrigan	Kasunic	Richardson	Washington
Cowell	King	Rieger	Waugh
Coy	Kirkland	Ritter	Williams
Curry	Krebs	Roberts	Wogan
Daley	Kukovich	Robinson	Wozniak
DeLuca	LaGrotta	Roebuck	Wright, D. R.
Dempsey	Laub	Rohrer	Wright, M. N.
Dent	Laughlin	Rooney	Yandrisevits
Dermody	Lawless	Rubley	Yewcic
Donatucci	Lederer	Rudy	Zug
Druce	Lee	Ryan	
Egolf	Leh	Santoni	DeWeese,
Evans	Lescovitz	Sather	Speaker
Fajt	Lloyd	Saurman	

NAYS—1

Keller

NOT VOTING—5

Fairchild	Pitts	Raymond	Scheetz
Kenney			

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,  
Will the House adopt the resolution?

RESOLUTION PASSED OVER

The SPEAKER. HR 238 is over for the day.

FILMING PERMISSION

The SPEAKER. John Sanks of WPVI, channel 6, is recognized for some temporary filming with audio on the floor of the House. He will be covering a series of House bills this afternoon.

BILLS ON THIRD  
CONSIDERATION CONTINUED

The House proceeded to third consideration of **HB 2202, PN 3141**, entitled:

An Act authorizing counties to impose sales and use or personal income taxes or in certain circumstances a combination of both; authorizing municipalities to impose personal income and municipal service taxes; empowering municipalities to require county sales and use taxes; authorizing school districts to impose taxes on personal income; providing for the levying, assessment and collection of such taxes; and providing for the powers and duties of the Department of Community Affairs, the Department of Revenue and the State Treasurer.

On the question,  
Will the House agree to the bill on third consideration?

Mr. TRELLO offered the following amendment No. A0455:

Amend Sec. 304, page 86, by inserting between lines 5 and 6

(6) To respond to a school district determined to be distressed under sections 691 through 695 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

Amend Sec. 304, page 86, line 6, by striking out "(6)" and inserting

(7)

Amend Sec. 703, page 101, by inserting between lines 17 and 18

(6) To respond to a school district determined to be distressed under sections 691 through 695 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

Amend Sec. 703, page 101, line 18, by striking out "(6)" and inserting

(7)

On the question,  
Will the House agree to the amendment?

The SPEAKER. On the Trello amendment, the gentleman from Allegheny County is recognized.

Mr. TRELLO. Mr. Speaker, this is one of many amendments that are going to be offered today, and this Assembly will either agree or disagree with these amendments.

Today will probably mark an end to an awful long journey that we have taken dealing with tax reform, and in my opinion, there has been bipartisan support on this and there has been a demand by our local municipalities, and I wish you all well with your amendments.

This first amendment that I offer today, 0455, there are six situations where people that opt into this tax reform package can use different reasons in regard to raising taxes. One that was left out was dealing with distressed school districts. All this amendment does is add the distressed school districts to this list, and I would appreciate your support.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—195

Acosta	Farmer	Lucyk	Saurman
Adolph	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Scheetz
Argall	Fleagle	Manderino	Schuler
Armstrong	Flick	Markosek	Scrimanti
Baker	Freeman	Marsico	Semmel
Barley	Gamble	Masland	Serafini
Battisto	Gannon	Mayernik	Smith, B.
Bebko-Jones	Geist	McCall	Smith, S. H.
Belardi	George	McGeehan	Snyder, D. W.
Belfanti	Gerlach	McNally	Staback
Birmelin	Gigliotti	Melio	Stairs
Bishop	Gladeck	Merry	Steelman
Blaum	Godshall	Michlovic	Steighner
Boyes	Gordner	Micozzie	Steil
Brown	Gruitza	Mihalich	Stern
Bunt	Gruppo	Miller	Stetler
Buxton	Haluska	Mundy	Stish
Caltagirone	Hanna	Nailor	Strittmatter
Cappabianca	Harley	Nyce	Sturia
Carn	Hasay	O'Brien	Surra
Carone	Hennessey	Olasz	Tangretti
Cawley	Herman	Oliver	Taylor, E. Z.
Cessar	Hershey	Pesci	Taylor, J.
Chadwick	Hess	Petrarca	Thomas
Civera	Hughes	Petrone	Tigue
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colafella	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana
Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan

Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker
Fargo			

NAYS—0

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the amendment was agreed to.

On the question,

Will the House agree to the bill on third consideration as amended?

Mr. TRELLO offered the following amendment No. A0454:

Amend Sec. 301, page 84, by inserting between lines 1 and 2

(6) An earned income tax under the act of August 24, 1961 (P.L.1135, No.508), referred to as the First Class A School District Earned Income Tax Act, or under the additional authority in section 652.1(a)(2) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

(7) Any tax under section 652.1(a)(4) of the Public School Code of 1949.

Amend Sec. 301, page 84, line 2, by striking out "(6)" and inserting

(8)

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman from Allegheny County is recognized.

Mr. TRELLO. Thank you, Mr. Speaker.

This is a technical amendment.

The Pittsburgh School District is already covered by the bill inasmuch as being able to shift the personal income tax base. However, the bill does not provide that taxes must be offset, since the Pittsburgh School District does not levy its taxes under Act 511. This amendment does provide that offset, and I appreciate an affirmative vote.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—187

Acosta	Fargo	Lynch	Saylor
Adolph	Farmer	Maitland	Scheetz
Allen	Fee	Manderino	Schuler

Argall	Fichter	Markosek	Scrimenti
Armstrong	Fleagle	Marsico	Semmel
Baker	Freeman	Masland	Serafini
Barley	Gamble	Mayernik	Smith, B.
Battisto	Gannon	McCall	Smith, S. H.
Bebko-Jones	George	McGeehan	Snyder, D. W.
Belardi	Gerlach	McNally	Staback
Belfanti	Gigliotti	Melio	Stairs
Birmelin	Gladeck	Merry	Steelman
Bishop	Godshall	Michlovic	Steighner
Blaum	Gordner	Micozzie	Steil
Boyes	Gruitza	Mihalich	Stetler
Brown	Gruppo	Miller	Stish
Bunt	Haluska	Mundy	Strutmatter
Buxton	Hanna	Nailor	Sturla
Caltagirone	Harley	Nyce	Surra
Cappabianca	Hasay	O'Brien	Tangretti
Carn	Hennessey	Olasz	Taylor, E. Z.
Carone	Herman	Oliver	Taylor, J.
Cawley	Hershey	Pesci	Thomas
Cessar	Hughes	Petrarca	Tigue
Chadwick	Hutchinson	Petrone	Tomlinson
Civera	Itkin	Pettit	Trello
Clark	Jadlowiec	Phillips	Trich
Clymer	James	Piccola	True
Cohen, L. I.	Jarolin	Pistella	Tulli
Cohen, M.	Josephs	Platts	Uliana
Colafella	Kaiser	Preston	Vance
Colaizzo	Kasunic	Raymond	Van Horne
Conti	Keller	Reber	Veon
Cornell	Kenney	Reinard	Vitali
Corrigan	King	Richardson	Washington
Cowell	Kirkland	Rieger	Waugh
Coy	Krebs	Ritter	Williams
Curry	Kukovich	Roberts	Wogan
Daley	LaGrotta	Robinson	Wozniak
DeLuca	Laub	Roebuck	Wright, D. R.
Dempsey	Laughlin	Rohrer	Wright, M. N.
Dent	Lederer	Rooney	Yandrisevits
Dermody	Lee	Rubley	Yewcic
Druce	Leh	Rudy	Zug
Egolf	Lescovitz	Ryan	
Evans	Lloyd	Santoni	DeWeese,
Fairchild	Lucyk	Saurman	Speaker
Fajt			

NAYS—7

Flick	Hess	Pitts	Stern
Geist	Lawless	Sather	

NOT VOTING—1

Donatucci

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?



Mr. TRELLO offered the following amendment No. A0515:

Amend Sec. 303, page 84, line 18, by inserting after "EFFECT"

at least thirteen months prior to the calendar year when the taxes will be initially imposed

Amend Sec. 303, page 84, line 28, by inserting after "PRECEDING"

by thirteen months

Amend Sec. 304, page 85, line 10, by striking out "IMMEDIATELY"

Amend Sec. 304, page 85, line 10, by inserting after "PRECEDING"

by thirteen months

Amend Sec. 304, page 85, lines 11 through 14, by striking out "FOR ENTITIES OPERATING ON A CALENDAR YEAR FISCAL" in line 11, all of lines 12 and 13 and "FISCAL BASIS" in line 14

Amend Sec. 320.1, page 93, line 23, by inserting a comma after "QUESTION"

Amend Sec. 322, page 94, line 11, by inserting after "COLLECT"

on a calendar year basis

Amend Sec. 322, page 94, line 15, by inserting after "COLLECT"

on a calendar year basis

Amend Sec. 322, page 94, line 20, by inserting after "COLLECT"

on a calendar year basis

Amend Sec. 323, page 94, line 27, by inserting after "322." The department shall establish policies and procedures for collection, including payment schedules, and filing and transfers under section 9 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

Amend Sec. 326, page 96, line 5, by striking out "FUNDS" and inserting

Fund

Amend Sec. 326, page 96, lines 6 through 8, by striking out "FOR EACH MUNICIPALITY, SCHOOL" in line 6, all of line 7 and "(PROPER NAME)" in line 8 and inserting

the local

Amend Sec. 326, page 96, line 9, by striking out "FUNDS" and inserting

fund

Amend Sec. 326, page 96, line 15, by removing the comma after "PAID" and inserting a period

Amend Sec. 326, page 96, lines 15 through 18, by striking out "SHALL BE" in line 15, all of lines 16 and 17 and "INTEREST" in line 18 and inserting

Interest

Amend Sec. 326, page 96, line 20, by striking out "FUNDS" where it appears the first time and inserting

fund

Amend Sec. 326, page 96, line 20, by striking out "FUNDS" where it appears the second time and inserting

fund

Amend Sec. 326, page 96, line 21, by striking out "FUNDS" and inserting

fund

Amend Sec. 326, page 96, line 24, by striking out "FUNDS" and inserting

fund

Amend Sec. 326, page 96, line 25, by striking out "FUNDS" and inserting

fund

Amend Sec. 326, page 96, line 29, by striking out "RESPECTIVE FUNDS" and inserting

fund

Amend Sec. 327, page 97, lines 1 and 2, by striking out "APRIL 10, JULY 10, OCTOBER 10 AND THE NEXT SUCCEEDING JANUARY 10" and inserting

June 30, September 30, December 31 and March 31

Amend Sec. 327, page 97, line 5, by striking out "MONTH" and inserting

quarter

Amend Sec. 327, page 97, line 5, by striking out "RESPECTIVE PERSONAL" and inserting

Local Personal

Amend Sec. 327, page 97, line 6, by striking out "FUNDS." and inserting

Fund. Interest credited to the fund for the previous quarter shall be disbursed in the same ratio as the fund is disbursed to each county, municipality and school district.

Amend Sec. 505, page 99, line 18, by striking out "OR SCHOOL DISTRICT"

Amend Sec. 505, page 99, line 19, by striking out "SECTIONS 501, 502, 503 AND" and inserting section

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman, Mr. Trello, is recognized.

Mr. TRELLO. Mr. Speaker, this amendment is also a technical amendment.

First of all, it requires the implementation of a bill on the part of any taxing district no matter how it chooses to implement the referendum. What this does, it gives them 13 months prior to the year when this goes into effect to act on the necessary implementation of the tax reform package.

Second, it requires that the PIT be levied on a calendar-year basis. This is necessary so it will be consistent with the State in filing its reconciliation.

School districts have their budget different than the State. Their annual year is a little different than ours, and this will change that so they can qualify for the tax reform package.

Thirdly, the amendment provides for one local tax fund for personal income tax collection instead of 3,000 municipalities. It gives the participating taxing districts the reconciliation which will be done, and they will receive 2 percent or whatever of the percentage that is allowed for that particular district, plus it will allow them to collect the interest on their share of the amount of money that is to be forwarded to them.

Fourth, the amendment provides for the distribution of the funds to be made on four different occasions - the end of June, September, December, and March. This will allow the Department of Revenue, at least 2 months in advance, to make preparations to distribute this money and also will allow the local taxing authority to give them their last quarter before this bill goes into effect.

I would appreciate an affirmative vote on the amendment.

The SPEAKER. The Chair thanks the gentleman.

On the Trello amendment, the gentleman, Mr. Boyes, from Erie is recognized.

Mr. BOYES. Thank you, Mr. Speaker.

Will the gentleman stand for interrogation?

The SPEAKER. The gentleman indicates that he will, and Mr. Boyes may interrogate Mr. Trello.

Mr. BOYES. Mr. Speaker, there were some questions that came up in our caucus, if you could just help us to clarify the

intent of the amendment and the effective date. What bearing will it have on the effective date of the tax reform package?

Mr. TRELLO. Well, this will allow— It would push it back approximately a year, to answer your question.

Mr. BOYES. We are talking then, Mr. Speaker, January of 1996 instead of January of 1995. Is that correct?

Mr. TRELLO. That is approximately correct. Or sooner if they can get the job done.

Mr. BOYES. Okay. I thank you.

I have completed my interrogation.

The SPEAKER. The gentleman is recognized on the amendment.

Mr. BOYES. We have no objection to it. We have nothing stated for the record, so we would support the amendment as presented.

The SPEAKER. On the Trello amendment, the gentleman, Mr. Snyder, from Lehigh.

Mr. SNYDER. Thank you, Mr. Speaker.

Could the maker of the amendment also stand for interrogation?

The SPEAKER. The gentleman indicates that he will. You may proceed.

Mr. SNYDER. Mr. Speaker, I recognize that this bill is rather complex, and hopefully within the next few hours we will all have a better understanding of what the bill will offer our municipalities and school districts. However, looking at your amendment, amending section 304, paragraph (A), on page 85, is it your intent to take out the language that requires the referendum to be held immediately preceding the calendar year of the proposed tax increase and changing that to a 13-month lead period?

Mr. TRELLO. The referendum would have to be held at least 13 months prior to them opting into the program.

Mr. SNYDER. Mr. Speaker, as I look at section 304, the sentence that you are amending though, that rule applies to not only those municipalities that are opting into the program by referendum initially but also includes those municipalities which decide to opt into the program by ordinance initially, and then requires a referendum for any subsequent tax increases.

Mr. Speaker, is it your intent that if a municipality or county or school district opts into this program by ordinance, that any tax increase would have to be approved by the voters 13 months prior to it going into effect?

Mr. TRELLO. Well, this request is from the Department of Revenue. They indicate to us it will take them at least 13 months to set up the mechanism to put this tax reform package in order. That is exactly what we are trying to do with the amendment, to give the Department of Revenue the amount of time that is necessary to set up the program, and it is 13 months.

Mr. SNYDER. But, Mr. Speaker, what you are amending in section 304(A) is not just for the initial setting up of a program of a new tax. This is also the general rule that applies to any future tax increases even once a program is in effect.

According to the way I am reading your amendment, Mr. Speaker—correct me if I am wrong—if I am a school district who opts into this program and subsequently we determine we need a tax increase in the property millage or some other tax under this act, we would have to know 13 months ahead of time what that tax rate would be in order to get voter approval for it, long before the budget is even required to be approved by that school district or even a municipality.

Mr. TRELLO. I do not really agree with your interpretation of it. My interpretation of it is, regardless of whether you do it by referendum or ordinance, the Department of Revenue needs 13 months to set up the mechanism to put the plan into motion.

Mr. SNYDER. Mr. Speaker, could you please read section 304, paragraph (A), the general rule, as it would be amended by your language on page 85?

Mr. TRELLO. We are trying to find the— Mr. Speaker, I think the gentleman brings up a very vital point and he might be right, so with your permission, Mr. Speaker, could we hold this amendment over and come back to it later?

#### AMENDMENT PASSED OVER TEMPORARILY

Mr. TRELLO. Mr. Speaker, could we pass over this amendment temporarily?

The SPEAKER. That will be no problem.

The Trello amendment will be passed over temporarily.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. GERLACH offered the following amendment No. A0566:

Amend Sec. 303, page 84, line 11, by striking out all of said line and inserting

(a) General rule.—

(1) Any governing body which desires to

Amend Sec. 303, page 84, by inserting between lines 14 and 15

(2) Any governing body after making an election to participate under this act may, after a period of at least three full calendar years of participation, elect, under the provisions of subsection (c) to be covered by and subject to the provisions of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act.

On the question,

Will the House agree to the amendment?

The SPEAKER. Mr. Gerlach is recognized on his amendment.

Mr. GERLACH. Thank you, Mr. Speaker.

This amendment, for the information of the members, is in packet No. 4.

Mr. MELIO. Mr. Speaker?

I would just appreciate it if the Speaker could tell us what amendment book the amendment is in.

The SPEAKER. The gentleman's question is pertinent. The gentleman will yield momentarily.

Mr. GERLACH. Packet No. 4, Mr. Speaker, for your reference.

The SPEAKER. The Chair thanks the respondent, Mr. Gerlach, for his edification.

Packet No. 4, to repeat for the membership.

The gentleman is recognized and may proceed on his amendment.

Mr. GERLACH. Thank you, Mr. Speaker.

The intent of this amendment is for the situation where a municipality or a school district or county opts into a new structure of taxation under the provisions of this act. If they feel at some point down the road that that was not the appropriate decision to make based on the characteristics of their taxing district and they would like to move back to their system of taxation that they have now presently, this section will allow them to do so after 3 years and allow the governing body to make that election after the period of 3 years has expired to go back to their current system of taxation.

The SPEAKER. The gentleman, Mr. Nyce, is recognized on the Gerlach amendment.

Mr. NYCE. Thank you, Mr. Speaker.

Would the gentleman stand for interrogation?

The SPEAKER. The gentleman indicates he will, and Mr. Nyce may proceed.

Mr. NYCE. Mr. Speaker, could you tell me, in the amendment itself, it requires a 3-calendar-year term before you can revert back to the old system. How would that affect school districts who operate on a fiscal-year basis?

Mr. GERLACH. As I understand it, Mr. Speaker, if the option is taken to undertake a new tax structure in calendar year, say, 1995, it would be calendar years 1995, 1996, 1997 that that would be in place, and in calendar 1998 they can make the decision to return at the next fiscal year, the start of the next fiscal year, to the current system that they would have presently.

Mr. NYCE. So may I ask then, Mr. Speaker, in effect, it could encompass as many as, is it 4 or 5 fiscal periods before the actual reversion would take place, due to the fiscal break period on June 30 for school districts.

Mr. GERLACH. No, I do not think it would be 5. I think it is possibly encompassing 4 fiscal years, but not 5.

Mr. NYCE. No, it is 5, because in the year of implementation you have a year, and the ending year you have a year, and 3 intervening years for 3 full calendar years, so I think you are at 5. I just wanted to make that clear to the members, that in the case of school districts, it would require basically 5 periods, 2 half years, which encompasses 5 calendar-year periods, before a reversion could take place for school districts.

That is the only comment I had, Mr. Speaker.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—192

Adolph	Farmer	Lynch	Saurman
Allen	Fee	Maitland	Saylor
Argall	Fichter	Manderino	Scheetz
Armstrong	Fleagle	Markosek	Schuler
Baker	Flick	Marsico	Scrimenti
Barley	Freeman	Masland	Semmel
Battisto	Gamble	Mayernik	Serafini
Bebko-Jones	Gannon	McCall	Smith, B.
Belardi	Geist	McGeehan	Smith, S. H.
Belfanti	George	McNally	Snyder, D. W.
Birmelin	Gerlach	Melio	Staback
Bishop	Gigliotti	Merry	Stairs
Blaum	Gladeck	Michlovic	Steelman
Boyes	Godshall	Micozzie	Steighner
Brown	Gordner	Mihalich	Steil
Bunt	Gruitza	Miller	Stern
Buxton	Gruppo	Mundy	Stetler
Caltagirone	Haluska	Nailor	Stish
Cappabianca	Hanna	Nyce	Strittmatter
Carn	Harley	O'Brien	Sturla
Carone	Hasay	Olasz	Surra
Cawley	Hennessey	Oliver	Tangretti
Cessar	Herman	Pesci	Taylor, E. Z.
Chadwick	Hershey	Petrarca	Taylor, J.
Civera	Hess	Petrone	Thomas
Clark	Hughes	Pettit	Tigue
Clymer	Hutchinson	Phillips	Tomlinson
Cohen, L. I.	Itkin	Piccola	Trello
Cohen, M.	Jadlowiec	Pistella	Trich
Colafella	Jarolin	Pitts	True
Colaizzo	Josephs	Platts	Tulli
Conti	Kaiser	Preston	Uliana
Cornell	Kasunic	Raymond	Vance
Corrigan	Keller	Reber	Van Home
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisovits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker
Fargo	Lucyk		

NAYS—0

NOT VOTING—3

Acosta	James	Veon
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EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. GERLACH offered the following amendment No. A0567:

Amend Sec. 320, page 92, line 14, by striking out "ADOPT" and inserting

adopt

Amend Sec. 320, page 92, line 15, by striking out "319." and inserting

319; and

Amend Sec. 320, page 92, line 16, by striking out "ADOPT" and inserting

adopt

On the question,  
Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman is recognized.

Mr. GERLACH. Thank you, Mr. Speaker.

This is a technical amendment that is fashioned for the intent of making it very clear in the body of the bill that for municipalities who are qualified to receive disbursements from a sales tax which is otherwise authorized under this bill, those municipalities are entitled to the disbursements from that sales tax if they adopt, in a timely fashion, the ordinance required under the bill and adopt the necessary ordinances and impose the taxes under this act themselves.

The way the bill currently reads, it could be interpreted that if they did one or the other, they would be entitled to the sales tax revenues. We want to make it clear that they have to perform both, thus using the word "and," in order to obtain the revenues from the sales tax and be a qualified municipality under the terms of the bill.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—193

Acosta	Farmer	Lucyk	Saylor
Adolph	Fee	Lynch	Scheetz
Allen	Fichter	Maitland	Schuler
Argall	Fleagle	Manderino	Scrimenti
Armstrong	Flick	Markosek	Semmel
Baker	Freeman	Marsico	Serafini
Barley	Gamble	Masland	Smith, B.
Battisto	Gannon	Mayernik	Smith, S. H.
Bebko-Jones	Geist	McCall	Snyder, D. W.
Belardi	George	McGeehan	Staback
Belfanti	Gerlach	McNally	Stairs
Birmelin	Gigliotti	Melio	Steelman
Blaum	Gladeck	Merry	Steighner
Boyes	Godshall	Michlovic	Steil
Brown	Gordner	Micozzie	Stern
Bunt	Gruitza	Mihalich	Stetler
Buxton	Gruppo	Miller	Stish
Caltagirone	Haluska	Mundy	Strittmatter
Cappabianca	Hanna	Nailor	Sturla
Carn	Harley	Nyce	Surra
Carone	Hasay	O'Brien	Tangretti
Cawley	Hennessey	Olasz	Taylor, E. Z.
Cessar	Herman	Oliver	Taylor, J.
Chadwick	Hershey	Pesci	Thomas
Civera	Hess	Petrarca	Tigue

Clark	Hughes	Petrone	Tomlinson
Clymer	Hutchinson	Pettit	Trello
Cohen, L. I.	Itkin	Phillips	Trich
Cohen, M.	Jadlowiec	Piccola	True
Colafrilla	James	Pistella	Tulli
Colaizzo	Jarolin	Pitts	Uliana
Conti	Josephs	Platts	Vance
Cornell	Kaiser	Preston	Van Horne
Corrigan	Kasunic	Raymond	Veon
Cowell	Keller	Reber	Vitali
Coy	Kenney	Reinard	Washington
Curry	King	Richardson	Waugh
Daley	Kirkland	Rieger	Williams
DeLuca	Krebs	Ritter	Wogan
Dempsey	Kukovich	Roberts	Wozniak
Dent	LaGrotta	Robinson	Wright, D. R.
Dermody	Laub	Rohrer	Wright, M. N.
Donatucci	Laughlin	Rooney	Yandrisevits
Druce	Lawless	Rubley	Yewcic
Egolf	Lederer	Rudy	Zug
Evans	Lee	Ryan	
Fairchild	Leh	Santoni	DeWeese,
Fajt	Lescovitz	Sather	Speaker
Fargo	Lloyd	Saurman	

NAYS—0

NOT VOTING—2

Bishop                      Roebuck

EXCUSED—6

Bush                      Durham                      Nickol                      Perzel  
Butkovitz                      Levdansky

The question was determined in the affirmative, and the amendment was agreed to.

GUESTS INTRODUCED

The SPEAKER. The Chair would like to take 30 seconds and introduce some friends and guests of our colleague, Representative George Saurman. If Jacquelyn Hamilton of Hatboro-Horsham High School and her dad, Clifford Hamilton, would please stand up and be recognized as our guests today. Students at Hatboro-Horsham High School will hopefully be the beneficiary of a lot of additional knowledge on local tax reform when you go back. Welcome to the hall of the House.

CONSIDERATION OF HB 2202 CONTINUED

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. GERLACH offered the following amendment No. A0568:

Amend Sec. 315, page 88, lines 17 through 22, by striking out all of said lines and inserting  
to 1% of the revenues collected under this subchapter for its administrative costs.

Amend Sec. 318, page 91, by inserting between lines 6 and

7  
(d) Penalty.—If disbursements are not made on or before the tenth day of each month, a 5% penalty shall be added thereto plus an additional 1% late charge per month delayed.

Amend Sec. 324, page 95, lines 4 through 11, by striking out all of lines 4 through 10 and "COUNTY." in line 11 and inserting to 1% of the revenues collected under this subchapter for its administrative costs.

Amend Sec. 327, page 97, line 6, by inserting after "FUNDS."

If disbursements are not made on or before the dates listed herein, a 5% penalty shall be added thereto plus a 1% late charge per month delayed.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman, Mr. Gerlach, is recognized.

Mr. GERLACH. Thank you, Mr. Speaker.

This amendment, for those who are looking through the bill as we are going through the discussion on these amendments, is on page 88, dealing with administrative costs, covering the costs of administration for the collection of taxes from the local municipalities. Given the current language, the purpose of this amendment is to limit the costs of administration that the Department of Revenue would be able or be entitled to receive, in connection with this section, to 1 percent of the revenues collected for administrative costs.

There is also on page 91 to be added, if this amendment were to be enacted, a penalty clause that if disbursements are not made by a certain time period, the 10th day of each month, a 5-percent penalty shall be added thereto plus a late charge of 1 percent per month.

The intent of this is to really make sure that whatever administrative costs are tied to this collection under this legislation, it is a reasonable amount of administrative costs and that there is a specific penalty provision to make sure those disbursements get back out to our local municipalities who need those revenues for continuing services. Thank you.

The SPEAKER. The Chair thanks the gentleman.

Mr. Kukovich on the Gerlach amendment.

Mr. KUKOVICH. Thank you, Mr. Speaker.

I would ask for a "yes" vote.

Some members of the Democratic Caucus raised some questions about this portion of the bill. I think that this clears up some rather ambiguous language and improves the bill, and I would ask for a "yes" vote.

The SPEAKER. The gentleman, Mr. Nyce, is recognized on the Gerlach amendment.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, I would like to interrogate the maker of the amendment.

The SPEAKER. The gentleman accedes to the request, and you may proceed.

Mr. NYCE. Mr. Speaker, in caucus a different explanation was given for this amendment. I would just like the members on our side of the aisle to understand that the explanation given in caucus for this amendment was different from what we are hearing about the amendment now.

Would you please restate again what the purpose of the amendment is in terms of the 1 percent for administrative costs? Does this only apply to the sales tax?

Mr. GERLACH. I believe if you read both section 324 and section 315, both included in the amendment, they cover both the PIT and the sales tax sections.

Mr. NYCE. Okay. So what you are dealing with is the administrative costs of collection and also penalties involved in not paying in a timely fashion?

Mr. GERLACH. For both those taxes, that is correct, Mr. Speaker.

Mr. NYCE. For both those sections.

All right. Then I would alert the members that this is an amendment that, at least from my perspective, I can support, and I urge the members to support it.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—191

Adolph	Farmer	Lloyd	Saurman
Allen	Fee	Lucyk	Saylor
Argall	Fichter	Lynch	Scheetz
Armstrong	Fleagle	Maitland	Schuler
Baker	Flick	Manderino	Scrimanti
Barley	Freeman	Markosek	Semmel
Battisto	Gamble	Marsico	Serafini
Bebko-Jones	Gannon	Masland	Smith, B.
Belardi	Geist	Mayernik	Smith, S. H.
Belfanti	George	McCall	Snyder, D. W.
Birmelin	Gerlach	McGeehan	Staback
Bishop	Gigliotti	McNally	Stairs
Blaum	Gladeck	Melio	Steelman
Boyes	Godshall	Merry	Steighner
Brown	Gordner	Michlovic	Steil
Bunt	Gruitza	Micozzie	Stern
Buxton	Gruppo	Mihalich	Stedler
Caltagirone	Haluska	Miller	Stish
Cappabianca	Hanna	Mundy	Strittmatter
Carn	Harley	Nailor	Sturla
Carone	Hasay	Nyce	Surra
Cawley	Hennessey	O'Brien	Tangretti
Cessar	Herman	Olasz	Taylor, E. Z.
Chadwick	Hershey	Oliver	Taylor, J.
Civera	Hess	Pesci	Thomas
Clark	Hughes	Petrarca	Tigue
Clymer	Hutchinson	Petrone	Tomlinson
Cohen, L. I.	Itkin	Pettit	Trello
Cohen, M.	Jadlowiec	Piccola	Trich
Colafiglia	James	Pistella	True
Colaizzo	Jarolin	Pitts	Tulli
Conti	Josephs	Platts	Uliana
Cornell	Kaiser	Preston	Vance
Corrigan	Kasunic	Raymond	Van Horne
Cowell	Keller	Reber	Veon
Coy	Kenney	Reinard	Vitali
Curry	King	Richardson	Washington
Daley	Kirkland	Rieger	Waugh
DeLuca	Krebs	Ritter	Williams
Dempsey	Kukovich	Roberts	Wozniak
Dent	LaGrotta	Robinson	Wright, D. R.
Dermody	Laub	Rohrer	Wright, M. N.
Donatucci	Laughlin	Rooney	Yandrisevits
Druce	Lawless	Rubley	Yewcic
Egolf	Lederer	Rudy	Zug
Evans	Lee	Ryan	

Fairchild	Leh	Santoni	DeWeese,
Fajt	Lescovitz	Sather	Speaker
Fargo			

NAYS—0

NOT VOTING—4

Acosta	Phillips	Roebuck	Wogan
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EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. TIGUE offered the following amendment No. A0557:

Amend Bill, page 98, by inserting between lines 23 and 24  
SUBCHAPTER E  
AMUSEMENT TAX

Section 341. Amusement tax.

Municipalities and school districts shall have the power to levy, assess and collect a tax of not more than 10% based on the price of admission.

Amend Subchapter Heading, page 98, line 24, by striking out "E" and inserting

F

On the question,  
Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman from Hughestown is recognized.

Mr. TIGUE. Thank you, Mr. Speaker.

I believe it is in the second packet.

Mr. Speaker, amendment 557, what it does is, in the current proposal, one of the taxes which will be eliminated is the amusement tax, and amendment 557 keeps the amusement tax as an option for local municipalities.

The SPEAKER. Does the gentleman, Mr. Boyes, seek recognition on the Tigie amendment? The gentleman indicates he does. The gentleman may proceed.

Mr. BOYES. Thank you, Mr. Speaker.

Mr. Speaker, I rise to oppose the amendment.

One of the issues that we dealt with in the whole tax reform package was the issue of nuisance taxes, the 511's, and part of the agreed-to proposal and the key ingredient of the entire tax reform amendment was the reduction and elimination of the 511's. This is the building block back into the process, and we want to oppose this amendment. Thank you, Mr. Speaker.

The SPEAKER. The gentleman, Mr. Blaum, is recognized on the Tigie amendment.

Mr. BLAUM. Mr. Speaker, just a point of order.

In packet 2 we have the certificate for this amendment. I am just wondering where the amendment is. Has it been circulated? All we seem to have is the certificate.

Mr. TIGUE. Mr. Speaker, I was just told that it is in packet No. 4. No, it is not.

AMENDMENT PASSED OVER TEMPORARILY

The SPEAKER. We have a challenge with duplication. If the gentleman from Luzerne would temporarily yield on this amendment and proceed to amendment 555, we could have the clerk read that amendment, and then within 10 minutes after duplication takes place, we could come back to the amendment that we were trying to work on at this juncture.

The Chair would politely remind all members to turn their amendments in for duplication and to double-check that they have done so.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. TIGUE offered the following amendment No. A0555:

Amend Sec. 502, page 99, line 4, by inserting a period after "322"

Amend Sec. 502, page 99, lines 4 and 5, by striking out "TO ANY QUALIFIED INDIVIDUAL UNDER" in line 4 and all of line 5

Amend Sec. 503, page 99, line 6, by striking out "SENIOR CITIZEN TAX PROVISIONS." and inserting  
(Reserved)

Amend Sec. 503, page 99, lines 7 through 11, by striking out all of said lines

Amend Sec. 505, page 99, line 19, by striking out ", 503"

On the question,

Will the House agree to the amendment?

The SPEAKER. The gentleman, Mr. Tigie, is recognized.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, this amendment is in packet No. 4, for those who are following the script.

Mr. Speaker, what this amendment does is, in HB 2202 there is a provision which will give an additional \$6,250 exemption to senior citizens on the personal income tax, and this removes that and basically puts into effect that those senior citizens or any senior citizen will pay the same taxes they pay to the State, which means they will qualify for the special tax forgiveness provision. That is what this amendment does. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—73

Battisto	Fee	Maitland	Scrimenti
Bebko-Jones	Fleagle	Manderino	Semmel
Belardi	Gamble	McGeehan	Snyder, D. W.
Bishop	George	McNally	Staback
Buxton	Gruitza	Melio	Steighner
Caltagirone	Haluska	Michlovic	Thomas
Cappabianca	Hanna	Mihalich	Tigie
Carn	Hughes	Mundy	Van Horne
Cawley	Itkin	Oliver	Veon

Cohen, M.	James	Pesci	Washington
Colafrella	Josephs	Petrone	Waugh
Colaizzo	Keller	Pistella	Williams
Corrigan	Kirkland	Platts	Wozniak
Coy	Kukovich	Preston	Wright, D. R.
Curry	Laughlin	Richardson	Yandrisevits
Dempsey	Lederer	Rieger	
Donatucci	Lee	Robinson	DeWeese,
Evans	Lescovitz	Roebuck	Speaker
Fajt	Lloyd	Rudy	

NAYS—120

Adolph	Farmer	Lucyk	Saurman
Allen	Fichter	Lynch	Saylor
Argall	Flick	Markosek	Scheetz
Armstrong	Freeman	Marsico	Schuler
Baker	Gannon	Masland	Serafini
Barley	Geist	Mayernik	Smith, B.
Belfanti	Gerlach	McCall	Smith, S. H.
Birmelin	Gigliotti	Merry	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boyes	Godshall	Miller	Steil
Brown	Gordner	Nailor	Stern
Bunt	Gruppo	Nyce	Stetler
Carone	Harley	O'Brien	Stish
Cessar	Hasay	Olasz	Strittmatter
Chadwick	Hennessey	Petrarca	Sturla
Civera	Herman	Pettit	Surra
Clark	Hershey	Phillips	Tangretti
Clymer	Hess	Piccola	Taylor, E. Z.
Cohen, L. I.	Hutchinson	Pitts	Taylor, J.
Conti	Jadlowiec	Raymond	Tomlinson
Cornell	Jarolin	Reber	Trello
Cowell	Kaiser	Reinard	Trich
Daley	Kasunic	Ritter	True
DeLuca	Kenney	Roberts	Tulli
Dent	King	Rohrer	Uliana
Dermody	Krebs	Rooney	Vance
Druce	LaGrotta	Rubley	Wogan
Egolf	Laub	Ryan	Wright, M. N.
Fairchild	Lawless	Santoni	Yewcic
Fargo	Leh	Sather	Zug

NOT VOTING—2

Acosta	Vitali
--------	--------

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. BLAUM. Mr. Speaker?

The SPEAKER. The gentleman from Luzerne, Mr. Blaum. For what purpose does the gentleman rise?

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, just to make a brief comment, if I might.

I think we have before us—and this last amendment proved it—a very complicated, controversial piece of legislation with an unlimited amount of amendments. That last amendment was voted on with virtually no discussion and no questions. I tried

to get up to the microphone and did not quite make it. I had to vote “no.” It may have been a good idea; it may not have been a good idea. As I understood the explanation, it may have taken away additional exemptions and whether or not we wanted to keep them in.

I hope that when we run these amendments—and it is not the sponsor’s fault by any means—that we have a little bit more discussion on what the heck some of these things do. These are very important votes that everybody is casting, and I think there has to be a great deal more discussion, because that last one simply was not clear to me at all.

The SPEAKER. The gentleman, Mr. Gerlach, is recognized. For what purpose does the gentleman rise?

Mr. GERLACH. Mr. Speaker, I would like to echo the comments of Representative Blaum. There was confusion here in our section as to which amendment we were actually voting on.

Would a motion for reconsideration on that last amendment be in order, sir?

The SPEAKER. Yes, it would be.

To hopefully minimize confusion, does the gentleman, Mr. Gerlach, have a reconsideration motion that he is forwarding to the Chair?

Mr. GERLACH. Yes, Mr. Speaker.

The SPEAKER. To minimize confusion, we will yield momentarily while that comes forward.

Mr. GERLACH. Thank you.

AMENDMENT A0555 RECONSIDERED

The SPEAKER. The gentleman, Mr. Gerlach, has moved that the vote by which amendment 555 was defeated to HB 2202, PN 3141, on the 8th day of February be reconsidered.

On the question,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—189

Acosta	Fargo	Lucyk	Scheetz
Adolph	Farmer	Lynch	Schuler
Allen	Fee	Maitland	Scrimenti
Argall	Fichter	Manderino	Sermuel
Armstrong	Fleagle	Markosek	Serafini
Baker	Flick	Masland	Smith, B.
Barley	Freeman	Mayernik	Smith, S. H.
Battisto	Gamble	McCall	Snyder, D. W.
Bebko-Jones	Gannon	McGeehan	Staback
Belardi	Geist	McNally	Stairs
Belfanti	George	Melio	Steelman
Birmelin	Gerlach	Merry	Steighner
Bishop	Gigliotti	Micozzie	Steil
Boyes	Gladeck	Mihalich	Stern
Brown	Godshall	Miller	Stetler
Bunt	Gordner	Nailor	Stish
Buxton	Gruitza	Nyce	Strittmatter
Caltagirone	Gruppo	O'Brien	Sturla
Cappabianca	Haluska	Olasz	Surra
Carn	Hanna	Oliver	Tangretti
Carone	Harley	Pesci	Taylor, E. Z.
Cawley	Hasay	Petrarca	Taylor, J.

Cessar	Hennessey	Petrone	Thomas
Chadwick	Herman	Pettit	Tigue
Civera	Hershey	Phillips	Tomlinson
Clark	Hess	Piccola	Trelo
Clymer	Hutchinson	Pistella	Trich
Cohen, L. I.	Itkin	Pitts	True
Cohen, M.	Jadlowiec	Platts	Tulli
Colaella	James	Preston	Uliana
Colaizzo	Jarolin	Raymond	Vance
Conti	Josephs	Reber	Van Home
Cornell	Kaiser	Reinard	Veon
Corrigan	Kasunic	Richardson	Vitali
Cowell	Kenney	Rieger	Washington
Coy	King	Ritter	Waugh
Curry	Kirkland	Roberts	Williams
Daley	Krebs	Robinson	Wogan
DeLuca	Kukovich	Roebuck	Wozniak
Dempsey	LaGrotta	Rohrer	Wright, D. R.
Dent	Laub	Rooney	Wright, M. N.
Dermody	Laughlin	Rublely	Yandrisevits
Donatucci	Lawless	Rudy	Yewcic
Druce	Lederer	Ryan	Zug
Egolf	Lee	Santoni	
Evans	Leh	Sather	DeWeese,
Fairchild	Lescovitz	Saurman	Speaker
Fajt	Lloyd	Saylor	

## NAYS—1

Keller

## NOT VOTING—5

Blaum	Marsico	Michlovic	Mundy
Hughes			

## EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,

Will the House agree to the amendment?

The clerk read the following amendment No. A0555:

Amend Sec. 502, page 99, line 4, by inserting a period after "322"

Amend Sec. 502, page 99, lines 4 and 5, by striking out "TO ANY QUALIFIED INDIVIDUAL UNDER" in line 4 and all of line 5

Amend Sec. 503, page 99, line 6, by striking out "SENIOR CITIZEN TAX PROVISIONS." and inserting  
(Reserved)

Amend Sec. 503, page 99, lines 7 through 11, by striking out all of said lines

Amend Sec. 505, page 99, line 19, by striking out ", 503"

On the question recurring,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the Tigue amendment A0555, the gentleman from Luzerne, Mr. Tigue, is recognized.

Mr. TIGUE. Mr. Speaker, thank you.

Mr. Speaker, this is conceived, and rightly so, as an important amendment to the local tax reform package, because

as soon as people in this chamber hear "senior citizens," they sort of sit up and pay attention.

Let me start with the current system of taxation in the State of Pennsylvania and the personal income tax. Annuities, pensions, and Social Security are not taxable. If this local tax reform package is adopted, we will adopt, in essence, the State system. In the State system, there is something called a special tax forgiveness provision, which applies to everyone. It is for low-income people as well as senior citizens. Senior citizens, by and large, take advantage of that, because if you are a husband and wife and you make up to \$12,600 in interest or dividends, you will not—let me repeat that—you will not—underline, asterisk, stars, whatever—you will not pay taxes in Pennsylvania, which means someone who receives interest or dividend income, they have a substantial principal of, let us say, for example, \$100,000.

Under the tax reform proposal, we are trying to help senior citizens along with other people by lowering their property tax. If we do that, I think we have accomplished something, and the system will now be based on an ability to pay and more fairness than it is currently.

However, my concern is, in HB 2202 there is a provision which says, on top of the special tax forgiveness provision, we are going to give senior citizens, only senior citizens 65 years of age, an additional \$6,250. If you add that together for a husband and wife and you add it on top of the State forgiveness—listen carefully—you are now talking about exonerating, exempting from taxation, people whose dividend and/or interest income is about \$24,000. Now, I ask you, someone whose interest income is \$24,000 must have a substantial amount of principal. These people should have to pay some taxes after they get beyond the 100,000 dollars' worth of principal and interest. What I am saying is, in fairness, we should keep the special tax forgiveness provision, but we should not give them an additional exemption, because we are helping them by reducing their property taxes.

If you think this is unfair, let me tell you what is going to happen if it stays in there. Those senior citizens— And 65 years of age, as far as I am concerned, is not a criteria for wealth or poverty. It just happens to be another year. If you do not do this, you are going to once again, on the working men and women, on the grandchildren of the same people who are getting the breaks, you are going to increase their income tax.

I ask you, in the name of fairness, to support this amendment. Senior citizens who need a break on their real estate tax receive it under HB 2202. If you have more than \$100,000 between a husband and wife, then, darn it, you should be paying some taxes. Thank you.

The SPEAKER. The Chair thanks the gentleman and recognizes Mr. Birmelin.

Mr. BIRMELIN. Thank you, Mr. Speaker.

I was one of those who voted thinking that the last vote was dealing with the amusement tax, but in reality, it was this one. I could not agree more with the comments made by Representative Tigue.



You know, many times we go to dinners and we go to functions and we are approached by senior citizens who will come up to you and they will say, "Now, Representative Birmelin, I think that senior citizens shouldn't have to pay taxes anymore because we have paid all our lives," and you have heard that comment and I have heard it.

I would heartily disagree with their position and also recommend, as Representative Tigie did, that senior citizens, probably of all of the people of society today, benefit the most from the taxes, the lottery benefits, and other discounts that are offered to them. To simply say to them, because you have reached this magic, golden age of 65, you should no longer be treated like every other citizen is a downright discrimination to anyone under 65, and that is you and I, for the most part, and the people we represent.

I am asking you to support the Tigie amendment. I think it is the right thing to do. I really feel that the language he is removing never should have been put in the bill in the first place, and I will not speculate as to what the motivation was for it, but it is grossly unfair to the rest of us who are under 65 to give people, simply because of their age, a special tax break.

The position that Representative Tigie outlined is exactly right. We want to help people who have low income by reducing their property tax, but the people who may qualify, if this language stays in the bill now, may be much richer than you and I could ever imagine.

So I ask for an affirmative vote. Thank you.

The SPEAKER. The Chair thanks the gentleman from Wayne County and recognizes the gentleman from Allegheny, Mr. Trello.

Mr. TRELLO. Mr. Speaker, make no mistake about it — this amendment still gives our senior citizens a very generous discount, so to speak, a forgiveness of \$12,500. That means you have to have approximately, according to today's interest rates, about \$300,000, and it does not bother that at all, and I agree that we should support the amendment. Thank you.

The SPEAKER. Does the gentleman, Mr. Nyce, seek recognition on the Tigie amendment? The gentleman indicates he does. Mr. Nyce is recognized.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, before I interrogate the maker of the amendment, I would defer to Mr. Tigie to make a correction of something he said earlier. Representative Tigie.

The SPEAKER. The gentleman, Mr. Tigie, indicates he will stand for interrogation. Mr. Nyce may proceed.

Mr. NYCE. Mr. Speaker, earlier in your comments you indicated that the SP provisions would be combined with the exemption provided for under the bill as it stands today, that it would total approximately \$24,000 in exemption for a married couple over 65. Is that still your feeling on this amendment?

Mr. TIGUE. No, Mr. Speaker.

Mr. Speaker, what the amendment would do is, the current bill, when I look at it now, does not say you get both; you get one. What I am saying with the amendment is, it will be uniform for everyone, so instead of having what we have in

the bill, a special section, what we should do is adopt the amendment to have uniformity for everyone.

Mr. NYCE. Mr. Speaker, I would like to ask another question.

With regard to the provisions that are currently in the bill, it is my understanding that the \$6,250 would be combined for a total of \$12,500 of exemption for a joint return, and that would include the dividend and interest income of that couple or single individual, as the rules apply. Is it not true that dividends and interest come from savings primarily and that these are the productive citizens in our community who through their lifetime, as they worked, put away money for their future, either in the form of an IRA (individual retirement account) or some other similar investment in stocks or bonds, and are now benefiting from that?

Mr. TIGUE. Well, in response to your question, the answer is no. Most interest may come from savings, but dividends do not come from savings; they come from stock investments.

If you would allow me to further reiterate, let me give you an example. I just recently pulled out of my files an application for the rent and tax rebate from a woman who is a widow who pays 15 percent of her income for her property taxes. This same woman does have interest income. In fact, she would be exempt under my provision or under the bill. However, even if she was not exempt, let us say she had \$8,000 in interest or dividends, even if she paid 2 percent, she is going to save money by paying less on her real estate. The problem with the real estate is, she does not have a chance, as the markets fluctuate up and down, based on percentages. That tax bill comes to her every year, and she pays 15 percent, without an increase next year. If the stock market is down, if interest rates are down, she will pay less on her income, and that is what this is about: fairness based on the ability to pay.

Mr. NYCE. Mr. Speaker, I think I did mention stock investments earlier, but as a followup to that comment, the fact is that the bill, even as written now, is totally optional. No one is forced to do anything under these provisions, and each municipality, county, or school district could opt in, knowing full well what the implications of the exemption written into the bill provide, and I subject to you that there is nothing wrong with providing an exemption for people who have taken it upon themselves to save money to provide for themselves in their senior years.

As a matter of fact, it is my opinion that in 1989 when the bill failed, the previous attempt at tax reform, it failed primarily because no exemption at all was provided for those people who have some dividend and interest income from savings that they had accrued over time. These people have worked and saved and invested, and they feel that they should be entitled to protect some of that income.

Now, we may argue that the SP provisions are better. That is true, but the fact is that this complete package of tax options is optional. No one is forced to opt into this, and if you read the legislation, it will be up to the municipalities involved to either choose to opt in or opt out.

Uniformity aside, this issue, when you sell it back home, whether or not tax reform is acceptable, will hinge on the perception of whether or not you are going to take money from senior citizens within reason.

I believe the \$6,250 is within reason. I urge the members to support the bill as written and oppose this amendment. Thank you.

The SPEAKER. The gentleman, Mr. Wozniak.

Mr. WOZNIAK. Thank you, Mr. Speaker.

I rise to support the Tigie amendment.

I think as we move through the efforts of tax reform over the years, we are all concerned about the senior citizens on fixed income, and I think mostly we are talking about the widowed lady or the people who have a very poor pension, and I think when you look at the reality of it, most of us come from the graying of Pennsylvania.

One of the concerns I have is that as we try to help the poor senior citizens, we lump all senior citizens together and give them the benefit of the doubt, and I think at the expense of this tax reform, if we continue to move in that direction, what we are going to do is reduce the property tax on senior citizens. The people who have a 16- or 17-year-old son who is eating a pound of chipped ham a day, a half gallon of milk a day; he has got a part-time job; Dad's helping to pay for the car and the insurance; their car is not paid off; there is a mortgage and he is taking a second mortgage out to pay for the college education; he works; he is going to have an increase, potentially more than what he is paying in his property taxes, and it is going to be made up on the backs of senior citizens who have a strong ability to pay.

I think we are all concerned about the senior citizens that are the weakest and the poorest of our society, but do not look at an age as a simple reason as to why to cut somebody off from taxes. In this society people are living well into their sixties and seventies and eighties. Many of these people are working in their sixties, seventies, and eighties.

I think Thomas Tigie, Representative Tigie, is attempting to get at the guts of that issue, and I think we should support this amendment. Thank you.

The SPEAKER. The gentleman, Mr. Blaum, is recognized.

Mr. BLAUM. Thank you, Mr. Speaker.

Would the gentleman, Mr. Tigie, stand for a brief interrogation?

The SPEAKER. The gentleman indicates he will. Mr. Blaum should proceed.

Mr. BLAUM. As I listen to debate, it seems to me that we are talking about possibly almost a wash. Is that right?

Mr. TIGUE. That is correct.

Mr. BLAUM. I am also told that possibly when you add up the provisions of your amendment, that your amendment may actually give \$100 more exemption than the bill does.

Mr. TIGUE. That is correct.

Mr. BLAUM. So senior citizens would enjoy the Tigie amendment possibly \$100 more than the original bill, as far as exemption goes.

Mr. TIGUE. That is correct, but not only the senior citizens. My amendment applies to everyone, like our Pennsylvania State income tax.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I think this is the kind of discussion and debate that we need on each one of these amendments, and after this has been so thoroughly explained, I urge the members to support the Tigie amendment.

The SPEAKER. The Chair thanks the gentleman.

Mr. Nyce is recognized for the second time on the Tigie amendment.

Mr. NYCE. Mr. Speaker, I yield for the moment to Representative Hasay. I will come back later.

The SPEAKER. The Chair thanks the gentleman.

Mr. Hasay is recognized.

Mr. HASAY. Thank you, Mr. Speaker.

Mr. Speaker, may I interrogate the gentleman from Luzerne, Mr. Tigie?

The SPEAKER. The gentleman indicates in the affirmative.

Mr. HASAY. Mr. Speaker, does your amendment now raise the 2-percent tax that is in the bill to the current 2.8 personal income tax?

Mr. TIGUE. No, Mr. Speaker, it does not. The limits set in the bill still apply.

Mr. HASAY. Would you explain that.

Mr. TIGUE. Currently in the bill, school districts may, if they opt into the system that we are talking about, they may opt into a personal income tax of 2 percent. The basis of the taxation would be the same basis as the State income tax. In other words, whatever income is taxable by the State would now be taxable by the local jurisdiction, whether it is a school district, a municipality, or a county, if they opt in. The limits are set — 1 percent for a municipality, 2 percent for school districts. My amendment does nothing to change that.

Mr. HASAY. Thank you, Mr. Speaker.

The SPEAKER. The gentleman from Franklin County, Mr. Coy, on the Tigie amendment.

Mr. COY. Would the gentleman, Mr. Tigie, submit to an interrogation?

Mr. TIGUE. Yes, Mr. Speaker.

The SPEAKER. The gentleman concurs. Go ahead.

Mr. COY. Mr. Speaker, just to clarify a bit more the basis of the discussion between yourself and Representative Nyce and under which provision senior citizens may best benefit. Is the provision in the legislation, as it exists without your amendment, mandatory in nature?

Mr. TIGUE. Yes, Mr. Speaker. Without my amendment, my understanding, as I read the bill, is that this would be mandatory. You can opt in. You cannot opt— Whether or not you want this exemption, you must take it. It must be provided if you opt into a new system.

Mr. COY. So, Mr. Speaker, through the language of your amendment, it relieves that mandatory nature.

Mr. TIGUE. No, Mr. Speaker, I do not think it does; I do not think it does.

Mr. COY. All right. Let me ask it this way. Would a couple or an individual who reaches the limit of what would be \$6,250 a person or \$12,500 a couple, would they be further ahead or be able to absolve themselves from taxes better with your amendment or without?

Mr. TIGUE. They would be better under my amendment, especially those people who would be working poor.

Mr. COY. Especially those people— Who, Mr. Speaker?

Mr. TIGUE. Working poor.

Mr. COY. I see.

Thank you, Mr. Speaker.

On the amendment.

The SPEAKER. On the amendment, Mr. Coy.

Mr. COY. Thank you, Mr. Speaker.

I support the amendment. I think, after listening to the debate just briefly and the clarification, that the points made by Representative Tigue make for a much fairer system, especially, as he says, for the working poor. But more adequately, I think it provides even a little more protection, even if it is \$100 more at that basic level, for senior citizens to be paying that tax or not to be paying the tax.

I think the amendment is a fair amendment and requires support from the body. Thank you, Mr. Speaker.

The SPEAKER. The gentleman, Mr. Nyce, is recognized for the second time.

Mr. NYCE. Mr. Speaker, on the amendment.

The SPEAKER. On the amendment.

Mr. NYCE. Mr. Speaker, so that everyone in the House today understands exactly what the implications are here in terms of the personal income tax. Right now the personal income tax does not tax pension income. So whether you worked at the Bethlehem Steel or IBM or in this State government right here in Harrisburg and you draw a pension, regardless of the amount, regardless of the amount, no matter how large it is, you are not taxed on that income. Yet we are talking about people who have put away money on their own to save for their future and to then reap the benefits of dividend and interest income. They are not asking for a government handout; they are asking for a fair level of exemption under which they would not have to pay any taxes on that same income.

Now, you can call it whatever you want. They have provided for themselves. It is their pension income. Just because it comes from dividends or interest, it is no less a pension income than a pension from Bethlehem Steel or IBM or from State government, and we are talking about a legitimate exemption amount that was placed in this bill. Whether or not we change that is something each one of us will have to weigh, but in the reality of things, I do not believe that there is any significant benefit one way or the other to Representative Tigue's proposal, and I urge the members not to support the amendment. Thank you.

The SPEAKER. The gentleman, Mr. Belfanti.

Mr. BELFANTI. Thank you, Mr. Speaker.

Mr. Speaker, I voted against this amendment the first time around. I am rising to ask for a "yes" vote after listening to this debate.

I believe that if Mr. Nyce really listened to himself, he talks about people who have the ability and the fortitude to salt away some money in the savings accounts and to purchase some stock and that those people should be able to enjoy those proceeds in their later years, and I agree with that. But if he really listens to what he is saying, he is telling all of you that your constituents who are in their forties and fifties right now who would like to salt away a few bucks in their bank accounts and maybe would like to buy some stock for their rainy days are going to be paying that extra money in property taxes because we are going to let people who have \$100,000 or \$200,000 in income, simply because they are 65, not have to pay any tax.

So those of you that are in your thirties and forties and fifties and your constituents who would like to do what Mr. Nyce is talking about, and that is, put away some money for a rainy day, are going to have to pay more tax if we do not adopt the Tigue amendment. Thank you.

The SPEAKER. On the Tigue amendment, the gentleman, Mr. Adolph, is recognized.

Mr. ADOLPH. Thank you, Mr. Speaker.

Would the maker of the amendment stand for a brief interrogation?

The SPEAKER. The gentleman indicates that he will.

Mr. ADOLPH. Mr. Speaker, am I correct that if you are a senior citizen and your bank interest and dividends total \$12,000, under the current legislation you would not pay local income tax?

Mr. TIGUE. Do you mean the proposal before us?

Mr. ADOLPH. Yes; prior to your amendment.

Mr. TIGUE. If you are 65 years of age, yes.

Mr. ADOLPH. Excuse me; I could not hear you.

Mr. TIGUE. Yes.

Mr. ADOLPH. With your amendment, if I am a senior citizen, married, filing jointly, and my income is \$12,000 total, do I pay local income tax?

Mr. TIGUE. No.

Mr. ADOLPH. Now, where it comes into play is senior citizens that have income greater than \$12,500. Under the current legislation, if you have \$20,000, you still get to deduct or exempt your first \$12,500. Is that correct, Mr. Speaker, under the current legislation?

Mr. TIGUE. Yes.

Mr. ADOLPH. Now, with your amendment, if I have \$20,000 in interest and dividends, will I pay tax? Do I still get to exempt my first \$12,500?

Mr. TIGUE. No.

Mr. ADOLPH. Okay.

So I think what you want to do, Mr. Speaker, is you have to think about, do you want to tax the senior citizens that have interest and dividends over \$12,500, because that is an important fact, because if you—

Excuse me, Mr. Speaker. I would like to ask you a couple more questions.

Many of our senior citizens are single and those figures are cut in half. Is that correct, Mr. Speaker?

Mr. TIGUE. Yes.

Mr. ADOLPH. So if I am a widow with 8,000 dollars' worth of bank interest or dividends, will I pay local income tax under your amendment?

Mr. TIGUE. Yes.

Mr. ADOLPH. Thank you, Mr. Speaker.  
Could I make a comment?

### THE SPEAKER PRO TEMPORE (PHYLLIS MUNDY) PRESIDING

The SPEAKER pro tempore. The gentleman may proceed.

Mr. ADOLPH. Thank you, Madam Speaker.

I think that is an important factor — the difference between married, filing jointly, and many of our seniors that are single. Sixty-two hundred and fifty dollars sometimes, in most cases, is being used to pay the rents for their apartments, paying for their Blue Cross and Blue Shield. In order for local tax reform to work, I think we need to sell it, and in order to sell it, I do not think we should be taxing senior citizens on their bank interest and dividends. Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Hasay for the second time.

Mr. HASAY. Thank you, Speaker Mundy.

Madam Speaker, I would just like to comment on the amendment.

I am going to vote to oppose the amendment, Madam Speaker, because the other side of the coin is this: All those people that have saved money for all these years for their senior days, these certain people now cannot get the PACE (Pharmaceutical Assistance Contract for the Elderly) program, cannot get the property tax rebate, cannot get the rent rebate, cannot get the \$10 auto fee, because they are over the limit. That is why I am opposing this amendment, Madam Speaker. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The gentleman, Mr. Boyes, is recognized.

Mr. BOYES. Thank you, Madam Speaker.

I would like to concur with the previous speaker's comments on his reasons for opposing the amendment.

I would like to add, though, that senior citizens have to be thinking about their long-term care and a lot of other special needs. I do not think it is too much to ask that we oppose this amendment and do something for them so that they can continue to keep their own initiatives, that they can continue to provide for themselves where they are not asking the government to assist them.

I ask for a "no" vote on the amendment. Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Mr. Fairchild.

Mr. FAIRCHILD. Thank you, Madam Speaker.

I rise to also oppose the amendment. I understand what the sponsor is attempting to do.

My chief objection is the fairness question that happens when you take two employees, one is eligible for a pension, and let us take a look at our own selves here in the House of Representatives. We are eligible for a pension as is any other person who works for State government. We get a pension at the termination of our service when we reach retirement age. A lot of businesses, small businesses especially, simply do not offer pension plans to their employees. A lot more have today, but we are talking about, most of the things we are talking about today are those senior citizens that are having a tough time existing out there.

But basically what it is, it is an unfair system that unfortunately penalizes those people who decide to put their savings in a bank or whether they buy stock and get dividends or whatever as compared to those that are eligible to put their money in a pension plan, and therefore they are not impacted; they are exempt from the provisions of the taxes that we are talking about. It is simply not fair. These people were not put in that untenable situation by their own choosing. They had no choice.

Let me give you an example. Let us take a look at our farmers out there. How many farmers do you think have a pension plan or were offered a pension plan? I do not think very many. In fact, I think hopefully now a lot are participating in IRA's, and some of the organizations have those, but let us take a look at the facts that are out there now, and I guarantee you that very, very few if any farmers have any kind of pension plan which would fit into this category.

For those reasons and some of the other ones articulated, I urge a "no" vote on the Tigue amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the gentleman, Mr. Gannon, is recognized.

Mr. GANNON. Thank you, Madam Speaker.

A brief comment. What we see in this amendment, Madam Speaker, is something that has been occurring more and more in American politics over the past year or 2 years, and that is the development of some type of class warfare, and that is the rich against the poor. But even more insidious than that, Madam Speaker, is what we see here is, we are telling those folks that worked hard and saved their money, you have to be punished, and I think that is patently unfair, and I urge a "no" vote on this amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The gentleman, Mr. Tigue, is recognized.

Mr. TIGUE. Madam Speaker, I would just like to address once again what we are doing.

What we are doing is trying to make this fair. Under the current proposal, you must be 65 years of age. If you are 64, 63, 61, you do not receive this benefit. A lot of people are retiring earlier than they did before. If you are 64 years old

and you are retired, you do not qualify for this; you do not get the exemption. You are with everyone else.

The other point to remember is, because it is local tax reform, which the taxes will be collected by the Department of Revenue, we are looking for some kind of uniformity. You are going to run into more and more problems deciding which group has taxable income and which is exonerated, which is exempt, et cetera.

If you want to keep the simplicity factor, adopt the amendment so that we are doing the same thing we are doing on the State income tax. Thank you, Madam Speaker.

**THE SPEAKER (H. WILLIAM DeWEESE)  
PRESIDING**

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

**YEAS—51**

Bebko-Jones	Hanna	Michlovic	Snyder, D. W.
Birmelin	Herman	Mihalich	Stetler
Bishop	Itkin	Pesci	Tigue
Buxton	Jarolin	Petrone	Trich
Cappabianca	Keller	Platts	Tulli
Carn	Kukovich	Preston	Van Home
Cohen, M.	Lederer	Rieger	Veon
Corrigan	Lee	Robinson	Waugh
Cowell	Leh	Rudy	Williams
Coy	Lloyd	Saylor	Wozniak
Curry	Manderino	Scrimenti	
Donatucci	McGeehan	Smith, B.	DeWeese,
Fajt	Melio	Smith, S. H.	Speaker
Gruitza			

**NAYS—141**

Adolph	Farmer	Lescovitz	Ryan
Allen	Fee	Lucyk	Santoni
Argall	Fichter	Lynch	Sather
Armstrong	Fleagle	Maitland	Saurman
Baker	Flick	Markosek	Scheetz
Barley	Freeman	Marsico	Schuler
Battisto	Gamble	Masland	Semmel
Belardi	Gannon	Mayernik	Serafini
Belfanti	Geist	McCall	Staback
Blaum	George	McNally	Stairs
Boyes	Gerlach	Merry	Steelman
Brown	Gigliotti	Micozzie	Steighner
Bunt	Gladeck	Miller	Steil
Caltagirone	Godshall	Mundy	Stern
Carone	Gordner	Nailor	Stish
Cawley	Gruppo	Nyce	Strittmatter
Cessar	Haluska	O'Brien	Sturla
Chadwick	Harley	Olasz	Surra
Civera	Hasay	Oliver	Tangretti
Clark	Hennessey	Petrarca	Taylor, E. Z.
Clymer	Hershey	Pettit	Taylor, J.
Cohen, L. I.	Hess	Phillips	Thomas
Colafrilla	Hutchinson	Piccola	Tomlinson
Colaizzo	Jadlowiec	Pistella	Trello
Conti	Josephs	Pitts	True
Cornell	Kaiser	Raymond	Uliana
Daley	Kasunic	Reber	Vance
DeLuca	Kenney	Reinard	Vitali
Dempsey	King	Richardson	Washington

Dent	Kirkland	Ritter	Wogan
Dermody	Krebs	Roberts	Wright, D. R.
Druce	LaGrotta	Roebuck	Wright, M. N.
Egolf	Laub	Rohrer	Yandrisevits
Evans	Laughlin	Rooney	Yewcic
Fairchild	Lawless	Rublely	Zug
Fargo			

**NOT VOTING—3**

Acosta	Hughes	James
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**EXCUSED—6**

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. CURRY offered the following amendment No. A0532:

Amend Sec. 501, page 98, line 28, by inserting before "THE" where it appears the first time

(a) General rule.—

Amend Sec. 501, page 98, by inserting after line 30

(b) Other credits.—Any tax paid under section 322 may be taken as a credit against any tax paid under section 359 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

On the question,  
Will the House agree to the amendment?

The SPEAKER. On the amendment in packet No. 7, the Chair recognizes the gentleman, Mr. Curry.

Mr. CURRY. Mr. Speaker, this amendment simply permits taxpayers to pay an income tax, should there be one, in the taxing district of their residence, and if required to pay an income tax where they work, to get a credit in that district for the taxes they have paid in the district of residence.

This is a fair approach to taxation and the revenue for districts. It is basic to tax reform, and I ask for its adoption.

The SPEAKER. On the Curry amendment, does the gentleman, Mr. Kukovich, wish to debate the Curry amendment? The gentleman is recognized.

Mr. KUKOVICH. Thank you, Mr. Speaker.

There are in this package of amendments—and we have gone through, I think, 6 or 7 fairly expeditiously—quite frankly, of the 52 amendments that are before us—and now we are down to about 40—some—there are only about 4 or 5 which I think are of such magnitude that they could, could, destroy tax reform. Some of our colleagues on this side of the aisle and some of our colleagues on that side of the aisle have somewhat similar amendments. I appreciate the concern and the effort of Representatives such as Curry and Ryan and Corrigan and Melio and Vitali and a number of other Republican amendments in suburban areas who have some problems with that particular wage tax.

What I am suggesting is that throughout the history of this Commonwealth, the one issue that has destroyed the chance for tax reform is this particular issue. I would respectfully request that the members recognize that the only realistic way of accomplishing tax reform for this Commonwealth and eventually doing what Representatives Curry and Melio and Ryan and Corrigan and everybody want to do is to try to get this tax reform done first. Then and only then will we be able to address this other issue.

I would also suggest that up to this point we have tried to make this a very bipartisan issue, and whenever we get into this kind of debate, it gets more and more difficult to be bipartisan. I would also suggest that there are a lot of members out there who might want to be just against Philadelphia. I would suggest that is shortsighted, because if you are not immediately from the Philadelphia suburbs, what you would be doing with this and other amendments is, down the road, not only creating a hole in the Philadelphia fiscal picture but you are going to be asking for all our constituents eventually to help fill that hole.

For all those reasons, and primarily to try to keep a bipartisan effort and to pragmatically get tax reform done in this session, I would ask for a "no" vote on the amendment.

The SPEAKER. The Chair thanks the gentleman.

Mr. Lawless is recognized.

Mr. LAWLESS. Thank you, Mr. Speaker.

Mr. Speaker, I would like to have my colleague from Montgomery County once again explain this amendment, if he could. There has been some confusion on the House floor.

The SPEAKER. The gentleman, Mr. Curry, will respond to interrogation.

Do you have a specific request or just one more time for a general explanation?

Mr. LAWLESS. Thank you, Mr. Speaker.

The SPEAKER. One more time for a general explanation.

Mr. CURRY. This amendment says that a taxpayer who resides in one district and may have an income tax to pay gets a credit from the district where he works if they have an income tax; he gets a credit in that working district.

Mr. RYAN. Mr. Speaker?

The SPEAKER. For what purpose does the gentleman from Delaware rise?

Mr. RYAN. To interrogate the gentleman, Mr. Curry, if he would permit it.

The SPEAKER. The gentleman is in order and may proceed.

Mr. RYAN. Mr. Speaker, the gentleman, Mr. Curry, represents an area in the suburban Philadelphia region as many of us do, and I am sure that many of his constituents, like many of our constituents, work in Philadelphia, and when they return back to their counties, their townships, if a tax such as the ones that might come about by reason of our activities here today, if they were imposed, would have a double tax to pay — one into the city of Philadelphia and one into Cheltenham, Abington, Newtown Square, Upper Darby, whatever it might be. As a result of this, would this change the existing law

which we now have that allows Philadelphia to keep a nonresident's money despite the fact that that nonresident's home imposes a wage tax?

Mr. CURRY. No. This amendment would give a credit to the individual on his taxes in Philadelphia. It would give him a credit against that tax levied by Philadelphia. He would pay the tax in the district of residence; he would pay the tax in the district of his residence.

Mr. RYAN. I am told, Mr. Speaker, I am told, Mr. Speaker, by staff—and I notice that you have staff standing by you; that is why I am hoping that, you know, between us all we can get this straightened out—that there is a distinct possibility that the Sterling Act, which is what you and I, I think, are trying to address, is not affected by your amendment, and if that is the case, this amendment would not solve the problem that you and I and so many of us in the southeast would like to address. Do you know if that is so?

Mr. CURRY. It is my understanding that this amendment, this amendment, would allow the taxpayer to get a credit from Philadelphia for the tax he paid in his residence.

Mr. RYAN. Now, if the gentleman would permit me, I am a little dense, but I think I am catching on to it.

If the city of Philadelphia has a 4.6—and I think that is about what it is, 4.6-percent tax on nonresidents—4.3, a 4.3-percent tax on nonresidents and if our home communities imposed a 3-percent tax on a resident who worked in the city of Philadelphia, your amendment would have the city of Philadelphia give that worker a 3-percent credit on his wage so that in effect he would only be paying a 1.3-percent tax in the city of Philadelphia. Is that correct?

Mr. CURRY. That is correct.

Mr. RYAN. Now, are you saying—

Thank you. That solves that part of the problem.

Now, the second part of the problem is, will this meet objections with respect to the Sterling Act and the priority of whether or not the Sterling Act would take precedence over this act, if you know?

Mr. CURRY. Mr. Speaker, it is my understanding it does not repeal the Sterling Act. It only gives a credit to the taxpayer.

Mr. RYAN. And that, if I may, Mr. Speaker, that credit would not be affected by the Sterling Act. Is that correct?

Mr. CURRY. That is correct.

Mr. RYAN. It could work in conjunction with the Sterling Act, in your opinion.

That being the case, I would support your amendment.

The SPEAKER. On the Curry amendment, the gentleman, Mr. Evans. Mr. Evans on the Curry amendment.

Mr. EVANS. Mr. Speaker, I rise to oppose Representative Curry's amendment.

I think it is certainly important that members of the House understand the fiscal condition of the city of Philadelphia. Mr. Speaker, this General Assembly approved the PICA (Pennsylvania Intergovernmental Cooperation Authority) legislation overseeing the city, and as a result of approving the PICA legislation, PICA indicated to the city of Philadelphia

that it had to set up a 5-year plan, and in that 5-year plan it basically had to lay out exactly how it was going to be operating in the future. To mandate tax reduction will undermine PICA's 5-year plan, which in return, Mr. Speaker, will send a message to the finance community regarding the renewed confidence in the city.

I would think, Mr. Speaker, after the progress that has been made in the city of Philadelphia under the new administration, it would appear to me that there is no way we would want to send a message to not just New York or the people of Philadelphia but basically throughout the Commonwealth of Pennsylvania, that here the city of Philadelphia is attempting on its own to put its own financial house in order; that we now talk about mandating tax reduction. It would certainly shake the confidence of the people who make the investments in the city of Philadelphia. If you look at your fiscal-impact amendment, this would have an impact of \$40 million upon the city of Philadelphia, and, Mr. Speaker, as a result of that \$40 million, suddenly that money has to come from somewhere.

So I would hope, Mr. Speaker, and I understand the concerns that the gentleman from Montgomery County is raising. What I share with you, Mr. Speaker, is that I do not believe that this is the direction that it should go, and I would ask for a negative vote on the Curry amendment. Thank you, Mr. Speaker.

The SPEAKER. The gentleman, Mr. Steil, is recognized on the amendment.

Mr. STEIL. Thank you, Mr. Speaker.

I would like to interrogate the maker of the amendment, please.

The SPEAKER. The gentleman, Mr. Curry, will respond. The gentleman may proceed.

Mr. STEIL. We need to clarify who receives the credit under this proposed amendment.

Mr. CURRY. Can we start again?

Mr. STEIL. Okay.

We need to clarify who receives the credit under this amendment. The way I read the amendment is that Philadelphia receives the full amount of their wage tax, but the credit is against the community of residence. That is the way this appears to read to me. Is that correct?

Mr. CURRY. My understanding is that they would get a refund from Philadelphia on the basis of paying that tax in the district of their residence.

Mr. STEIL. So in other words, if the Philadelphia wage tax—

Mr. CURRY. You would get a refund of the Philadelphia tax that had been withheld.

Mr. STEIL. So in other words, if the Philadelphia wage tax is 4.2 percent and the municipality's tax is 1 percent, the net revenue to Philadelphia would be 3.2 percent.

Mr. CURRY. That is right.

Mr. STEIL. Thank you, Mr. Speaker.

The SPEAKER. The Senator, I mean the Representative from Philadelphia, Mr. Taylor, is recognized.

Mr. TAYLOR. Thank you, Mr. Speaker.

I was prepared for that, Mr. Speaker.

Mr. Speaker, I am under the impression that what we are doing here today is dealing with local tax reform, and my impression of that is to try to find ways to redistribute taxes, make them more fair to fund our municipalities. This amendment, however, will do nothing of the sort and merely grab \$40 million from the coffers of Philadelphia, which will put us into a situation that we do not deserve and that we cannot live with. Not only that, but that \$40 million will have to be made up by the low- and middle-class taxpayers of our particular districts, and no matter what happens, this is going to plunge the city into a terrible, terrible problem.

As a practical matter, Mr. Speaker, if we want local tax reform, if we want it today or tomorrow, the passing of this amendment will not help that effort, and I would just ask for a "no" vote for Philadelphia and for tax reform for each one of your counties. Thank you.

The SPEAKER. The gentleman, Mr. Druce, is recognized.

Mr. DRUCE. Mr. Speaker, may I interrogate the majority Appropriations chairman?

The SPEAKER. That would be in order.

Will the majority Appropriations chairman yield to interrogation? The gentleman indicates that he will stand for interrogation.

Mr. DRUCE. Thank you, Mr. Speaker.

I just have one question relative to the \$40-million impact that the distinguished Appropriations chairman estimates it would cost the city of Philadelphia, and I think that is a concern that those of us who border Philadelphia may want to take into consideration on our vote. My question is, how did the distinguished member arrive at the \$40 million when it is uncertain which municipalities would opt into this particular tax reform proposal and whether or not they would settle at a full percentage or whether or not a school district would end up at 1 percent or 2 percent? I am curious how we got the \$40 million, because there seem to be a lot of unknowns since the whole proposal is optional.

Mr. EVANS. Mr. Speaker, the gentleman asks a very good question, because some of my colleagues on this side of the aisle raised that very same issue, and they were indicating to me, could I drop a zero, and I told them that that is not the way you do fiscal notes. I want to make sure we say that first.

Secondly, the way it really came to us, Mr. Speaker, is that 32 percent of the wage tax money comes from nonresidents, that this is a number that was fed to us by the city of Philadelphia. We took that 32 percent and used that as a multiplying factor to come up with that particular number.

Mr. DRUCE. Well then, Mr. Speaker, can I assume that in doing that you then took the school tax at a full 2 percent, the municipality at 1 percent, and the county at a half percent and counted up all the municipalities in the suburbs and used the multiplier of those that work in the city of Philadelphia?

Mr. EVANS. Mr. Speaker, this recommendation is a conservative one. It only basically takes in the 1-percent tax.

Mr. DRUCE. So what you are saying, Mr. Speaker, is the number of \$40 million is a minimum, that it could go higher.

Mr. EVANS. That is correct, Mr. Speaker. The numbers certainly could be higher than what we have here. That is why the danger of this, Mr. Speaker, if I could, is that as a result of this General Assembly passing the PICA legislation with a 5-year plan, if we were to affect the tax reduction of that, it would have an effect upon the city's fiscal stability in the future.

Now, I understand the gentleman, the point he is attempting to do in trying to give some form of tax relief, but again, this is going to have a negative impact upon the city of Philadelphia.

Mr. DRUCE. Thank you, Mr. Speaker.

I have no further questions or comments on the bill at this time.

The SPEAKER. The gentleman, Mr. Vitali, from Delaware County is recognized on the Curry amendment.

Mr. VITALI. Mr. Speaker, I rise in support of the Curry amendment. I agree that this is a question of viability.

I have many seniors in my district who need relief from the property tax, and the shifting of that burden would be a way to get that relief. However, it is not viable for my township, Haverford Township, to enact a local income tax if the revenues from income tax, if 30 percent of that would go to Philadelphia as it does right now.

Presently, my township has the ability to enact a 1-percent income tax and it has so for a number of years, but it has not done so because of Philadelphia, because of the number of wage earners who live in my district and commute into Philadelphia. Unless the Curry amendment or some similar amendment is adopted, the tax reform package is really not a viable option for my district, and I want it to be viable. I think we legislators who ring the city of Philadelphia — Delaware, Montgomery, Bucks, and so forth — have an obligation to fight for our constituents and stand up for the Curry amendment.

I disagree with the Representative from Philadelphia's characterization of this as a grab. Quite to the contrary, I think the taxpayers of the suburban counties have been grabbed already. This is a way to restore fundamental fairness. Each municipality should be treated equally, and this simply restores that equality.

I would ask for an affirmative vote on the Curry amendment. Thank you.

The SPEAKER. The gentleman from Bucks, Mr. Corrigan, on the Curry amendment.

Mr. CORRIGAN. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support the Curry amendment, and I want to take a look at this situation through the eyes of somebody who lives in suburban Philadelphia.

What we are saying here is we are going to have tax reform in every other county in Pennsylvania except Bucks, Chester, Montgomery, and Delaware. Of course, Philadelphia wins all the time.

Forget about what the number is. If the number is \$40 million, then Bucks is paying 10, Chester pays 10, Montgomery pays 10, and Delaware pays 10. What we are saying is, if I live in Bucks County and I work in Philadelphia,

and Bucks County opts to have a 1-percent income tax and Philadelphia's is 4, what the opponents are saying is that Philadelphia ought to collect the 4 and Bucks County ought to forfeit 1 percent of the income of everybody that works in Philadelphia. This has been going on forever and ever and ever and ever.

Now, why should Bucks, Chester, Montgomery, and Delaware pick up, by the numbers that we have been presented, \$10 million per county per year? That is absolutely crazy. This is the time to correct this problem.

When that PICA board was formed and I voted for it, I do not remember a 5-year term or any term. We appointed a board, or rather we did not appoint the board; we recognized the authority of a board to handle the finances for the city of Philadelphia, but there was not a 5-year term that we bought into that said that we cannot do anything for 5 years because of this board. Suppose the board enacted something that took 15 years. Then the people in Bucks, Chester, Montgomery, and Delaware are committed to 15 years of what we have now.

Let us look at it through the other end. Let us look at the \$40 million from where it comes from. It is going to take 10 out of those 4 counties, and I think that is the wrong way to go. Why should the people in the suburban counties subsidize Philadelphia in the amount of \$10 million per county, and I do not know how that would be broken up, but if those numbers are correct, we are paying \$10 million apiece. The people I represent certainly are not in favor of that.

For that reason I support the Curry amendment. Thank you.

The SPEAKER. Tom Tomlinson of Bucks County.

Mr. TOMLINSON. Thank you, Mr. Speaker.

I rise to support the Curry amendment.

There are two very important principles here. The first is, you are collecting a tax from people that are not receiving any benefit from it, this tax that is paid to Philadelphia when you work in Philadelphia and you live in Bucks County or Montgomery County or Delaware County.

The second factor is, 32 percent of my population works in the city of Philadelphia. That means 68 percent does not. If we pass this act today, that means that 32 percent of the people will get a reduction in their property tax. They will not have had an increase in their income tax. They will not participate in the increase to offset the refund in the property tax. Therefore, those people that live in my district, that 68 percent, will finance that refund to those people, and that is patently unfair, and I do not know if anybody has ever looked at it that way.

So what you are doing is, if you do not allow Representative Curry's amendment to go through, you are in fact cheating the residents that do not work in the city of Philadelphia, plus you are taxing those residents that work in the city of Philadelphia for services that they are not really receiving. I mean, that has patently been unclear and that has been my objection to the Sterling Act for years, and Bucks County and most suburban legislators have objected to the Sterling Act on that basis.



But if we do in fact pass a tax reform bill and it does have a refund, those workers that work in the city of Philadelphia will get the refund but will not participate in the income tax. Therefore, they will get a refund for nothing, and your residents who work outside the city of Philadelphia will fund that for them.

So it is patently unfair, and I ask you to support the Curry amendment. Thank you.

**AMENDMENT POSTPONED**

The SPEAKER. The gentleman, Mr. Reber, is recognized.

Mr. REBER. Thank you, Mr. Speaker.

Mr. Speaker, I would like to make a motion.

The SPEAKER. The gentleman is in order.

Mr. REBER. Mr. Speaker, I think Representative Blaum earlier talked about some confusion and the need on this particular delicate issue to make sure that we are all singing from the same song page, and I think there is some confusion, certainly in my mind and a number of the members on this side of the aisle, evolving out of the interrogation from the minority leader with the maker of the amendment as to just what in fact this amendment does do.

I think until legal staff and staff that is intimately familiar with local tax reform, the Local Tax Enabling Act, and its interrelationship with the Sterling Act have a chance to see just exactly what this amendment will do, it would be prudent for the House to temporarily pass over this amendment and consider some of the other amendments that I think are unequivocally understandable by the membership.

I would so move to pass over the Curry amendment.

The SPEAKER. The gentleman moves that we postpone consideration of the Curry amendment.

On the question,

Will the House agree to the motion?

The SPEAKER. On the motion, the gentleman from Delaware, Mr. Ryan, is recognized - on the motion to postpone the Curry amendment.

Mr. RYAN. Mr. Speaker, that took me a little bit by surprise. If we are going to postpone, let us go have our dinner and leave the Curry amendment where it is, and we can have our lawyers work on this over the dinner hour.

The SPEAKER. Would the minority leader and the majority leader confer momentarily, please. Thank you.

(Conference held.)

The SPEAKER. On the motion to postpone, all those in favor of postponing will vote "aye"; those opposed, "no."

On the question recurring,

Will the House agree to the motion?

The following roll call was recorded:

**YEAS—187**

Acosta	Fargo	Lucyk	Saurman
Adolph	Farmer	Lynch	Saylor

Allen	Fec	Maitland	Scheetz
Argall	Fichter	Manderino	Schuler
Armstrong	Fleagle	Markosek	Scriminti
Baker	Flick	Marsico	Semmel
Battisto	Freeman	Masland	Serafini
Bebko-Jones	Gamble	Mayernik	Smith, B.
Belardi	Gannon	McCall	Smith, S. H.
Belfanti	Geist	McGeehan	Snyder, D. W.
Birmelin	George	McNally	Staback
Bishop	Gerlach	Merry	Stairs
Blaum	Gigliotti	Michlovic	Steelman
Boyes	Gladeck	Micozzie	Steighner
Brown	Godshall	Mihalich	Steil
Bunt	Gruppo	Miller	Stern
Buxton	Haluska	Mundy	Stetler
Caltagirone	Hanna	Nailor	Strittmatter
Cappabianca	Harley	Nyce	Sturla
Carn	Hasay	O'Brien	Surra
Carone	Hennessey	Olasz	Tangretti
Cawley	Herman	Oliver	Taylor, E. Z.
Cessar	Hershey	Pesci	Taylor, J.
Chadwick	Hess	Petrarca	Thomas
Civera	Hughes	Petrone	Tigue
Clark	Hutchinson	Petit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colafella	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana
Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Washington
Coy	King	Rieger	Waugh
Curry	Krebs	Ritter	Williams
Daley	Kukovich	Roberts	Wogan
DeLuca	LaGrotta	Robinson	Wozniak
Dempsey	Laub	Roebuck	Wright, D. R.
Dent	Laughlin	Rohrer	Wright, M. N.
Dermody	Lawless	Rooney	Yandrisevits
Donatucci	Lederer	Rublely	Yewcic
Druce	Lee	Rudy	Zug
Egolf	Leh	Ryan	
Evans	Lescovitz	Santoni	DeWeese,
Fairchild	Lloyd	Sather	Speaker
Fajt			

**NAYS—6**

Gordner	Kirkland	Stish	Vitali
Gruitza	Melio		

**NOT VOTING—2**

Barley	Richardson
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**EXCUSED—6**

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

The SPEAKER. The gentleman, Mr. Tomlinson, has an amendment which the clerk will read.

Mr. D. R. WRIGHT. Mr. Speaker?

The SPEAKER. The gentleman, Mr. Wright. For what purpose does the gentleman rise?

Mr. D. R. WRIGHT. For the purpose of making a motion.

The SPEAKER. The gentleman, Mr. Tomlinson, had been recognized by the Chair. The clerk was in the middle of reading an amendment. Once that takes place, the Chair will recognize the gentleman.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. TOMLINSON offered the following amendment No. A0462:

Amend Title, page 2, line 17, by striking out "AND" where it appears the second time

Amend Title, page 2, line 19, by removing the period after "TREASURER" and inserting

; empowering cities of the first class to levy, assess and collect, or to provide for the levying, assessment and collection of, certain additional taxes for general revenue purposes; authorizing the establishment of bureaus and the appointment and compensation of officers and employees to assess and collect such taxes; permitting penalties to be imposed and enforced; authorizing cities of the first class to impose a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection at the option of cities of the first class; conferring and imposing powers and duties on cities of the first class and the collector of city taxes in such cities; prescribing penalties; and making repeals.

Amend Table of Contents, page 2, by inserting between lines 20 and 21

PART I. OPTIONAL LOCAL TAX ENABLING PROVISIONS

Amend Table of Contents, page 2, line 31, by striking out "ACT" and inserting

part

Amend Table of Contents, page 4, line 1, by striking out "THIS ACT" and inserting

part

Amend Table of Contents, page 4, by inserting between lines 5 and 6

PART II. FIRST CLASS CITY TAX ENABLING PROVISIONS

Chapter 21. Preliminary Provisions

Section 2101. Short title.

Chapter 23. First Class City Tax Enabling Act

Section 2301. Tax authorization.

Section 2302. State Treasurer.

Section 2303. Adjustment for other taxes.

Section 2304. Bureaus, collections, etc.

Section 2305. Penalties.

Chapter 25. First Class City Business Tax Reform

Section 2501. Short title.

Section 2502. Definitions.

Section 2503. Authority to levy and collect tax; use of tax.

Section 2504. Imposition and rate of tax.

Section 2505. Period used in computation of tax.

Section 2506. Returns.

Section 2507. Payment at time of filing return.

Section 2508. Collection of tax.

Section 2509. Penalties.

Section 2510. Savings provisions.

Section 2511. Other receipts taxes.

Section 2512. Severability.

Section 2513. Applicability.

PARTS III THROUGH VIII (RESERVED)

PART IX. MISCELLANEOUS PROVISIONS

Chapter 91. Miscellaneous Provisions

Section 9101. Repeals.

Section 9102. Effective date.

Amend Bill, page 4, by inserting between lines 9 and 10

PART I

OPTIONAL LOCAL TAX ENABLING PROVISIONS

Amend Sec. 101, page 79, line 7, by striking out "ACT" and inserting

part

Amend Sec. 102, page 79, line 10, by striking out "ACT" and inserting

part

Amend Sec. 102, page 82, line 8, by striking out "ACT" and inserting

part

Amend Sec. 102, page 82, line 11, by striking out "ACT" and inserting

part

Amend Sec. 103, page 82, line 15, by striking out "ACT" and inserting

part

Amend Sec. 103, page 82, line 18, by striking out "ACT" and inserting

part

Amend Sec. 103, page 82, line 19, by striking out "ACT" and inserting

part

Amend Sec. 104, page 82, line 25, by striking out "ACT" and inserting

part

Amend Sec. 301, page 83, line 15, by striking out "ACT" and inserting

part

Amend Sec. 301, page 83, line 19, by striking out "ACT" and inserting

part

Amend Sec. 302, page 84, line 6, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 10, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 12, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 17, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 26, by striking out "ACT" and inserting

part

Amend Sec. 304, page 85, line 7, by striking out "ACT" and inserting

part

Amend Sec. 320, page 92, line 17, by striking out "ACT" and inserting

part

Amend Sec. 331, page 97, line 15, by striking out "ACT" and inserting

part

Amend Sec. 501, page 98, line 30, by striking out "ACT" and inserting

part

Amend Sec. 701, page 100, line 8, by striking out "ACT" and inserting

part

Amend Sec. 902, page 101, line 29, by striking out "THIS ACT" and inserting

part

Amend Sec. 902, page 102, line 3, by striking out "ACT" and inserting

part

Amend Sec. 905, page 103, line 9, by striking out "ACT" and inserting

part

Amend Sec. 906, page 103, line 16, by striking out "ACT" and inserting

part

Amend Bill, page 103, lines 17 through 20, by striking out all of said lines and inserting

## PART II

### FIRST CLASS CITY TAX ENABLING PROVISIONS

#### CHAPTER 21

##### PRELIMINARY PROVISIONS

Section 2101. Short title.

This part shall be known and may be cited as the First Class City Tax Enabling Act.

#### CHAPTER 23

### FIRST CLASS CITY TAX ENABLING ACT

Section 2301. Tax authorization.

From and after the effective date of this chapter, the council of any city of the first class shall have the authority by ordinance, for general revenue purposes, to levy, assess and collect, or provide for the levying, assessment and collection of, such taxes on persons, transactions, occupations, privileges, subjects and personal property, within the limits of such city of the first class, as it shall determine, except that such council shall not have authority to levy, assess and collect, or provide for the levying, assessment and collection of, any tax on a privilege, transaction, subject or occupation, or on personal property, which is now or may hereafter become subject to a State tax or license fee. If, subsequent to the passage of any ordinance under the authority of this chapter, the General Assembly shall impose a tax or license fee on any privilege, transaction, subject or occupation, or on personal property, taxed by any city of the first class hereunder, the act of the General Assembly imposing the State tax thereon shall automatically vacate the city ordinance passed under the authority of this chapter as to all taxes accruing subsequent to the effective date of the chapter imposing the State tax or license fee. It is the intention of this section to confer upon cities of the first class the power to levy, assess and collect taxes upon any and all subjects of taxation which the Commonwealth has power to tax but which it does not now tax or license, subject only to the foregoing provisions that any tax upon a subject which the Commonwealth may hereafter tax or license shall automatically terminate upon the effective date of the State act imposing the new tax or license fee.

Section 2302. State Treasurer.

(a) Duties.—It shall be the duty of the State Treasurer or other appropriate State official at the time of payment of the salary, wage or other compensation to any officer or employee of this Commonwealth, with the exception of elected officials, domiciled or rendering services within any first class city, to deduct any tax imposed by such city on the salary, wage or other compensation paid by the Commonwealth to any officer or employee thereof.

(b) Return.—The State Treasurer or other appropriate State official shall, on or before April 30, July 31, October 31 and January 31 of each year, make a return on a form furnished by or obtainable from the revenue commissioner of such city and remit to the revenue commissioner the amount of tax so deducted for the three-month period ending on the last day of the month preceding.

Section 2303. Adjustment for other taxes.

(a) General rule.—Notwithstanding any other provision of this chapter or any other act of the General Assembly to the contrary, any time in which a city of the first class and a municipality located outside the city of the first class impose a tax on earned income, salaries, wages, commissions, other compensation or net profits from business, professions or other activities, the municipality of the taxpayer's residence shall have priority in collecting the tax in accordance with the crediting provisions provided in subsection (b).

(b) Credits.—Notwithstanding any other provision of this chapter or any other act of the General Assembly to the contrary,

payment of any earned income or net profits tax to any political subdivision located outside the city of the first class by nonresidents of the city of the first class shall be credited to and allowed as a deduction from the liability of taxpayers for any like tax respectively on earned income, salaries, wages, other compensation or on net profits of business, professions or other activities imposed by the city of the first class.

Section 2304. Bureaus, collections, etc.

Cities of the first class are hereby authorized to provide by ordinance for the creation of such bureaus, or the appointment and compensation of such officers, clerks, collectors and other assistants and employees, either under existing departments or otherwise, as may be deemed necessary for the assessment and collection of taxes imposed under authority of this chapter.

Section 2305. Penalties.

The council of cities of the first class shall have power to prescribe and enforce penalties for the nonpayment, within the time fixed for their payment, of taxes imposed under authority of this chapter and for the violation of the provisions of ordinances passed under authority of this chapter.

#### CHAPTER 25

### FIRST CLASS CITY BUSINESS TAX REFORM

Section 2501. Short title.

This chapter shall be known and may be cited as the First Class City Business Tax Reform Act.

Section 2502. Definitions.

The following words phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Affiliated group." One or more chains of corporations connected through stock ownership with a common parent corporation if:

(1) Stock possessing at least 80% of the voting power of all classes of stock and at least 80% of each class of the nonvoting stock of each corporation, except the common parent corporation, is owned directly by one or more of the other corporations.

(2) The common parent corporation owns directly stock possessing at least 80% of the voting power of all classes of stock and at least 80% of each class of the nonvoting stock of at least one of the other corporations.

As used in this definition, the term "stock" does not include nonvoting stock which is limited and preferred as to dividends.

"Business." Carrying on or exercising, for gain or profit, within a city of the first class, any trade, business, including financial business as defined in this section, profession, vocation or commercial activity or making sales to persons within such city of the first class. The term does not include the following:

(1) Any business conducted by a nonprofit corporation or association organized for religious, charitable or educational purposes, the business of any political subdivision or of any authority created and organized under and pursuant to laws of this Commonwealth.

(2) The specific business conducted by any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission or conducted by a business subject to the jurisdiction of the Interstate Commerce Commission of furnishing or supplying service or services at the rates specified in its tariffs.

(3) The business of any insurance company, association or exchange, or any fraternal, benefit or beneficial society of any other state under the laws of which insurance companies, associations or exchanges or fraternal, benefit or beneficial societies of this Commonwealth doing business in such other state are subjected, by reason of the tax imposed by this chapter, to additional or further taxes, fines, penalties or license fees by such other state.

(4) Any employment for a wage or salary.

(5) Services performed within a city of the first class by a person, an affiliated group, partnership, financial business, corporation or other business entity whose place of business is physically located outside the city of the first class.

(6) Sales made to customers within the city of the first class, if both the decision to accept the customer's order and shipment of the goods is made at a location outside the city of the first class.

"Collector." The receiver of taxes in cities of the first class.

"Cost of goods." In the case of a retailer or wholesaler, the cost of goods, wares, commodities and merchandise purchased by the retailer or wholesaler and resold by him, such cost to include all freight-in charges.

"Cost of labor." In the case of a retailer or wholesaler, the cost of the labor of his employees used in receiving, storing, shipping and delivering the goods, wares, commodities or merchandise purchased for resale and the cost of the salaries or commissions paid to his employees for making the actual sales of the goods, wares, commodities or merchandise.

"Dividends." Any distribution made by a corporation to its shareholders in respect of its stock, whether ordinary, extraordinary or in liquidation.

"Financial business." Other than the business of any regulated industry, the services and transactions of private banks and bankers; building and loan associations; savings and loan associations; credit unions; savings banks; banks; bank and trust companies; trust companies; investment companies registered as such with the Federal Securities and Exchange Commission; holding companies; persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, including traders; dealers and brokers in money, credits, commercial paper, bonds, notes, securities and stocks and monetary metals; and factors and commission merchants.

"Manufacturer." A person whose business is the sale of goods, commodities, wares or merchandise of its own manufacture, growth or production.

"Net income":

(1) The term shall mean, at the option of the taxpayer, which option shall not be revocable by the taxpayer, any one of the following:

(i) The taxable income from any business activity as returned to and ascertained by the Federal Government prior to giving effect to the exclusion for dividends received and net operating loss, subject to the following adjustments:

(A) A deduction for dividends, interest and royalty income and other receipts excluded from the definition of "receipts" under paragraphs (5) and (7) of that definition, but only to the extent that such dividends, interest, royalty and other receipts are included in taxable income as returned to and ascertained by the Federal Government as heretofore defined.

(B) A deduction for net income attributable to receipts that are excluded under paragraph (6) of the definition of "receipts."

(C) A deduction for income received from all obligations of the United States, including stocks, bonds and Treasury notes and other obligations of the United States.

(D) An increase for interest expense attributable to these stocks, bonds and Treasury notes and other obligations of the United States or any of its political subdivisions which is exempt from taxation of income under the laws of the United States or of this Commonwealth. The increase shall not exceed the deduction claimed in clause (C).

(E) A deduction for net income of persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, other than the net income attributable to commissions and similar charges on account

of transactions effected for persons residing or having their principal place of business within a city of the first class.

(ii) As defined by the council of any city of the first class.

(2) In the case of a corporation participating in the filing of a consolidated corporate return to the Federal Government, the term shall mean the income from any business activity which would have been returned to and ascertained by the Federal Government, if separate returns had been made to the Federal Government, subject, however to any correction thereof for fraud, evasion or error as finally ascertained by the Federal Government. Notwithstanding any other provision of this chapter, no taxpayer shall be required or permitted to participate in the filing of a consolidated or combined tax return under this chapter.

(3) The collector shall establish rules and regulations and methods of apportionment and allocation and evaluation so that only that part of such net income or net operating loss which is properly attributable and allocable to the doing of business in the city of the first class levying the tax shall be taxed hereunder. The collector may make an apportionment and allocation, with due regard to the nature of the business concerned, on the basis of mileage, the ratio of the taxable receipts of the taxpayer from within the city to the total receipts of the taxpayer, the ratio of the value of the tangible personal and real property of the taxpayer owned or leased and situated in the city levying the tax to the total tangible personal and real property of the taxpayer wherever owned and situated, the ratio of the wages, salaries, commissions and other compensation paid by the taxpayer within the city levying the tax to the total wages, salaries, commissions and other compensation paid by the taxpayer, and any other method or methods of apportionment and allocation, other than the foregoing, calculated to effect a fair and proper apportionment and allocation. The net income of a person which is described as being subject to a tax pursuant to Article VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall be allocated and apportioned to a city of the first class in accordance with a fraction of which the numerator shall be "receipts" as defined and limited in this section and the denominator shall be receipts regardless of whether received in or apportionable to the city of the first class.

(4) After apportioning and allocating net income, apportioned and allocated net operating losses carried forward shall be deducted.

"Net operating loss":

(1) In the case of a person conducting its entire business within a city of the first class, any net losses incurred from the operation of its business as returned to and ascertained by the Federal Government prior to giving effect to the exclusion for dividends received and net operating loss subject to the same adjustments made applicable to net income in this section. In the case of a person conducting his business both in and outside of a city of the first class, any net operating loss incurred which is carried forward to another tax year shall be allocated and apportioned in the same manner as net income prior to its being deducted from apportioned and allocated net income in the subsequent tax year. Apportionment and allocation of net operating loss shall be based upon allocation and apportionment factors applicable to the year in which the net operating loss was incurred.

(2) Net operating losses incurred in another tax period may be carried over for three tax years following the year in which it was incurred. The earliest net loss shall be carried over to the earliest taxable year to which it may be carried.

"Person." Any individual, partnership, limited partnership, association, corporation, estate or trust. Whenever used in any

provision prescribing or imposing a penalty, the term, as applied to associations, shall mean the partners or members thereof and, as applied to corporations, the officers thereof.

"Receipts." Cash, credits, property of any kind or nature, received from conducting any business or by reason of any sale made, including resales of goods, wares or merchandise taken by a dealer as a trade in or as part payment for other goods, wares or merchandise or services rendered or commercial or business transactions, without deduction therefrom on account of the cost of property sold, materials used, labor, service or other cost, interest or discount paid or any other expense. For the purpose of determining receipts from the business of insurance, such receipts shall mean those from premiums received from risks within the city of the first class, whether by mutual or stock companies, domestic or foreign, without any deductions therefrom for any cost or expenses whatsoever; except, premiums shall not include return premiums, dividends paid or credited to policyholders if such dividends are in the nature of an adjustment of the premiums charged, and premiums received for reinsurance. Receipts from a person engaged in the business of insurance shall also include receipts from rental real estate situated in cities of the first class but shall not include interest, dividend and capital gain receipts. Nothing in this definition shall preclude the taxation of other nonpremium business receipts of persons engaged in the business of insurance. Receipts of any business shall exclude:

(1) The amount of any allowance made for goods, wares or merchandise taken by a dealer as a trade in or as part payment for other goods, wares and merchandise in the usual and ordinary course of his business.

(2) In the case of a financial business or a person which is described as being subject to a tax imposed pursuant to Article VII, VIII or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the cost of securities and other property sold, exchanged, paid at maturity or redeemed; moneys or credits received in repayment of the principal amount of deposits, advances, credits, loans and other obligations; interest received on account of deposits, advances, credits, loans and other obligations made to persons resident or having their principal place of business outside such city; interest received on account of other deposits, advances, credits, loans and other obligations but only to the extent of interest expense attributable to such deposits, advances, credits, loans and other obligations and shall also exclude payments received on account of shares purchased by shareholders.

(3) In the case of a broker, any commissions paid by him to another broker on account of a purchase or sales contract initiated, executed or cleared in conjunction with such other broker, except where either is an employee of the other.

(4) Receipts by dealers from sales to other dealers in the same line, where the dealer transfers title or possession at the same price for which he acquired the goods, wares or merchandise.

(5) Dividends, interest and royalties received by one corporation from:

(i) a corporation of the same affiliated group; or

(ii) a corporation of which the receiving corporation owns at least 20% of the voting power of all classes of stock and at least 20% of each class of nonvoting stock.

(6) Receipts from the specific business conducted by any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission or conducted by a business subject to the jurisdiction of the Interstate Commerce Commission of furnishing or supplying service or services at the rates specified in its tariffs.

(7) Receipts by a corporation which is a member of an affiliated group from other members of the same affiliated group.

(8) Commissions and similar charges received by persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, on account of transactions effected for persons resident and having their principal place of business outside the city of the first class.

(9) All or a portion of such other allowances, costs, moneys or credits as are specifically excluded by a city council of a city of the first class and which would otherwise be includable within this definition.

"Regulated industry." A person subject to a tax pursuant to Article VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, or any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission, all or a portion of the activities of which is to furnish or supply service or services at the rates specified in its tariffs.

"Retailer." A person whose business is the sale of goods, commodities, wares or merchandise to persons who are not dealers or vendors of those goods, commodities, wares or merchandise.

"Sale." Transfer of title to goods, wares, commodities or merchandise, regardless of where accomplished, the delivery of which is made by the seller within a city of the first class. The term does not include any intracompany transfers.

"Taxable receipts":

(1) Receipts, as defined and limited in this section, within the limits of a city of the first class.

(2) The term excludes the following:

(i) Receipts or portion of receipts attributable to any sale involving the bona fide delivery of goods, commodities, wares or merchandise to a location regularly maintained by the other party to the transaction outside the limits of a city of the first class and not for the purpose of evading or avoiding payment of the tax, or any portion thereof, imposed under this chapter.

(ii) Receipts or portion of receipts received for any services actually performed outside the limits of a city of the first class and not for the purpose of evading or avoiding payment of the tax, or any portion of it imposed, under this chapter.

(3) Taxable receipts of persons making sales or rendering services both inside and outside a city of the first class, or both, are to be segregated.

(4) In the event, and only in the event, taxable receipts as defined in this definition are incapable of segregation, the collector shall establish rules and regulations and methods of allocation and apportionment and evaluation so that only that part of such taxable receipts which is properly attributable to the doing of business within a city of the first class levying this tax shall be taxed hereunder.

"Tax year." A 12-month period from January 1 to December

31.

"Wholesaler." A person whose business is the sale of goods, commodities, wares or merchandise to dealers or vendors of those goods, commodities, wares or merchandise.

Section 2503. Authority to levy and collect tax; use of tax.

For the tax year 1985, and annually thereafter, if authorized by the city council of a city of the first class, every city of the first class shall levy and collect an annual tax as provided in this chapter. This tax shall be in addition to any other tax a city of the first class is empowered to levy and collect under any existing law. The taxes and penalties collected under the provisions of this chapter shall be used by the city for general revenue purposes of the city.

Section 2504. Imposition and rate of tax.

(a) Rate of tax.—Notwithstanding a contrary provision of law of the Commonwealth, including, but not limited to, this part and, unless otherwise exempted or excluded from the payment of tax by an ordinance of the city council of a city of the first class taking advantage of this authorization to tax, every person engaging in any business in a city of the first class, beginning

with the tax year 1985, and annually thereafter, shall pay an annual tax at the rate or rates specified by the city council of the city of the first class. The rate or rates determined for regulated industries shall be based upon taxable receipts, provided that the amount payable shall not exceed a percentage of net income established by the city council, and provided further, that any rates of tax set by the city council for regulated industries based on receipts or net income shall be set at the same millage or net income rates set for other businesses. All other businesses other than regulated industries shall pay at rates determined by the city council which shall be applicable to taxable receipts, net income or any combination of the two, provided that, if a city of the first class imposing the tax as provided in this chapter already imposes or hereafter imposes a tax based on or measured by net profit or gain, after provision for all allowable costs and expenses incurred and as either paid or accrued in accordance with the accounting system used, without deduction of taxes based on income, from the operation of a business, profession or enterprise carried on by any individual, copartnership, fiduciary or association, as owner or proprietor, either individually or in association with some other individual, copartnership, fiduciary or association, a credit in an amount of 60% of the tax liability based upon net income under this chapter shall be granted to and applied against the tax based on net profit or gain as provided therein except that the city council of the city of the first class may provide for a credit in excess of the 60% provided herein, and provided further, that the tax authorized by this chapter and imposed by a city of the first class on persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, shall in no event be less than the sum of 4.6 mills on the person's taxable receipts determined in accordance with this authorization without regard to the exclusion from receipts as defined in paragraph (8) of the definition of "receipts" in section 2502 plus the lesser of:

(1) 2.3 mills on the person's taxable receipts determined in accordance with this authorization without regard to the exclusion from receipts as defined in paragraph (8) of the definition of "receipts" in section 2502; or

(2) 2.3% of the person's net income determined in accordance with this authorization without regard to the deduction as defined in paragraph (1)(i)(E) of the definition of "net income" in section 2502.

(b) Alternative tax rate.—Alternatively, a manufacturer, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on manufacturing sales, at the rate established by the council of the said city of the first class, on receipts from manufacturing sales after deducting cost of goods sold as determined under the rules prescribed by the Internal Revenue Code of 1954 (68A Stat. 3, 26 U.S.C. § 1 et seq.).

(c) Wholesaler alternative.—Alternatively, a wholesaler, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on wholesale sales, at the rate established by the council of said city of the first class, on receipts from wholesale sales after deducting the applicable cost of goods and the applicable cost of labor.

(d) Retailer alternative.—Alternatively, a retailer, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on retail sales, at the rate established by the council of a city of the first class, on receipts from retail sales after deducting the applicable cost of goods and the applicable cost of labor.

Section 2505. Period used in computation of tax.

(a) Computation.—Every person subject to the payment of the tax hereby imposed who has commenced his business at least one full year prior to the beginning of any tax year shall compute his annual receipts upon the actual receipts received by him during the preceding calendar year.

(b) Current year computation.—Every person subject to the payment of the tax imposed hereunder, who has commenced his business subsequent to the beginning of any tax year, shall compute his annual receipts for such tax year upon the actual

receipts received by him during the part of such tax year remaining.

(c) Partial computation.—Every person subject to the payment of the tax imposed hereunder, who has commenced his business less than one full year prior to the beginning of any tax year, shall compute his annual receipts for such tax year upon the actual receipts received by him during his first 365 days in business.

(d) Temporary computation.—Every person subject to the payment of the tax hereby imposed, who engages in a business, temporary, seasonal or itinerant by its nature, shall compute his annual receipts upon the actual receipts received by him during such license year.

Section 2506. Returns.

(a) Forms.—Every return shall be made upon a form furnished by the collector. Every person making a return shall certify the correctness thereof.

(b) Time.—Every person subject to the tax imposed and authorized by this chapter shall file a return at such time or times and in such manner as provided for by the city council of a city of the first class. Such provisions may permit reasonable extensions of time for filing returns, provided an estimated return is filed on or before the due date and is filed in the manner and paid in the amount prescribed by the collector. No penalties shall be imposed for underestimates of tax owed, provided the estimated payments are made as prescribed by the collector.

Section 2507. Payment at time of filing return.

The person making the return shall pay the amount of tax shown as due to the collector.

Section 2508. Collection of tax.

The ordinance authorizing the tax shall provide for its collection. The taxes shall be collected in accordance with all provisions, restrictions, limitations, rights of notice and appeal as are applicable to other taxes imposed for city purposes.

Section 2509. Penalties.

In addition to any other penalties or enforcement proceedings provided for by ordinance of the city council of cities of the first class for the collection and enforcement of taxes:

(1) Whoever willfully makes any false or untrue statement on his return commits a misdemeanor of the second degree and shall, upon conviction, be sentenced to pay a fine of not more than \$2,000 or to imprisonment for not more than two years, or both.

(2) Whoever willfully fails or refuses to appear before the collector in person with his books, records or accounts for examination when required under the provisions of this chapter or ordinance of a city of the first class to do so, or who willfully refuses to permit inspection of the books, records or accounts of any business in his custody or control when the right to make such inspection by the collector is requested, commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$500 or to imprisonment for not more than six months, or both.

(3) Whoever willfully fails or refuses to file a return required by this chapter commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both.

Section 2510. Savings provisions.

(a) Validity.—The validity of any ordinance or part of any ordinance providing for or relating to the imposition, levy or collection of any tax passed by the council of a city of the first class, and any amendments or supplements thereto, shall not be affected or impaired by anything contained in this chapter.

(b) Limitations.—Nothing contained in this chapter shall be construed to empower a city of the first class to levy and collect the taxes hereby imposed not within the taxing power of this Commonwealth under the Constitution of the United States.

Section 2511. Other receipts taxes.

Notwithstanding anything contained in any law to the contrary, and except when specifically authorized by the General Assembly, no city council of a city of the first class may levy,

assess or collect, for city purposes, any tax, based on or measured by gross receipts, for the privilege of doing business in the city if the city already provides for the imposition, levy and collection of the tax imposed and authorized by this chapter.  
Section 2512. Severability.

In the event that all or any part of the provisions of this chapter are declared by a court to be unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions. It is hereby declared as the legislative intent that the remainder of this part would have been adopted had such unconstitutional provision or part of such provision not been included herein.

Section 2513. Applicability.

(a) General rule.—At its option, a city of the first class may elect to impose and collect taxes under this chapter or under the act of May 23, 1949 (P.L.1669, No.508), entitled, as reenacted and amended, "An act to provide revenue for school districts of the first class by imposing a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection; conferring and imposing powers and duties on the Board of Public Education, receiver of school taxes and school treasurer in such districts; and prescribing penalties," but not under both.

(b) Effect on other receipts taxes.—Section 2511 shall take effect with respect to any tax year after tax year 1984 to fund the fiscal year of a city of the first class commencing July 1, 1984, and for subsequent fiscal years.

PARTS III THROUGH VIII  
(RESERVED)

PART IX  
MISCELLANEOUS PROVISIONS  
CHAPTER 91  
MISCELLANEOUS PROVISIONS

Section 9101. Repeals.

(a) Absolute.—The following acts and parts of acts are repealed:

Act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

Act of May 30, 1984 (P.L.345, No.69), known as the First Class City Business Tax Reform Act.

(b) Other.—The following acts and parts of acts are repealed to the extent specified:

Section 8(6) of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, insofar as it is inconsistent with Part II of this act.

Section 14 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, insofar as it is inconsistent with the provisions of section 2502 of this act.

(c) General.—All other acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 9102. Effective date.

This act shall take effect as follows:

(1) Part I of this act shall take effect January 1, 1995.

(2) Section 2303 of this act shall take effect January 1, 1994.

(3) The remainder of this act shall take effect immediately.

On the question,

Will the House agree to the amendment?

The SPEAKER. Mr. Tomlinson would normally be recognized. Does the gentleman, Mr. Tomlinson, want to yield to the gentleman, Mr. Wright?

Mr. TOMLINSON. Yes.

The SPEAKER. The gentleman, Mr. Tomlinson, would be recognized on his amendment initially; however, the

gentleman, Mr. Wright, has asked to intercede. The gentleman, Mr. Tomlinson, will yield.

Mr. TOMLINSON. I will yield.

### MOTION TO RECOMMIT

The SPEAKER. Mr. Wright is recognized for the purpose of a motion.

Mr. D. R. WRIGHT. Mr. Speaker, I rise reluctantly to move— We have before us a bill that is important to me, because I have been interested and fought for local tax reform as long as I have been in this House, but this is not the forum to do it.

Something has gone wrong with the committee system when we have a complicated bill such as this and we have 47 amendments, and you can tell from the interrogation that it is difficult for us to find an adequate understanding of this issue. This has only been before us a very short time. It seems to me that if the committee system in this House is going to work, that we are not going to be dealing as a committee of the whole on important issues such as this, and therefore, Mr. Speaker, I move that this bill be recommitted to the Committee on Finance.

The SPEAKER. The gentleman from Clarion moves that the bill be recommitted to the Committee on Finance.

This is debatable.

On the question,

Will the House agree to the motion?

Mr. COY. Mr. Speaker?

The SPEAKER. For what purpose does the gentleman rise?

Mr. COY. To debate the motion.

The SPEAKER. The gentleman is in order and may proceed.

Mr. COY. Mr. Speaker, we have obviously spent a few hours working on a bill. The majority leader had announced the plan earlier in the day that we would work, take a dinner break, and return to work later. If we do not finish it today, we will return to the schedule tomorrow.

The time for local tax reform is here, the time for debate is here, and let us continue with the debate, and the first step in continuing with the debate is to vote "no" on the motion to recommit.

The SPEAKER. Does Mr. Trello seek recognition on the motion? Mr. Trello.

Mr. TRELLO. Mr. Speaker, I oppose the motion to recommit.

I think this committee, members from both sides of the aisle, for the last 2 or 3 months did an awful lot of work. Unfortunately, there are only 24 members on the committee — 14 from our side and 10 from that side. We cannot invite the entire General Assembly to sit in on our committee, not that they would attend anyway. They have their own ideas of what tax reform should be, and I think the amendment process is their only way and I think we should continue to do this.

If this is important to the previous speaker, that he has been working on it since he has been up here, then let us not delay it and march on and get the job done. I oppose the motion. Thank you.

The SPEAKER. The gentleman from Chester County, Mr. Gerlach, on the motion to recommit.

Mr. GERLACH. Mr. Speaker, I likewise oppose the motion.

We have had 70 members of this chamber a part of the House local tax reform caucus. We have worked very hard and diligently to get something on the floor to vote. We have reached that level. We have seen many amendments, many good amendments, perhaps some bad amendments, but the time to deal with local tax reform for our constituents is right now.

I oppose the motion and urge all of this chamber to oppose it.

The SPEAKER. Does Mr. Gannon seek recognition on the motion to recommit? The gentleman indicates that he does. The gentleman is recognized.

Mr. GANNON. Mr. Speaker, I am going to urge a "yes" vote to recommit this bill to the Finance Committee for several reasons.

This bill was brought up very quickly in Finance and is actually not the original bill that was introduced. An amendment was offered in the committee and the bill was voted out to the floor. We now have about 70 amendments before us, Mr. Speaker.

I think the wise thing to do is to take those 70-some amendments and other amendments that other members may wish to offer, take this back to the Finance Committee, let us go through those amendments, let us amend that bill with the amendments that we feel would be appropriate, then that bill can come out. There probably will be some other members who would feel strongly if amendments were taken out that they would want back in. But our work load here, two things would happen: We would streamline this process — we would permit the committee system to operate as it should — and we would also still have the opportunity to offer amendments when this bill was reported back to the full House.

I think the appropriate thing to do is to move this back into committee; let the committee do its work. Let us look at each of these amendments that is being offered here today. Let us come out with a bill that we can discuss intelligently and is not being done in a piecemeal fashion as we see here tonight. We can come out with a comprehensive tax reform package; then we can debate the bill in a rational manner and listen to other amendments and other ideas that members may have at that time, and we will not be here all night and all day doing it.

I urge a "yes" vote on the recommitment.

The SPEAKER. Mr. Blaum is recognized.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support the motion to recommit.

We are on our seventh packet of amendments, and I do not think that recommitting it for study in the Finance Committee is a death knell. I think recommitting it brings about a

thoughtful way to approach this issue of local tax reform, and this bill has been called local tax reform.

I also think the argument could be made in a closer reading of the bill that it actually raises taxes and not reforms them.

It is very difficult to get this job done without an amendment to our Constitution to allow us to tax properties at different rates, and until that is done, it is very difficult to come up with a bill that actually works, let alone to deal with seven packets of amendments, as we go through them the meanings of which are very complicated and something I believe that the expertise of the committee is better to do, and then to come back to this committee.

I think the tax reform caucus, now led by some of the members of this House, has done a terrific job, but obviously with seven packets we need a little bit more work to be done on it before it comes to the floor of the House in a final version so that we just do not send something over to the Senate which is not workable, which is not acceptable to the administration, which may or may not have even been consulted.

I think that there is work to be done, and I ask that the motion to recommit be approved. Thank you, Mr. Speaker.

The SPEAKER. The gentleman from Chester, Mr. Gerlach, for the second time on the motion to recommit.

Mr. GERLACH. Thank you, Mr. Speaker.

I just want to further comment that if this bill is recommitted and it goes back into the House Finance, those Finance Committee members worked very diligently over the last month and a half on this legislation as well, and I do not care how many amendments go back to that committee, if they come out with another package of bills on local tax reform and it gets back on the floor, back on this calendar, there are going to be another 40 or 50 amendments, because that is the nature of tax reform. Nobody is going to be happy with whatever proposal comes out of the Finance Committee and comes onto this floor for consideration. We simply have to deal with these issues. Yes, it may be timely; yes, it is extremely important; but the only way we are going to move ahead with local tax reform in the Commonwealth of Pennsylvania is when we sit here, debate the issues, and get this issue done.

So I oppose the motion and ask for the same from all the other members of this chamber.

The SPEAKER. Mr. Trello for the second time; Mr. Trello for the second time.

Mr. TRELLO. Mr. Speaker, in response to my good friend from the other side of the aisle, Mr. Gannon, the reason why I am opposing the motion is in the interests of fairness. Remember, Mr. Speaker, we outvote you 14 to 10. I think you would have a better chance on the floor than you would in the committee.

So again, I oppose the motion to recommit.

The SPEAKER. Mr. Coy from Franklin.

Mr. COY. Thank you, Mr. Speaker.

Let us be clear. If you are not for local tax reform, then vote to commit the bill. The plain and simple fact is, I do not care how much the bill is amended in the committee; these



amendments will be brought before the House as a whole later. *Everyone will have different ideas.*

We are about the business of debating it. So if you want the death knell to local tax reform, here is your chance to ring the bell. If you want to deal with it and deal with the issue of debate here tonight, deal with the issue of local tax reform which we have scheduled for tonight and tomorrow, then vote "no" to recommit. It is that simple. It is that simple.

*Now is the time for debate. The issues are very difficult. The issues require some thought and some substantive debate. That is what we are here for. That is what tonight and tomorrow is for.*

I ask for a "no" vote on recommitment.

The SPEAKER. The gentleman, Mr. Tomlinson, on the motion to recommit.

Mr. TOMLINSON. *Mr. Speaker, I would ask you not to recommit this. I think that it is time that we debate this. It seems that we are handling things in a committee of the whole. Whether it was the mobile home bill or it was campaign finance reform or whether it was gun control, everything seems to come before the full body and the full body gets to say everything about all the amendments. So the amendments are there. We had 90 amendments to the mobile home bill, and we dealt with that.*

I say this is the time to deal with the issue, and I say do not recommit this bill. Thank you.

The SPEAKER. The gentleman, Mr. Freeman, on the motion to recommit.

Mr. FREEMAN. Thank you, Mr. Speaker.

Mr. Speaker, I also rise to oppose the motion to recommit.

This is a critical issue, one that is of key concern to all of our constituents, and we should not retreat from embracing this issue on this floor tonight or as long as it takes until we can deliver a good package of local tax reform — local tax reform which is going to lower property taxes, create a fairer tax structure based on the ability to pay. If we delay this bill tonight, if we send it back to committee, we are sending a signal to the people of Pennsylvania that we are not up to this task, that we are retreating from our responsibility to change the system and make it a fairer system.

I urge the membership of this body to embrace this issue tonight and to successfully pass good tax reform, local tax reform, that will address the concerns of our citizens and has been delayed for many, many, too many years.

I urge a vote of "no" on recommitment.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Carlisle, Mr. Masland.

Mr. MASLAND. Thank you, Mr. Speaker.

I rise to oppose the motion to recommit for all the reasons that the previous speakers have mentioned. I would just add one other observation.

In my opinion, there are only two things we need to do this year, and if we do those two things, we will be successful in the General Assembly. The first one is to pass a budget on time. We have already discussed that today. The second one is to pass local tax reform, and, Mr. Speaker, I would suggest if

we have to stay here till the cows come home, then let us do it and get it done with. Thank you.

The SPEAKER. The gentleman from Somerset County, Mr. Lloyd.

Mr. LLOYD. I am not sure if it is just coincidence or whether it is designed that I get an opportunity to talk about the cows coming home.

Mr. Speaker, I oppose the motion to recommit.

Early in this session we spent a great deal of time in debate about trying to open up the process so that members who did not happen to be on a particular committee or were not involved in a particular set of negotiations would have their opportunity to offer their proposals and have a vote, up or down. Now, I will agree that the process has gotten sloppy, and I would hope that we do not stay here until 3 o'clock in the morning and that we consider pushing this bill over a period of days so that people do have a clear understanding of what these amendments will do. But there is absolutely no question that if we send this bill back to committee and it comes back out, those of us who are not on the committee are still going to want to make changes, and that is what we are here to do.

I think that it is unfortunate that this comes after the debates on gun control and on election reform, but this is a serious matter, one on which we spent a great deal of time several sessions ago. It deserves that attention again, and we can do that only if we defeat the motion to recommit. Thank you, Mr. Speaker.

The SPEAKER. The Chair would like to announce to the Agricultural chairman that for you to come after the "cows coming home" remark was "udderly" appropriate.

The gentleman, Mr. Boyes, is recognized.

Mr. BOYES. Thank you very much, Mr. Speaker.

I have heard all the debate and all the remarks about recommitting or not to recommit. As the ranking member of the Finance Committee on the Republican side, I listened very carefully to my esteemed colleague, the chairman of the committee, on his very succinct explanation of why it should not be recommitted. I have been there before; I can count, too. I would say that we get about the business, continue with the action tonight, and I would oppose the motion to recommit.

The SPEAKER. The Chair thanks the gentleman.

The gentleman, Mr. Wright, is recognized for the second time on the motion.

Mr. D. R. WRIGHT. Mr. Speaker, I had not intended to speak until my motion was characterized as a motion opposed to local tax reform. It seems strange to me that a person can stand on the floor of this House and ask for an orderly process and then have imputed to him that he is opposed to local tax reform.

I would remind the ladies and gentlemen of the House that we had local tax reform and we submitted that proposal to the people of this Commonwealth and they rejected it 3 to 1. My guess is that if we do not do this in an orderly, thoughtful, conscientious way, we will incur the wrath of the people that we represent.

All I am asking for is an orderly process. If it is the will of this House that you would rather moo like a cow than consider this proposal in an orderly way, then so be it.

The SPEAKER. The gentleman, Mr. Battisto, from Monroe.

Mr. BATTISTO. Very quickly, Mr. Speaker, very succinctly.

Mr. Speaker, about 4 years ago when we visited tax reform, we had this same lengthy debate. We are having the debate tonight, and if we would recommit this to the Finance Committee, 3 months from now—they could keep it and go over it and go over it and go over it with 24 members—we would come back and have the same kind of lengthy debate.

The time is now, right now. Let us take the rest of this evening and even tomorrow, let us finish all these amendments and listen carefully, and let us deal with local tax reform. Thank you very much.

On the question recurring,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—4

Blau	Cawley	Steighner	Wright, D. R.
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NAYS—191

Acosta	Fee	Lucyk	Sather
Adolph	Fichter	Lynch	Saurman
Allen	Fleagle	Maitland	Saylor
Argall	Flick	Manderino	Scheetz
Armstrong	Freeman	Markosek	Schuler
Baker	Gamble	Marsico	Scrimenti
Barley	Gannon	Masland	Sermel
Battisto	Geist	Mayernik	Serafini
Bebko-Jones	George	McCall	Smith, B.
Belardi	Gerlach	McGeehan	Smith, S. H.
Belfanti	Gigliotti	McNally	Snyder, D. W.
Birmelin	Gladeck	Melio	Staback
Bishop	Godshall	Merry	Stairs
Boyes	Gordner	Michlovic	Steelman
Brown	Gruitza	Micozzie	Steil
Bunt	Gruppo	Mihalich	Stern
Buxton	Haluska	Miller	Stetler
Caltagirone	Hanna	Mundy	Stish
Cappabianca	Harley	Nailor	Strittmatter
Carn	Hasay	Nyce	Sturla
Carone	Hennessey	O'Brien	Surra
Cessar	Herman	Olasz	Tangretti
Chadwick	Hershey	Oliver	Taylor, E. Z.
Civera	Hess	Pesci	Taylor, J.
Clark	Hughes	Petrarca	Thomas
Clymer	Hutchinson	Petrone	Tigue
Cohen, L. I.	Itkin	Pettit	Tomlinson
Cohen, M.	Jadlowiec	Phillips	Trello
Colafrella	James	Piccola	Trich
Colaizzo	Jarolin	Pistella	True
Conti	Josephs	Pitts	Tulli
Cornell	Kaiser	Platts	Uliana
Corrigan	Kasunic	Preston	Vance
Cowell	Keller	Raymond	Van Horne
Coy	Kenney	Reber	Veon
Curry	King	Reinard	Vitali
Daley	Kirkland	Richardson	Washington
DeLuca	Krebs	Rieger	Waugh
Dempsey	Kukovich	Ritter	Williams

Dent	LaGrotta	Roberts	Wogan
Dermody	Laub	Robinson	Wozniak
Donatucci	Laughlin	Roebuck	Wright, M. N.
Druce	Lawless	Rohrer	Yandrisevits
Egolf	Lederer	Rooney	Yewcic
Evans	Lee	Rubley	Zug
Fairchild	Leh	Rudy	
Fajt	Lescovitz	Ryan	DeWeese,
Fargo	Lloyd	Santoni	Speaker
Farmer			

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the negative, and the motion was not agreed to.

The SPEAKER. We were on the Tomlinson amendment, the Tomlinson amendment A0462, packet No. 1, and quixotically, the Tomlinson amendment is listed under "Ryan" in packet No. 1. The gentleman, Mr. Tomlinson's amendment was read by the clerk.

On the question recurring,  
Will the House agree to the amendment?

The SPEAKER. The gentleman, Mr. Tomlinson, is recognized on the amendment A0462, in packet No. 1.

POINT OF ORDER

Mr. CORRIGAN. Point of order, Mr. Speaker.

The SPEAKER. The gentleman from Bucks rises for a point of order. The gentleman will state his point.

Mr. CORRIGAN. Mr. Speaker, my understanding of the Curry amendment was that it was postponed temporarily while we went to dinner and we were going to take up that amendment when we returned from dinner. Is that not my understanding? That is not correct?

The SPEAKER. The parameters of the postponement were not delineated, but in essence, I believe the Curry amendment will be attended to after our break.

Mr. CORRIGAN. Some of the amendments, possibly this amendment, would have an effect on the Curry amendment. What is that going to cause to happen?

The SPEAKER. The gentleman's point is poignant, and the gentleman would please have a momentary dialogue with the majority leader and potentially Mr. Ryan or one of his staff also.

(Conference held.)

The SPEAKER. Relative to the inquiry of the gentleman from Bucks, the Parliamentarian indicates that the Tomlinson amendment has no parliamentary conflict with the Curry amendment, and the gentleman from Bucks, Mr. Tomlinson, may proceed with his debate.

Mr. TOMLINSON. Mr. Speaker, what I have attempted to do with this amendment is, in tax reform every municipality in the State of Pennsylvania, under this bill, is not allowed to tax nonresidents, and all I am asking in my amendment is that Philadelphia, a city of the first class, abide by this bill as every other municipality.

The SPEAKER. The Chair thanks the gentleman.

The gentleman, Mr. Evans, on the Tomlinson amendment.

Mr. EVANS. Mr. Speaker, this amendment is even much more dangerous than the amendment that the gentleman from Montgomery County was going to offer.

I mentioned to you earlier about this General Assembly approving the PICA legislation to oversee the city of Philadelphia. In addition to that, Mr. Speaker, I mentioned to you about the 5-year plan regarding PICA and, if we were to take this particular action, the message it would send to the finance community regarding the confidence in the city. I expressed to you that mandating any tax reductions would shake the confidence regarding the management of the city. If this amendment is approved, Philadelphia will be the only jurisdiction mandated that would not have the ability for implementation of optional local taxes. Every other county, school district, local government, would have that option retained to set existing taxes. This would very severely hurt the city of Philadelphia. I expressed to you that the impact of this, we estimate, is about \$80 million. Let me repeat that, Mr. Speaker: The fiscal impact is about \$80 million. Clearly, Mr. Speaker, that money has to come from somewhere.

The city of Philadelphia has been attempting, on its own, to put its house in order, as a result of the PICA board, which the city thanks the members of the General Assembly for allowing the city to have that ability to use that PICA board. It appears to me that this is going backwards in terms of moving the city ahead. There is no way, Mr. Speaker, in good conscience, that anyone who sits on this floor can accept the fact that you want to put an \$80-million hole in the city of Philadelphia's budget.

So I would ask that Democrats and Republicans alike, on both sides of the aisle, would give a negative vote on this particular amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the Tomlinson amendment, does the gentleman, Mr. Kukovich, wish to debate the Tomlinson amendment?

Mr. KUKOVICH. Thank you, Mr. Speaker.

I had said earlier that there are a number of amendments that are bill killers. This clearly is one.

I understand the concern of Mr. Tomlinson and some members who are affected by that particular tax, but I need to point out that we have got to keep this in perspective.

What the tax reform caucus has tried to do, what Representative Gerlach and Representative Reber and members on this side of the aisle in the Finance Committee, Representative Stetler, Representative Trello, what they tried to do is craft something that is fair on one hand but is passable on the other. Maybe that is too much of a task to bite off. I do not know. Nobody has accomplished it before. But because of

the failures of the past, we have a roadmap, and one of the pieces of that roadmap is that once you pull this Philadelphia issue in, you destroy tax reform.

I cannot impugn the motives of the folks who offer that amendment, because they have legitimate concerns. What I do know is that if this goes in and if you vote for this amendment, tax reform is once again dead. Putting aside the numbers recited by Representative Evans, putting aside some valid arguments that Representative Tomlinson might have, the pragmatic bottom-line issue is, our only chance to get some decent tax reform started for the rest of this Commonwealth is to defeat this amendment and pass this bill this evening.

I would strenuously request a negative vote.

The SPEAKER. The gentleman, Mr. Saurman, on the Tomlinson amendment.

Mr. SAURMAN. Thank you, Mr. Speaker.

Mr. Speaker, I guess it is nice to talk about fairness as long as it does not involve you. We are talking about a situation where four counties are affected by the Sterling Act, four counties. Philadelphia says, you are being unfair to us because you are not allowing us to stick it to you; that is what they are saying.

For years the suburban people have contributed to Philadelphia without any reciprocity. If I live in Ambler, as I do, and work in Norristown and they have a 1-percent wage tax and I have a 1-percent wage tax in Ambler, they will send that money back to my municipality, but if in fact I work in Philadelphia, not only will I pay more than that 1 percent, I will pay the 4.3 percent, and the people in Ambler cannot tax me.

Under this bill, the bill itself, this reciprocity no longer exists. The bill says that only residents are taxed. However, it says that Philadelphia can still tax nonresidents, although the other 63 counties cannot do that, and it is defended because it will make an \$80-million hole in their budget.

Mr. Speaker, I think that that is their problem and that it is about time that we talked about fairness and it is about time that we talked about equality. We fought in here about equality for school funding, and at the same time, for some reason, everyone just says, well, you four counties that are affected have to put your shoulder to the wheel and just keep taking it.

If we are going to talk about reform, it is time that we reform taxes. If we talk about equality, then we support the Tomlinson amendment. Thank you.

The SPEAKER. The gentleman, Mr. Trello, on the Tomlinson amendment.

Mr. TRELLO. Mr. Speaker, I rise to oppose the Tomlinson amendment.

Although I commend him and other members who reside in that area who are affected by the Sterling Act, and you are here to represent your constituents and I can appreciate that, but this bill deals with tax reform. Tax reform gives every municipality and every county a menu of options in the way they tax people. What this amendment does is, it takes away from Philadelphia but gives them no option to get anything back, and that is not tax reform. Tax reform is simply a menu

of options on how we tax people, and this does nothing. If we are going to do tax reform, it must be for everybody in the State of Pennsylvania and not take away and then not give something back.

For that reason, Mr. Speaker, I oppose the amendment.

The SPEAKER. The gentleman from York, Mr. Stetler.

Mr. STETLER. Thank you, Mr. Speaker.

Will the maker of the amendment stand for interrogation, please?

The SPEAKER. Mr. Tomlinson indicates he will respond.

Mr. STETLER. Just a point of clarification. Does your amendment deal strictly with wage taxes?

Mr. TOMLINSON. No.

Mr. STETLER. What impact would this amendment have on the municipal services taxes that are mentioned in HB 2202? Would that eliminate that—

Mr. TOMLINSON. No.

Mr. STETLER. —the ability to tax nonresidents? The municipal services tax is a tax on workers in an area that are nonresidents. Would that affect that?

Mr. TOMLINSON. No. That is a privilege tax.

Mr. STETLER. I am sorry. Okay. Thank you.

Mr. Speaker, may I just comment on the bill, please?

The SPEAKER. Mr. Stetler is recognized.

Mr. STETLER. Mr. Speaker, I stand in opposition to this amendment for two specific reasons.

First of all, I believe, like several speakers before me, this amendment does kill tax reform. The city of Philadelphia, in my opinion, has been making great strides in dealing with its fiscal problems. This amendment, I think, turns back the clock and puts them at disadvantages. My question is, who fills the void from the loss of revenue for the city of Philadelphia? And I would suggest that as we go through the budget process, if not this year, in future years, it will be the taxpayers in the west, in the northwest, in the northeast, in the south-central Pennsylvania who will fill that void.

The second reason I oppose this amendment is that it removes the concept of options. As Chairman Trello pointed out, the whole point of this tax reform proposal as it currently rests on the floor is that it offers options to municipalities. This amendment mandates to the city of Philadelphia how it will collect its taxes, and I feel that that violates the spirit of this act.

I therefore ask that this amendment be defeated. Thank you.

The SPEAKER. The gentleman from Delaware, Mr. Vitali, on the Tomlinson amendment.

Mr. VITALI. Mr. Speaker, I rise in support of the Tomlinson amendment.

In my view, to move from a situation where municipalities are treated unequally, as they are now, to a situation where all municipalities are treated equally, as the Tomlinson amendment would do, is tax reform.

In response to the previous speaker's question, who fills the void when this \$40 million is taken out, I answer, Philadelphia fills the void, as well they should. I do not think this is putting

Philadelphia on an unequal footing. This is putting Philadelphia on an equal footing with Haverford Township and Radnor Township and any other municipality in the Commonwealth.

Without the Tomlinson amendment, my constituents, my municipalities do not have options, because without the Tomlinson amendment, the wage tax is not a viable option in my community. As I mentioned in the argument of the Curry amendment, we have that option now, and we have not taken advantage of it because of the Sterling Act.

I feel all municipalities should be equal regardless of the political clout of any of the members. I think we have to look to fundamental fairness. We all have to put our own houses in order. Each municipality has to spend its own resources wisely or pay the consequences. I think a vote for the Tomlinson amendment is a vote for tax reform. Thank you.

The SPEAKER. The gentleman from Chester, Mr. Gerlach, on the Tomlinson amendment.

Mr. GERLACH. Thank you, Mr. Speaker.

I rise reluctantly to oppose the Tomlinson amendment, and I do so not because there is not great merit and value of what the amendment provides, but in weighing this issue, you weigh it in terms of what this particular amendment does and what the goals of tax reform are generally. I am very concerned that if we lose this opportunity, through the inclusion of the Tomlinson amendment, to get tax reform for the rest of the Commonwealth of Pennsylvania, we will not have succeeded in doing something that our constituents in this entire State desperately need.

The purpose of trying to come up with local tax reform is to try to reduce reliance on the property tax; to give local flexibility; to provide taxpayer protection provisions. The current proposal before us, particularly if a number of amendments get in that I think are appropriate, gives us the opportunity to achieve something fair and substantial for all of us across the State.

Consequently, I hope that those of us that want tax reform—and I believe everybody here wants good tax reform—will keep your eye on the prize, and that is a fair, more equitable taxation system for millions and millions of Pennsylvanians across the Commonwealth.

Therefore, I ask for a “no” vote on this amendment. Thank you.

The SPEAKER. The gentleman from Delaware, Mr. Raymond.

Mr. RAYMOND. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of the Tomlinson amendment.

We talk about tax reform in this hall, and for 9 years I have been hearing tax reform and I have been hearing the Sterling Act discussed, and every year it is, let us put it off till next year; let us put it off till later; let us not block this thing or that thing.

Well, frankly, my district has a town with 50 percent of the people working in Philadelphia. This tax reform package, without this amendment, does nothing for that town and, frankly, nothing for that school district and in fact denies the

tax reform that the chairman of the Finance Committee talked about to most of my district and most of my towns.

For years we have been hearing it. We are not talking about a few dollars here or \$25; we are talking about 4.31 percent of my residents' income that goes to the city of Philadelphia. The gentleman, Mr. Vitali, indicated properly that the people of Philadelphia should pick up the slack on that, not the rest of the State, and the people in Delaware, Chester, Bucks, and Montgomery Counties who work in the city of Philadelphia should not be paying a 4.31-percent wage tax to the city of Philadelphia.

It is absolutely ludicrous and ridiculous to keep talking about tax reform when you talk about taxing our residents that way and deny the residents of the southeastern counties surrounding Philadelphia their opportunity for tax reform. This package in fact is a good package if we do some relief for the suburban communities and allow them to participate. Otherwise, you are eliminating four counties from participating in this, and it is not fair.

I support the Tomlinson amendment. Thank you.

The SPEAKER. The gentleman from Franklin, Mr. Coy.  
Mr. COY. Thank you, Mr. Speaker.

Mr. Speaker, while I consider for a moment the issue of germaneness on this issue, I will not raise it, but I think the point is worth talking about for just one moment.

This bill starts, in the title page of the bill, saying an "Optional Local Tax Enabling Act." This amendment is mandatory. The language in this amendment is mandatory for the city of the first class. The entire rest of the bill is optional. I think that changes the character of the substance of the local tax reform debate to the point where I think it may, not only do I think it may but I am certain that it will have a deadly effect on the entire legislation.

While I believe that legislators from the suburban counties have a legitimate concern and need to raise that from time to time, I would ask my colleagues in the rest of the State to consider whether this is the time; to consider whether while we are creating an optional tax act for the rest of the Commonwealth, whether we do or do not want to place in that act a mandatory feature for Philadelphia. I submit that we do not.

I submit that this, in the long run, is very damaging to the local tax reform effort that we started before, and while I spoke a few minutes ago about recommittal and against that, equally as strongly I think the argument must be made that if this amendment would pass, the future of local tax reform at this juncture would be in jeopardy. So while the arguments are tempting and while the problem is real, this bill is not the vehicle for solution of the suburban taxation problem.

I would ask the members of the House to vote "no" on this amendment so that we can get on with substantive local tax reform, which, as has been pointed out by previous speakers, is probably one of the most important subjects that this General Assembly can face this year. Thank you, Mr. Speaker.

The SPEAKER. On the Tomlinson amendment, the gentleman, Mr. Flick, from Chester.

Mr. FLICK. Thank you, Mr. Speaker.

Mr. Speaker, I was sitting at my desk, as I was considering this issue which is before us, and I figured the Sterling tax was adopted in 1932. Now, this is 1994, so we have approximately 60 years, we will just say for round figures, 60 years the city of Philadelphia has been collecting tax from nonresidents. Now, the fiscal note in this calendar year is \$80 million. Well, let us say maybe over the 60 years the average was only \$20 million. If you take \$20 million for 60 years, that is \$1.2 billion that the city of Philadelphia has collected from nonresidents.

Mr. Speaker, if we are looking at tax reform and we are considering tax fairness, then, Mr. Speaker, this amendment has to be adopted. I would appreciate all my colleagues supporting our effort to bring tax fairness to the Commonwealth. Thank you.

The SPEAKER. The gentleman, Mr. Williams, and then the gentleman, Mr. O'Brien.

Mr. WILLIAMS. Thank you, Mr. Speaker.

There seems to be a consistent theme with regard to Philadelphia's responsibilities. Although I respect Mr. Tomlinson's efforts and members from the surrounding area, I am one of the few members of the Philadelphia delegation that happens to have Delaware County as a part of its legislative district, so I am somewhat familiar, as a result of my last term, of the issues that they have.

Frankly, Mr. Speaker, we have not spoken a lot of truth tonight with regard to the 4-point-whatever percent the suburbanites that work in Philadelphia, that work in Philadelphia, are taxed upon. We have discussed the numbers; we have discussed everything, but the fact is that when they drive into Philadelphia, when they commute into Philadelphia, when they use the Philadelphia services for which they are being taxed, 95 percent of their income is going back to their township. What they choose to do with that or what that township chooses to do with that, that is up to them, and I think it is perfectly fair, but the reality is that our police in Philadelphia County, our fire department, and our trash department do an admirable job for those people who come into Philadelphia County, so much so that the lawyers downtown that Mr. Ryan and the many attorneys on that side of the aisle that work in Philadelphia use recognize that part.

The fire department that put out the fire that those firemen lost their lives in in that building downtown, that cost Philadelphia something. It is not free. There is no free lunch, and there certainly is no free lunch for the Philadelphians who provide that business haven that people participate in. The academy on the Avenue of the Arts that everybody seems to be so enamored with, there is no free lunch here. Nobody is taking any tax dollars, sticking it to your head, and saying, hey, by the way, just give us your money for no particular reason. The fact is that when you drive down a Philadelphia street, we have got to fill that pothole. That is the honest to goodness truth.

Those Delaware County folks that, by the way, I discussed with many times—Mr. Raymond knows; Mr. Micozzie knows;

many others from that county have seen me out there—they recognize that the people from that county ask me, can we get Philadelphia services? I ask them, how are they going to pay for them? How are they going to pay for those services? I guess the answer is, the Tomlinson amendment and the many other amendments that we are seeing. Hey, just take it. Just take it for free because guess what? You are so privileged you could pick up our trash when we work in Philadelphia for nothing. That is the ludicrousness behind some of these amendments.

While I recognize it makes political hay, it says that you can come into Philadelphia County and work and get a paycheck and go back home and pay your county for your surrounding property and all that you want, that is nice, but the bottom line is, when you come into Philadelphia County and somebody is asking you to pay 4-point-some percent of your income and be responsible for your citizenship, that is all they are asking. I do not think that is a big, a big, big issue. If we could figure out how to remove all these taxes for your township, for my township, how we can make these things operate for free, I would participate in that discussion today, but the fact is, we are talking about responsibility, and everybody has to share in that responsibility collectively.

Therefore, I have to rise in opposition to the Tomlinson amendment. Thank you, Mr. Speaker.

The SPEAKER. On the Tomlinson amendment, Mr. Ryan is recognized.

Mr. RYAN. Thank you, Mr. Speaker.

Mr. Speaker, I of course would urge everybody to vote for the Tomlinson amendment.

I really was not going to get involved in this debate, but then I heard the gentleman, Mr. Williams, talking about how he represents part of Delaware County and how these Delaware Countians that work in Philadelphia go over into Philadelphia and they should pay some taxes because they work over there, but I did not hear anything about whether or not Mr. Williams should pay some taxes to Delaware County for the use of Delaware County streets. We do not have that tax, and if we did have that tax, we could not collect it, because under the law, Philadelphia would preempt the collection of that tax because of the way the tax laws are written in Pennsylvania.

You are talking about tax reform. Well, if this amendment is not adopted, you preclude the southeast effectively, in my judgment, from tax reform because the communities in the five or the four suburban counties, they cannot adopt this for fear that their people are going to be penalized with the onerous burden of the Philadelphia wage tax and then the taxes in their own vicinity, their own locale. And we are not trying to beat up on Philadelphia especially, but it is time to address this issue with Philadelphia. There comes a time when you have to bite that bullet.

Now, the bullet has been around for a long time, and it is a \$40-million bullet or it is an \$80-million bullet and no one is really sure. It is an \$80-million bullet if everybody, every community, every school district in all of the suburban

counties adopt the highest possible taxes permitted under the bill. That is what I gather is the exposure. I cannot imagine that the people throughout the southeast are going to allow their local governments to do that, so I cannot imagine that Philadelphia is going to suffer that great a loss.

But regardless, who is going to make it up? You asked that question, and the question was asked by somebody from the central part of the State, who is going to make it up? Well, right now we are making it up. We are making up the loss in Philadelphia, we from the southeast who work in Philadelphia; we make it up, and that is not fair either. Last year it was made up when Senator Fumo and Dwight Evans, the majority Appropriations chairmen from the two chambers, put an extra \$80 million into Philadelphia. Now, I do not know whether that is the way you make it up, but that is how it was done last year, and we did not even get the tax break at our local communities.

But I think we need this amendment, and I think it is about time we get it, and without it, you are never going to have good tax reform, because you are always going to have the people from the southeast feeling that they have been cheated, and I think that is wrong.

The SPEAKER. Mr. O'Brien.

Mr. O'BRIEN. Thank you, Mr. Speaker.

Mr. Speaker, nothing would give me greater pleasure than to stand on the floor of this House and support an amendment that would get rid of the Sterling Act for everybody, but most importantly, for the citizens of the city of Philadelphia.

The residents in my area are penalized in a lot of ways that you are probably not taking into consideration and those of my colleagues. The market values of our homes go down dramatically every year, and the reason for that is because fewer and fewer people want to buy homes in Philadelphia because of the onerous nature of the wage tax. If you look at the small contractors, the small business people, they do not—Even the unions do not even have their headquarters in the city of Philadelphia anymore, because the unions themselves are big employers. Small contractors are looking for garages outside Philadelphia so they do not have to pay the wage tax. Our tax base is declining year after year, and the businesses are going where? The businesses are going to the surrounding counties, and they are paying their business taxes in the surrounding counties. The wage earners that follow those businesses, they now are taxpayers in the suburban counties.

I submit to you, Mr. Speaker, that you do get a benefit from the city of Philadelphia. I would guesstimate that approximately 40 percent of the real estate in the city of Philadelphia is tax exempt. You look around in your legislative districts and ask how many people have gone to Temple Law School, Penn Law School, Jefferson Medical School, Philadelphia Community College. You look at how many of your constituents, when they have an illness, go to one of our teaching hospitals in the city of Philadelphia. Those institutions, Mr. Speaker, are tax exempt. Perhaps if we really want to get to the root of the problem, we can do something about maybe the State reimbursing us for those great

institutions that Pennsylvania is so proud of but are not on the books in the city of Philadelphia. They are on all the prime corners and all the prime locations in the center city of Philadelphia, locations that businesses would love to locate in and pay taxes. Probably 90 percent of that same type of real estate in the suburban counties is on the tax rolls, but they are not, they are not, Mr. Speaker, in the city of Philadelphia.

There is a time, I think, when we all have to face a simple fact, and it is easy to bash the city of Philadelphia, and God knows, over the years, I have been one of those bashers when I disagreed with the city administration and what I considered some failed policies, but, Mr. Speaker, I also suggest to you that we are limited in our ability to find new ways of taxation.

I also suggest to you that as I look around at my colleagues in the suburbs, I can tell you that I probably know as many of your constituents as you probably know, because they all came from districts within the city of Philadelphia, because they left because of that wage tax.

I implore you, as a citizen of the city of Philadelphia, to help us find a way to get out from under so that we can remain competitive; we do not have to have a wage tax; we can keep the businesses there; and we can keep our young people, who graduate from our universities and from our colleges, in the city of Philadelphia where they can have jobs and we can support ourselves.

Please, Mr. Speaker, be a little reasonable and love Philadelphia. Thank you.

The SPEAKER. The gentleman, Mr. Saurman.

Mr. SAURMAN. Thank you, Mr. Speaker.

Just a couple of comments. One, a previous speaker talked about this bill being optional, but, Mr. Speaker, this bill does not allow taxation of nonresidents by municipalities. That is not an option. So I do not understand how anyone could say that if we are talking now about not allowing someone to not tax a nonresident, which is consistent with the rest of the bill, that all of a sudden that issue is contrary to the optional phase of the bill.

Mr. Ryan spoke about the much smaller incident of a Representative coming out into Delaware County when the Schuylkill Expressway was in need of repair. It would have seemed very simple, since everybody in the suburbs works in Philadelphia, to simply allow the eastbound traffic in the morning and the westbound in the afternoon, but it was found that there was as much traffic in the morning coming from Philadelphia out to the suburbs as there was from the suburbs going into Philadelphia, and everyone from Philadelphia that came out into the suburbs used our services and did not pay a cent, but somehow when suburban people go into Philadelphia, they have to pay for pothole repairs. Now, where is the equality in that?

Mr. Speaker, what I would like to do is offer a real opportunity for every member of this House to share, to share in this uplifting gift to Philadelphia that the suburbs, the four counties, have been giving for 60 years. Let us find out what a hole it will make. Let us appropriate it from the General Fund so that all of you can share. I do not want to be selfish;

I do not think my colleagues in the other counties want to be selfish, so we will share that opportunity with you, but let us realize that it has not been fair and it will not be fair and there will not be true tax reform, as has been said by others, until we address the Sterling Act and create equality. Thank you.

The SPEAKER. Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, very quickly. I stand in opposition of the Tomlinson amendment, and I stand in opposition principally not because of potholes or because of some of the other things that have been mentioned. They are very isolated situations. I think that on the question of the Sterling Act, we have to consider the totality of the circumstances. We have to consider the accessibility to universities as it has been mentioned. We have to consider the accessibility of roadways. We have to consider the accessibility of a myriad of other services that people are able to take advantage of in Philadelphia County.

And so, Mr. Speaker, the benefit clearly outweighs this so-called pain, and as long as the benefit outweighs the so-called pain, then there needs to be reciprocity, and that reciprocity must be Philadelphia having an opportunity to collect on those who benefit overwhelmingly from the services that are provided. Thank you.

The SPEAKER. On the Tomlinson amendment, Mr. Tomlinson for the second time.

Mr. TOMLINSON. Mr. Speaker, thank you.

This is an issue about truth; it is an issue about equity; it is an issue about fairness. You cannot have truth based on a lie. You cannot have fairness to taxpayers based on unfair taxes, and you cannot have equality based on inequality.

As I tried to explain earlier on the Curry amendment, this does not work for the suburban surrounding districts. You cannot have this amendment and have fair tax reform. It is a lie. My constituents and those constituents in the suburbs will not have fair tax reform. It is that simple. Any suburban legislator or any rural legislator who does not vote for this amendment is not voting for fair tax reform, and anybody in the city of Philadelphia, regardless of your problems of taxation, if you truly want fair tax reform for everybody in the State of Pennsylvania, you will vote for my amendment. Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—76

Adolph	Egolf	Laub	Saurman
Allen	Fairchild	Lawless	Scheetz
Argall	Fichter	Leh	Schuler
Armstrong	Fleagle	Lynch	Serramel
Barley	Flick	Maitland	Serafini
Birmelin	Gannon	Marsico	Smith, S. H.
Boyes	Geist	Melio	Snyder, D. W.
Brown	Gladeck	Micozzie	Stairs
Bunt	Godshall	Miller	Steil
Carone	Gruppo	Nailor	Strittmatter
Civera	Harley	Nyce	Taylor, E. Z.
Clymer	Hasay	Phillips	Tomlinson

Cohen, L. I.	Herman	Piccola	True
Conti	Hess	Pitts	Uliana
Cornell	Hutchinson	Raymond	Vance
Corrigan	Jadlowiec	Reinard	Vitali
Curry	King	Rohrer	Waugh
Dent	Kirkland	Rublely	Wright, M. N.
Druce	Krebs	Ryan	Zug

## NAYS—116

Acosta	Fee	Masland	Saylor
Baker	Freeman	Mayernik	Scrimenti
Battisto	Gamble	McCall	Smith, B.
Bebko-Jones	George	McGeehan	Staback
Belardi	Gerlach	McNally	Steelman
Belfanti	Gigliotti	Merry	Steighner
Bishop	Gordner	Michlovic	Stern
Blaum	Gruitza	Mihalich	Stotler
Buxton	Haluska	Mundy	Stish
Caltagirone	Hanna	O'Brien	Sturla
Cappabianca	Hennessey	Olasz	Surra
Carr	Hershey	Oliver	Tangretti
Cawley	Hughes	Pesci	Taylor, J.
Cessar	Itkin	Petrarca	Thomas
Chadwick	Jarolin	Petrone	Tigue
Clark	Josephs	Pettit	Trello
Cohen, M.	Kaiser	Pistella	Trich
Colaifella	Kasunic	Platts	Tulli
Colaizzo	Keller	Preston	Van Horne
Cowell	Kenney	Reber	Veon
Coy	Kukovich	Rieger	Washington
Daley	LaGrotta	Ritter	Wogan
DeLuca	Laughlin	Roberts	Wozniak
Dempsey	Lederer	Robinson	Wright, D. R.
Dermody	Lee	Roebuck	Yandrisevits
Donatucci	Lescovitz	Rooney	Yewcic
Evans	Lloyd	Rudy	
Fajt	Lucyk	Santoni	DeWeese,
Fargo	Manderino	Sather	Speaker
Farmer	Markosek		

## NOT VOTING—3

James	Richardson	Williams
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## EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the negative, and the amendment was not agreed to.

## HOUSE SCHEDULE

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Mr. Itkin, our majority leader, for an announcement at this time.

The House will please come to order. We have a very important announcement regarding the rest of the schedule.

Mr. Itkin is recognized.

Mr. ITKIN. Mr. Speaker, we are going to take a dinner break now. We do have pizza available downstairs for the membership if you care to partake in that.

We will be returning to the floor at 8 o'clock, and then we are going to start and work until about 11 and we will see where we are and hopefully we can conclude our business

around that time. Otherwise, if we do not finish the business tonight, I will see all of you tomorrow morning and I would rather not have to do that, so let us work this evening and get on with it and get this issue behind us. Thank you.

The SPEAKER. The pizza is in room 60 in the East Wing; that is where the pizza is being served.

## ANNOUNCEMENT BY MR. CALTAGIRONE

The SPEAKER. Mr. Caltagirone is recognized for the purpose of making an announcement.

Mr. CALTAGIRONE. Thank you, Mr. Speaker.

For the members that have not signed on to the Shriners Temple Children's Hospital legislation, we have it in the well of the House. We are going to submit it this evening. We have over 70 cosponsors. We would appreciate if anybody would like to cosponsor, to please sign on. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

Does the gentleman, Mr. Mayernik, seek recognition? The gentleman may proceed.

Mr. MAYERNIK. Mr. Speaker, I have a question. If we are not here tomorrow, will the desk be open to receive amendments or bills?

The SPEAKER. Is the gentleman referring to potentially receiving messages from the Senate?

Mr. MAYERNIK. No. I am referring to submitting bills so that we can have them considered during the budget consideration.

The SPEAKER. According to the Parliamentarian, there is no need for the desk to be open for you to introduce bills.

The Chair would invite the gentleman from Allegheny to confer with the Parliamentarian in the next minute or two while other pro forma housekeeping work is being done so we can specifically clarify the gentleman's question.

Mr. MAYERNIK. Just one more question.

The SPEAKER. The gentleman is in order.

Mr. MAYERNIK. So I could submit a bill during the off time, and that can receive a number and be referred to committee?

The SPEAKER. Will the gentleman please approach the dais.

Mr. MAYERNIK. All right.

The SPEAKER. Thank you.

## VOTE CORRECTION

The SPEAKER. The gentleman, Mr. Waugh.

Mr. WAUGH. Thank you, Mr. Speaker.

On the Tomlinson-Ryan amendment, 0462, just recorded, I was "yes." I would like to be recorded as a "no," please.

The SPEAKER. The Chair thanks the gentleman, Mr. Waugh, and his remarks will be spread across the record.



**BILLS REPORTED FROM COMMITTEES,  
CONSIDERED FIRST TIME, AND TABLED**

**HB 462, PN 3216 (Amended) By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the penalty for violation of the duty of a driver when approaching a school bus displaying flashing red signal lights.

TRANSPORTATION.

**HB 1175, PN 1292 By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for fines for parking violations relating to parking spaces which are reserved for people who have a qualifying handicap.

TRANSPORTATION.

**HB 1450, PN 3217 (Amended) By Rep. PETRARCA**

An Act amending the act of May 21, 1931 (P.L.149, No.105), known as The Liquid Fuels Tax Act, further providing for the refund of liquid fuels tax money collected from fuels used in off-highway recreational vehicles for deposit into a restricted receipts account; and making editorial changes.

TRANSPORTATION.

**HB 1510, PN 3218 (Amended) By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, requiring drivers to turn on their lights whenever their windshield wipers are in operation; and imposing a penalty.

TRANSPORTATION.

**HB 1643, PN 3219 (Amended) By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for violations concerning driver's licenses.

TRANSPORTATION.

**HB 1832, PN 2193 By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the removal of unattended vehicles, for the notice on abandoned vehicles and for the disposition of unclaimed vehicles.

TRANSPORTATION.

**HB 2010, PN 2458 By Rep. PETRARCA**

An Act designating a certain bridge in Wyoming County as the Carmel Sirianni Memorial Bridge.

TRANSPORTATION.

**HB 2056, PN 2526 By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for special registration plates for recipients of the Expeditionary Forces Medal.

TRANSPORTATION.

**HB 2106, PN 3220 (Amended) By Rep. COWELL**

An Act amending Titles 24 (Education) and 71 (State Government) of the Pennsylvania Consolidated Statutes, providing

for special supplemental postretirement adjustments.

EDUCATION.

**HB 2162, PN 2665 By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for exclusion from automobile insurance benefits.

TRANSPORTATION.

**SB 1101, PN 1257 By Rep. PETRARCA**

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for special registration plates.

TRANSPORTATION.

**SB 1214, PN 1452 By Rep. PETRARCA**

An Act amending the act of June 1, 1956 (1955 P. L. 1944, No. 655), entitled "Liquid Fuels Tax Municipal Allocation Law," further providing for the expenditure of liquid fuels tax revenues by municipalities.

TRANSPORTATION.

**HOUSE BILLS  
INTRODUCED AND REFERRED**

**No. 2532** By Representatives OLASZ, TRELLO, PETRARCA, BELARDI, TIGUE, ROBINSON, CAWLEY, MICHLOVIC, DALEY, MIHALICH, FARGO, CORRIGAN, FREEMAN, KIRKLAND, COY, WOZNIAK, HANNA, PISTELLA, LUCYK, M. COHEN, RICHARDSON, PETRONE, CALTAGIRONE, COWELL, FEE, CAPPABIANCA, TANGRETTI, LaGROTTA, STEIGHNER, GIGLIOTTI, MARKOSEK, D. R. WRIGHT, COLAIZZO, ACOSTA, PESCI, EVANS, DERMODY, DeLUCA, ROONEY, GRUTTZA, LAUGHLIN, STABACK and HUGHES

An Act amending the act of February 1, 1966 (1965 P.L.1656, No.581), known as The Borough Code, further providing for tax levies.

Referred to Committee on LOCAL GOVERNMENT, February 8, 1994.

**No. 2534** By Representative NICKOL

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for habitual offender's license.

Referred to Committee on TRANSPORTATION, February 8, 1994.

**No. 2536** By Representatives GODSHALL, PLATTS, FICHTER, FAIRCHILD, WAUGH, PETTIT, LYNCH, M. N. WRIGHT, SAURMAN, GLADECK, CIVERA, TANGRETTI and MARKOSEK

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, further providing for collective bargaining agreements.

Referred to Committee on EDUCATION, February 8, 1994.

**No. 2537** By Representatives GODSHALL, HANNA, RUBLEY, LEVDANSKY, BUNT, MERRY, CAWLEY, GLADECK, MAITLAND, M. N. WRIGHT and LEH

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, providing for minimum number of school days after school strikes.

Referred to Committee on EDUCATION, February 8, 1994.

**No. 2538** By Representatives DONATUCCI, McGEEHAN and KELLER

An Act prohibiting the starting of a professional sporting event after 11:00 p.m.

Referred to Committee on STATE GOVERNMENT, February 8, 1994.

**No. 2539** By Representatives TULLI, EGOLF, COY, GAMBLE, E. Z. TAYLOR, D. R. WRIGHT, VANCE, KREBS, CARONE, CONTI, DEMPSEY, MASLAND, LAUB, FARGO, MIHALICH, MAITLAND, SAYLOR, LYNCH, TIGUE, DENT, KENNEY, RUBLEY, DALEY, NYCE, RUDY, STERN, ARMSTRONG, SATHER, CLARK, ADOLPH, DeLUCA, BARLEY, S. H. SMITH, SAURMAN, ROHRER, STABACK, KING, LAWLESS, HENNESSEY, GEIST, CAWLEY and LEH

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, providing for schools to be kept open on Saturday to make up instructional days lost as a result of inclement weather.

Referred to Committee on EDUCATION, February 8, 1994.

**No. 2541** By Representatives L. I. COHEN, DENT, FARGO, CONTI, SEMMEL, HERSHEY, FICHTER, DEMPSEY, E. Z. TAYLOR, JADLOWIEC, STERN, STABACK, STEELMAN, EGOLF, NAILOR, CURRY, PITTS, BARLEY, TULLI, D. W. SNYDER, STEIL, LAUB, GERLACH, FAJT, PETTTT, HANNA and ADOLPH

An Act exempting political subdivisions from compliance with laws that require political subdivisions to spend funds or that limit the ability of political subdivisions to raise revenue.

Referred to Committee on LOCAL GOVERNMENT, February 8, 1994.

**No. 2542** By Representatives KAISER, GORDNER, D. R. WRIGHT, MIHALICH, PETTTT, GODSHALL, KING, TANGRETTI, MARKOSEK, MELIO, FARMER,

HERSHEY, SCHEETZ, PISTELLA, KASUNIC, STERN, PETRARCA and ROBERTS

An Act providing for the training of Humane Society Enforcement Officers and for additional duties of the Department of Agriculture.

Referred to Committee on AGRICULTURE AND RURAL AFFAIRS, February 8, 1994.

**No. 2543** By Representatives TIGUE, LUCYK, STABACK, JAROLIN, HERSHEY, McCALL, PESCI, ROONEY, MICHLOVIC, WILLIAMS and BELFANTI

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for a temporary tax for snow clearing and removal.

Referred to Committee on TRANSPORTATION, February 8, 1994.

**No. 2544** By Representatives MANDERINO, JAMES, JOSEPHS, O'BRIEN, TRICH, GORDNER, STERN, FARGO, HERSHEY, STURLA, MIHALICH, DeLUCA, L. I. COHEN, MASLAND, CARONE, LEVDANSKY, STABACK, RITTER, RUBLEY, DALEY, D. W. SNYDER, CARN, MELIO, SCHEETZ, DRUCE, LEDERER, SERAFINI and ADOLPH

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for sentencing for attempted murder and murder of the second and third degree.

Referred to Committee on JUDICIARY, February 8, 1994.

**No. 2545** By Representatives LYNCH, PERZEL, FARGO, GEIST, HUTCHINSON, MIHALICH, REBER, ZUG, CESSAR, PETTTT, SAURMAN, KING, E. Z. TAYLOR, JAROLIN and SERAFINI

A Supplement to the act of (P.L. , No. ), entitled "An act providing for the capital budget for the fiscal year 1993-1994," itemizing public highway projects to be constructed by the Department of Transportation, together with the estimated financial costs; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects to be constructed by the Department of Transportation; stating the estimated useful life of the projects; and making appropriations.

Referred to Committee on APPROPRIATIONS, February 8, 1994.

**No. 2546** By Representatives ROBERTS, GERLACH, BATTISTO, STEELMAN and MERRY

An Act amending the act of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania Election Code, further providing for regulations in force at polling places.

Referred to Committee on STATE GOVERNMENT, February 8, 1994.

**No. 2547** By Representative GORDNER

An Act amending the act of July 9, 1990 (P.L.340, No.78), known as the Public Safety Emergency Telephone Act, further providing for counties.

Referred to Committee on CONSUMER AFFAIRS, February 8, 1994.

**No. 2548** By Representatives LEH, MASLAND, M. N. WRIGHT, HENNESSEY, SAURMAN, D. W. SNYDER, GEIST, FARGO, SATHER and ADOLPH

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further defining compensation to exclude payments from cafeteria plans for personal income tax purposes.

Referred to Committee on FINANCE, February 8, 1994.

**No. 2549** By Representatives LESCOVITZ, DERMODY, RITTER and PICCOLA

An Act amending the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, further providing for the responsibilities of law enforcement agencies and the prosecutor's office regarding crime victims.

Referred to Committee on JUDICIARY, February 8, 1994.

**No. 2550** By Representatives MAYERNIK, TRELLO, YEWIC, KAISER, PESCI, LaGROTTA, FARMER, ROBERTS, FICHTER, McNALLY, TULLI, TANGRETTI, LAWLESS, RAYMOND, LEVDANSKY, PISTELLA, GODSHALL, LAUGHLIN, DERMODY and LEDERER

An Act amending the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, freezing school property tax of senior citizens; and providing reimbursement to school districts for lost tax revenues.

Referred to Committee on AGING AND YOUTH, February 8, 1994.

**No. 2551** By Representatives MAYERNIK, CESSAR, MARKOSEK, DERMODY, DeLUCA, MELIO, PISTELLA, GERLACH and LAUGHLIN

An Act amending the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985, requiring a program of continuing medical education prior to biennial license renewal.

Referred to Committee on PROFESSIONAL LICENSURE, February 8, 1994.

### HOUSE RESOLUTIONS INTRODUCED AND REFERRED

**No. 248** By Representatives HARLEY, CARONE, BROWN, FLICK, NAILOR, SAYLOR, PETRONE,

BUXTON, HERMAN, PETTTT, PETRARCA, FICHTER, RUDY, PESCI, CURRY, SANTONI, LAUGHLIN, SATHER, TRELLO, GORDNER, DEMPSEY, DENT, STURLA, MATTLAND, DALEY, MELIO, ZUG, MARKOSEK, STERN, KREBS, FARGO, FAIRCHILD, MIHALICH, PITTS, LUCYK, CESSAR, MANDERINO, SCHULER, VANCE, MARSICO, E. Z. TAYLOR, LYNCH, BAKER, ARMSTRONG, GIGLIOTTI, HENNESSEY, FARMER, KING, DRUCE, ROBINSON, ROONEY, RUBLEY, HERSHEY, WAUGH, FAJT and ROBERTS

A Resolution designating the month of March 1994 as "National Girl Scout Month" in Pennsylvania.

Referred to Committee on RULES, February 8, 1994.

**No. 249** By Representative SAURMAN

A Resolution designating the week of February 13 through 19, 1994, as "Vocational Education Week" in Pennsylvania.

Referred to Committee on RULES, February 8, 1994.

### SENATE BILLS FOR CONCURRENCE

The clerk of the Senate, being introduced, presented the following bills for concurrence:

**SB 311, PN 327**

Referred to Committee on CONSERVATION, February 8, 1994.

**SB 1151, PN 1333**

Referred to Committee on JUDICIARY, February 8, 1994.

**SB 1248, PN 1879**

Referred to Committee on CONSERVATION, February 8, 1994.

### THE SPEAKER PRO TEMPORE (GREGORY C. FAJT) PRESIDING

#### REMARKS SUBMITTED FOR THE RECORD

Mr. REINARD. Mr. Speaker?

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. REINARD. Thank you, Mr. Speaker.

Mr. Speaker, I would like to submit some comments for a matter of record.

The SPEAKER pro tempore. The gentleman is in order.

Mr. REINARD submitted the following remarks for the Legislative Journal:

Mr. Speaker, it is my privilege to bring to the attention of the Speaker and the Members of the Pennsylvania House of Representatives the name of Scott M. Gift who has recently been awarded Scouting's highest honor—Eagle Scout.

Mr. Speaker, I would like to read to the Members of the House of Representatives the following Citation of Merit honoring Scott M. Gift.

Whereas, Scott M. Gift has earned the Eagle Award in Scouting. This is the highest award that Boy Scouts can bestow and as such represents great sacrifice and tremendous effort on the part of this young man. He is a member of Troop 5.

Now therefore, Mr. Speaker and the Members of the House of Representatives, it is my privilege to congratulate and place in the Legislative Journal the name of Scott M. Gift.

RECESS

The SPEAKER pro tempore. This House stands in recess until 8 p.m.

AFTER RECESS

The time of recess having expired, the House was called to order.

The SPEAKER pro tempore. The Chair anticipates that the first vote will be taken within the next 2 or 3 minutes and asks that all members please report to the floor of the House.

CALENDAR CONTINUED

CONSIDERATION OF HB 2202 CONTINUED

On the question recurring,

Will the House agree to the bill on third consideration as amended?

AMENDMENT A0462 RECONSIDERED

The SPEAKER pro tempore. The Chair is in receipt of a reconsideration motion offered by Mr. Ryan, who moves that the vote by which amendment 462 was defeated to HB 2202, PN 3141, on February 8 be reconsidered.

On the question,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—195

Table listing names of members who voted 'YEAS' (195 total). Includes names like Acosta, Adolph, Allen, Argall, Armstrong, Baker, Barley, Battisto, Bebko-Jones, Belardi, Belfanti, Birmelin, Bishop, Blaum, Boyes, Brown, Bunt, Farmer, Fee, Fichter, Fleagle, Flick, Freeman, Gamble, Gannon, Geist, George, Gerlach, Gigliotti, Gladock, Godshall, Gordner, Gruitza, Gruppo, Lucyk, Lynch, Maitland, Manderino, Markosek, Marsico, Masland, Mayernik, McCall, McGeehan, McNally, Melio, Merry, Michlovic, Micozzie, Mihalich, Miller, Saurman, Saylor, Scheetz, Schuler, Scrimenti, Semmel, Serafini, Smith, B., Smith, S. H., Snyder, D. W., Staback, Stairs, Steelman, Steighner, Steil, Stern, Stetler.

Table listing names of members who were present or absent. Includes names like Buxton, Caltagirone, Cappabianca, Cam, Carone, Cawley, Cessar, Chadwick, Civera, Clark, Clymer, Cohen, L. I., Cohen, M., Colafella, Colaizzo, Conti, Cornell, Corrigan, Cowell, Coy, Curry, Daley, DeLuca, Dempsey, Dent, Dermody, Donatucci, Druce, Egolf, Evans, Fairchild, Fajt, Fargo, Haluska, Hanna, Harley, Hasay, Hennessey, Herman, Hershey, Hess, Hughes, Hutchinson, Itkin, Jadlowiec, James, Jarolin, Josephs, Kaiser, Kasunic, Keller, Kenney, King, Kirkland, Krebs, Kukovich, LaGrotta, Laub, Laughlin, Lawless, Lederer, Lee, Leh, Lescovitz, Lloyd, Mundy, Nailor, Nyce, O'Brien, Olasz, Oliver, Pesci, Petrarca, Petrone, Pettit, Phillips, Piccola, Pistella, Pitts, Platts, Preston, Raymond, Reber, Reinard, Richardson, Rieger, Ritter, Roberts, Robinson, Roebuck, Rohrer, Rooney, Rubley, Rudy, Ryan, Santoni, Sather, Stish, Strittmatter, Sturla, Surra, Tangretti, Taylor, E. Z., Taylor, J., Thomas, Tighe, Tomlinson, Trello, Trich, True, Tulli, Uliana, Vance, Van Horne, Veon, Vitali, Washington, Waugh, Williams, Wogan, Wozniak, Wright, D. R., Wright, M. N., Yandrisevits, Yewcic, Zug, DeWeese, Speaker.

NAYS—0

NOT VOTING—0

EXCUSED—6

Table listing names of members who were excused. Includes names like Bush, Butkovitz, Durham, Levdansky, Nickol, Perzel.

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,

Will the House agree to the amendment?

The clerk read the following amendment No. A0462:

Amend Title, page 2, line 17, by striking out "AND" where it appears the second time

Amend Title, page 2, line 19, by removing the period after "TREASURER" and inserting ; empowering cities of the first class to levy, assess and collect, or to provide for the levying, assessment and collection of, certain additional taxes for general revenue purposes; authorizing the establishment of bureaus and the appointment and compensation of officers and employees to assess and collect such taxes; permitting penalties to be imposed and enforced; authorizing cities of the first class to impose a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection at the option of cities of the first class; conferring and imposing powers and duties on cities of the first class and the collector of city taxes in such cities; prescribing penalties; and making repeals.

Amend Table of Contents, page 2, by inserting between lines 20 and 21

PART I. OPTIONAL LOCAL TAX ENABLING PROVISIONS

Amend Table of Contents, page 2, line 31, by striking out "ACT" and inserting

part

Amend Table of Contents, page 4, line 1, by striking out "THIS ACT" and inserting

part

Amend Table of Contents, page 4, by inserting between lines 5 and 6

PART II. FIRST CLASS CITY TAX ENABLING PROVISIONS

Chapter 21. Preliminary Provisions

Section 2101. Short title.

Chapter 23. First Class City Tax Enabling Act

Section 2301. Tax authorization.

Section 2302. State Treasurer.

Section 2303. Adjustment for other taxes.

Section 2304. Bureaus, collections, etc.

Section 2305. Penalties.

Chapter 25. First Class City Business Tax Reform

Section 2501. Short title.

Section 2502. Definitions.

Section 2503. Authority to levy and collect tax; use of tax.

Section 2504. Imposition and rate of tax.

Section 2505. Period used in computation of tax.

Section 2506. Returns.

Section 2507. Payment at time of filing return.

Section 2508. Collection of tax.

Section 2509. Penalties.

Section 2510. Savings provisions.

Section 2511. Other receipts taxes.

Section 2512. Severability.

Section 2513. Applicability.

PARTS III THROUGH VIII (RESERVED)

PART IX. MISCELLANEOUS PROVISIONS

Chapter 91. Miscellaneous Provisions

Section 9101. Repeals.

Section 9102. Effective date.

Amend Bill, page 4, by inserting between lines 9 and 10

PART I

OPTIONAL LOCAL TAX ENABLING PROVISIONS

Amend Sec. 101, page 79, line 7, by striking out "ACT" and inserting

part

Amend Sec. 102, page 79, line 10, by striking out "ACT" and inserting

part

Amend Sec. 102, page 82, line 8, by striking out "ACT" and inserting

part

Amend Sec. 102, page 82, line 11, by striking out "ACT" and inserting

part

Amend Sec. 103, page 82, line 15, by striking out "ACT" and inserting

part

Amend Sec. 103, page 82, line 18, by striking out "ACT" and inserting

part

Amend Sec. 103, page 82, line 19, by striking out "ACT" and inserting

part

Amend Sec. 104, page 82, line 25, by striking out "ACT" and inserting

part

Amend Sec. 301, page 83, line 15, by striking out "ACT" and inserting

part

Amend Sec. 301, page 83, line 19, by striking out "ACT" and inserting

part

Amend Sec. 302, page 84, line 6, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 10, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 12, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 17, by striking out "ACT" and inserting

part

Amend Sec. 303, page 84, line 26, by striking out "ACT" and inserting

part

Amend Sec. 304, page 85, line 7, by striking out "ACT" and inserting

part

Amend Sec. 320, page 92, line 17, by striking out "ACT" and inserting

part

Amend Sec. 331, page 97, line 15, by striking out "ACT" and inserting

part

Amend Sec. 501, page 98, line 30, by striking out "ACT" and inserting

part

Amend Sec. 701, page 100, line 8, by striking out "ACT" and inserting

part

Amend Sec. 902, page 101, line 29, by striking out "THIS ACT" and inserting

part

Amend Sec. 902, page 102, line 3, by striking out "ACT" and inserting

part

Amend Sec. 905, page 103, line 9, by striking out "ACT" and inserting

part

Amend Sec. 906, page 103, line 16, by striking out "ACT" and inserting

part

Amend Bill, page 103, lines 17 through 20, by striking out all of said lines and inserting

PART II

FIRST CLASS CITY TAX ENABLING PROVISIONS

CHAPTER 21

PRELIMINARY PROVISIONS

Section 2101. Short title.

This part shall be known and may be cited as the First Class City Tax Enabling Act.

CHAPTER 23

FIRST CLASS CITY TAX ENABLING ACT

Section 2301. Tax authorization.

From and after the effective date of this chapter, the council of any city of the first class shall have the authority by ordinance, for general revenue purposes, to levy, assess and collect, or provide for the levying, assessment and collection of, such taxes on persons, transactions, occupations, privileges, subjects and personal property, within the limits of such city of the first class, as it shall determine, except that such council shall not have authority to levy, assess and collect, or provide for the levying, assessment and collection of, any tax on a privilege, transaction, subject or occupation, or on personal property, which is now or may hereafter become subject to a State tax or license fee. If, subsequent to the passage of any ordinance under the authority of this chapter, the General Assembly shall impose a tax or license fee on any privilege, transaction, subject or occupation, or on personal property, taxed by any city of the first class hereunder, the act of the General Assembly imposing the State tax thereon shall automatically vacate the city ordinance passed under the authority of this chapter as to all taxes accruing subsequent to the effective date of the chapter imposing the State tax or license fee. It is the intention of this section to confer upon cities of the first class the power to levy, assess and collect taxes upon any and all subjects of taxation which the Commonwealth has power to tax

but which it does not now tax or license, subject only to the foregoing provisions that any tax upon a subject which the Commonwealth may hereafter tax or license shall automatically terminate upon the effective date of the State act imposing the new tax or license fee.

#### Section 2302. State Treasurer.

(a) Duties.—It shall be the duty of the State Treasurer or other appropriate State official at the time of payment of the salary, wage or other compensation to any officer or employee of this Commonwealth, with the exception of elected officials, domiciled or rendering services within any first class city, to deduct any tax imposed by such city on the salary, wage or other compensation paid by the Commonwealth to any officer or employee thereof.

(b) Return.—The State Treasurer or other appropriate State official shall, on or before April 30, July 31, October 31 and January 31 of each year, make a return on a form furnished by or obtainable from the revenue commissioner of such city and remit to the revenue commissioner the amount of tax so deducted for the three-month period ending on the last day of the month preceding.

#### Section 2303. Adjustment for other taxes.

(a) General rule.—Notwithstanding any other provision of this chapter or any other act of the General Assembly to the contrary, any time in which a city of the first class and a municipality located outside the city of the first class impose a tax on earned income, salaries, wages, commissions, other compensation or net profits from business, professions or other activities, the municipality of the taxpayer's residence shall have priority in collecting the tax in accordance with the crediting provisions provided in subsection (b).

(b) Credits.—Notwithstanding any other provision of this chapter or any other act of the General Assembly to the contrary, payment of any earned income or net profits tax to any political subdivision located outside the city of the first class by nonresidents of the city of the first class shall be credited to and allowed as a deduction from the liability of taxpayers for any like tax respectively on earned income, salaries, wages, other compensation or on net profits of business, professions or other activities imposed by the city of the first class.

#### Section 2304. Bureaus, collections, etc.

Cities of the first class are hereby authorized to provide by ordinance for the creation of such bureaus, or the appointment and compensation of such officers, clerks, collectors and other assistants and employees, either under existing departments or otherwise, as may be deemed necessary for the assessment and collection of taxes imposed under authority of this chapter.

#### Section 2305. Penalties.

The council of cities of the first class shall have power to prescribe and enforce penalties for the nonpayment, within the time fixed for their payment, of taxes imposed under authority of this chapter and for the violation of the provisions of ordinances passed under authority of this chapter.

### CHAPTER 25

#### FIRST CLASS CITY BUSINESS TAX REFORM

#### Section 2501. Short title.

This chapter shall be known and may be cited as the First Class City Business Tax Reform Act.

#### Section 2502. Definitions.

The following words phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Affiliated group." One or more chains of corporations connected through stock ownership with a common parent corporation if:

(1) Stock possessing at least 80% of the voting power of all classes of stock and at least 80% of each class of the nonvoting stock of each corporation, except the common parent corporation, is owned directly by one or more of the other corporations.

(2) The common parent corporation owns directly stock possessing at least 80% of the voting power of all

classes of stock and at least 80% of each class of the nonvoting stock of at least one of the other corporations. As used in this definition, the term "stock" does not include nonvoting stock which is limited and preferred as to dividends.

"Business." Carrying on or exercising, for gain or profit, within a city of the first class, any trade, business, including financial business as defined in this section, profession, vocation or commercial activity or making sales to persons within such city of the first class. The term does not include the following:

(1) Any business conducted by a nonprofit corporation or association organized for religious, charitable or educational purposes, the business of any political subdivision or of any authority created and organized under and pursuant to laws of this Commonwealth.

(2) The specific business conducted by any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission or conducted by a business subject to the jurisdiction of the Interstate Commerce Commission of furnishing or supplying service or services at the rates specified in its tariffs.

(3) The business of any insurance company, association or exchange, or any fraternal, benefit or beneficial society of any other state under the laws of which insurance companies, associations or exchanges or fraternal, benefit or beneficial societies of this Commonwealth doing business in such other state are subjected, by reason of the tax imposed by this chapter, to additional or further taxes, fines, penalties or license fees by such other state.

(4) Any employment for a wage or salary.

(5) Services performed within a city of the first class by a person, an affiliated group, partnership, financial business, corporation or other business entity whose place of business is physically located outside the city of the first class.

(6) Sales made to customers within the city of the first class, if both the decision to accept the customer's order and shipment of the goods is made at a location outside the city of the first class.

"Collector." The receiver of taxes in cities of the first class.

"Cost of goods." In the case of a retailer or wholesaler, the cost of goods, wares, commodities and merchandise purchased by the retailer or wholesaler and resold by him, such cost to include all freight-in charges.

"Cost of labor." In the case of a retailer or wholesaler, the cost of the labor of his employees used in receiving, storing, shipping and delivering the goods, wares, commodities or merchandise purchased for resale and the cost of the salaries or commissions paid to his employees for making the actual sales of the goods, wares, commodities or merchandise.

"Dividends." Any distribution made by a corporation to its shareholders in respect of its stock, whether ordinary, extraordinary or in liquidation.

"Financial business." Other than the business of any regulated industry, the services and transactions of private banks and bankers; building and loan associations; savings and loan associations; credit unions; savings banks; banks; bank and trust companies; trust companies; investment companies registered as such with the Federal Securities and Exchange Commission; holding companies; persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, including traders; dealers and brokers in money, credits, commercial paper, bonds, notes, securities and stocks and monetary metals; and factors and commission merchants.

"Manufacturer." A person whose business is the sale of goods, commodities, wares or merchandise of its own manufacture, growth or production.

"Net income":

(1) The term shall mean, at the option of the taxpayer, which option shall not be revocable by the taxpayer, any one of the following:

(i) The taxable income from any business activity as returned to and ascertained by the Federal Government prior to giving effect to the exclusion

for dividends received and net operating loss, subject to the following adjustments:

(A) A deduction for dividends, interest and royalty income and other receipts excluded from the definition of "receipts" under paragraphs (5) and (7) of that definition, but only to the extent that such dividends, interest, royalty and other receipts are included in taxable income as returned to and ascertained by the Federal Government as heretofore defined.

(B) A deduction for net income attributable to receipts that are excluded under paragraph (6) of the definition of "receipts."

(C) A deduction for income received from all obligations of the United States, including stocks, bonds and Treasury notes and other obligations of the United States.

(D) An increase for interest expense attributable to these stocks, bonds and Treasury notes and other obligations of the United States or any of its political subdivisions which is exempt from taxation of income under the laws of the United States or of this Commonwealth. The increase shall not exceed the deduction claimed in clause (C).

(E) A deduction for net income of persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, other than the net income attributable to commissions and similar charges on account of transactions effected for persons residing or having their principal place of business within a city of the first class.

(ii) As defined by the council of any city of the first class.

(2) In the case of a corporation participating in the filing of a consolidated corporate return to the Federal Government, the term shall mean the income from any business activity which would have been returned to and ascertained by the Federal Government, if separate returns had been made to the Federal Government, subject, however to any correction thereof for fraud, evasion or error as finally ascertained by the Federal Government. Notwithstanding any other provision of this chapter, no taxpayer shall be required or permitted to participate in the filing of a consolidated or combined tax return under this chapter.

(3) The collector shall establish rules and regulations and methods of apportionment and allocation and evaluation so that only that part of such net income or net operating loss which is properly attributable and allocable to the doing of business in the city of the first class levying the tax shall be taxed hereunder. The collector may make an apportionment and allocation, with due regard to the nature of the business concerned, on the basis of mileage, the ratio of the taxable receipts of the taxpayer from within the city to the total receipts of the taxpayer, the ratio of the value of the tangible personal and real property of the taxpayer owned or leased and situated in the city levying the tax to the total tangible personal and real property of the taxpayer wherever owned and situated, the ratio of the wages, salaries, commissions and other compensation paid by the taxpayer within the city levying the tax to the total wages, salaries, commissions and other compensation paid by the taxpayer, and any other method or methods of apportionment and allocation, other than the foregoing, calculated to effect a fair and proper apportionment and allocation. The net income of a person which is described as being subject to a tax pursuant to Article VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall be allocated and apportioned to a city of

the first class in accordance with a fraction of which the numerator shall be "receipts" as defined and limited in this section and the denominator shall be receipts regardless of whether received in or apportionable to the city of the first class.

(4) After apportioning and allocating net income, apportioned and allocated net operating losses carried forward shall be deducted.

"Net operating loss":

(1) In the case of a person conducting its entire business within a city of the first class, any net losses incurred from the operation of its business as returned to and ascertained by the Federal Government prior to giving effect to the exclusion for dividends received and net operating loss subject to the same adjustments made applicable to net income in this section. In the case of a person conducting his business both in and outside of a city of the first class, any net operating loss incurred which is carried forward to another tax year shall be allocated and apportioned in the same manner as net income prior to its being deducted from apportioned and allocated net income in the subsequent tax year. Apportionment and allocation of net operating loss shall be based upon allocation and apportionment factors applicable to the year in which the net operating loss was incurred.

(2) Net operating losses incurred in another tax period may be carried over for three tax years following the year in which it was incurred. The earliest net loss shall be carried over to the earliest taxable year to which it may be carried.

"Person." Any individual, partnership, limited partnership, association, corporation, estate or trust. Whenever used in any provision prescribing or imposing a penalty, the term, as applied to associations, shall mean the partners or members thereof and, as applied to corporations, the officers thereof.

"Receipts." Cash, credits, property of any kind or nature, received from conducting any business or by reason of any sale made, including resales of goods, wares or merchandise taken by a dealer as a trade in or as part payment for other goods, wares or merchandise or services rendered or commercial or business transactions, without deduction therefrom on account of the cost of property sold, materials used, labor, service or other cost, interest or discount paid or any other expense. For the purpose of determining receipts from the business of insurance, such receipts shall mean those from premiums received from risks within the city of the first class, whether by mutual or stock companies, domestic or foreign, without any deductions therefrom for any cost or expenses whatsoever; except, premiums shall not include return premiums, dividends paid or credited to policyholders if such dividends are in the nature of an adjustment of the premiums charged, and premiums received for reinsurance. Receipts from a person engaged in the business of insurance shall also include receipts from rental real estate situated in cities of the first class but shall not include interest, dividend and capital gain receipts. Nothing in this definition shall preclude the taxation of other nonpremium business receipts of persons engaged in the business of insurance. Receipts of any business shall exclude:

(1) The amount of any allowance made for goods, wares or merchandise taken by a dealer as a trade in or as part payment for other goods, wares and merchandise in the usual and ordinary course of his business.

(2) In the case of a financial business or a person which is described as being subject to a tax imposed pursuant to Article VII, VIII or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the cost of securities and other property sold, exchanged, paid at maturity or redeemed; moneys or credits received in repayment of the principal amount of deposits, advances, credits, loans and other obligations; interest received on account of deposits, advances, credits, loans and other obligations made to persons resident or having their principal place of business outside such city; interest received on account of other deposits, advances, credits, loans and other

obligations but only to the extent of interest expense attributable to such deposits, advances, credits, loans and other obligations and shall also exclude payments received on account of shares purchased by shareholders.

(3) In the case of a broker, any commissions paid by him to another broker on account of a purchase or sales contract initiated, executed or cleared in conjunction with such other broker, except where either is an employee of the other.

(4) Receipts by dealers from sales to other dealers in the same line, where the dealer transfers title or possession at the same price for which he acquired the goods, wares or merchandise.

(5) Dividends, interest and royalties received by one corporation from:

(i) a corporation of the same affiliated group; or

(ii) a corporation of which the receiving corporation owns at least 20% of the voting power of all classes of stock and at least 20% of each class of nonvoting stock.

(6) Receipts from the specific business conducted by any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission or conducted by a business subject to the jurisdiction of the Interstate Commerce Commission of furnishing or supplying service or services at the rates specified in its tariffs.

(7) Receipts by a corporation which is a member of an affiliated group from other members of the same affiliated group.

(8) Commissions and similar charges received by persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, on account of transactions effected for persons resident and having their principal place of business outside the city of the first class.

(9) All or a portion of such other allowances, costs, moneys or credits as are specifically excluded by a city council of a city of the first class and which would otherwise be includable within this definition.

"Regulated industry." A person subject to a tax pursuant to Article VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, or any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission, all or a portion of the activities of which is to furnish or supply service or services at the rates specified in its tariffs.

"Retailer." A person whose business is the sale of goods, commodities, wares or merchandise to persons who are not dealers or vendors of those goods, commodities, wares or merchandise.

"Sale." Transfer of title to goods, wares, commodities or merchandise, regardless of where accomplished, the delivery of which is made by the seller within a city of the first class. The term does not include any intracompany transfers.

"Taxable receipts":

(1) Receipts, as defined and limited in this section, within the limits of a city of the first class.

(2) The term excludes the following:

(i) Receipts or portion of receipts attributable to any sale involving the bona fide delivery of goods, commodities, wares or merchandise to a location regularly maintained by the other party to the transaction outside the limits of a city of the first class and not for the purpose of evading or avoiding payment of the tax, or any portion thereof, imposed under this chapter.

(ii) Receipts or portion of receipts received for any services actually performed outside the limits of a city of the first class and not for the purpose of evading or avoiding payment of the tax, or any portion of it imposed, under this chapter.

(3) Taxable receipts of persons making sales or rendering services both inside and outside a city of the first class, or both, are to be segregated.

(4) In the event, and only in the event, taxable receipts as defined in this definition are incapable of segregation, the collector shall establish rules and regulations and methods of allocation and apportionment and evaluation so that only that part of such taxable receipts which is properly attributable to the doing of business within a city of the first class levying this tax shall be taxed hereunder.

"Tax year." A 12-month period from January 1 to December 31.

"Wholesaler." A person whose business is the sale of goods, commodities, wares or merchandise to dealers or vendors of those goods, commodities, wares or merchandise.

Section 2503. Authority to levy and collect tax; use of tax.

For the tax year 1985, and annually thereafter, if authorized by the city council of a city of the first class, every city of the first class shall levy and collect an annual tax as provided in this chapter. This tax shall be in addition to any other tax a city of the first class is empowered to levy and collect under any existing law. The taxes and penalties collected under the provisions of this chapter shall be used by the city for general revenue purposes of the city.

Section 2504. Imposition and rate of tax.

(a) Rate of tax.—Notwithstanding a contrary provision of law of the Commonwealth, including, but not limited to, this part and, unless otherwise exempted or excluded from the payment of tax by an ordinance of the city council of a city of the first class taking advantage of this authorization to tax, every person engaging in any business in a city of the first class, beginning with the tax year 1985, and annually thereafter, shall pay an annual tax at the rate or rates specified by the city council of the city of the first class. The rate or rates determined for regulated industries shall be based upon taxable receipts, provided that the amount payable shall not exceed a percentage of net income established by the city council, and provided further, that any rates of tax set by the city council for regulated industries based on receipts or net income shall be set at the same millage or net income rates set for other businesses. All other businesses other than regulated industries shall pay at rates determined by the city council which shall be applicable to taxable receipts, net income or any combination of the two, provided that, if a city of the first class imposing the tax as provided in this chapter already imposes or hereafter imposes a tax based on or measured by net profit or gain, after provision for all allowable costs and expenses incurred and as either paid or accrued in accordance with the accounting system used, without deduction of taxes based on income, from the operation of a business, profession or enterprise carried on by any individual, copartnership, fiduciary or association, as owner or proprietor, either individually or in association with some other individual, copartnership, fiduciary or association, a credit in an amount of 60% of the tax liability based upon net income under this chapter shall be granted to and applied against the tax based on net profit or gain as provided therein except that the city council of the city of the first class may provide for a credit in excess of the 60% provided herein, and provided further, that the tax authorized by this chapter and imposed by a city of the first class on persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, shall in no event be less than the sum of 4.6 mills on the person's taxable receipts determined in accordance with this authorization without regard to the exclusion from receipts as defined in paragraph (8) of the definition of "receipts" in section 2502 plus the lesser of:

(1) 2.3 mills on the person's taxable receipts determined in accordance with this authorization without regard to the exclusion from receipts as defined in paragraph (8) of the definition of "receipts" in section 2502; or

(2) 2.3% of the person's net income determined in accordance with this authorization without regard to the



deduction as defined in paragraph (1)(i)(E) of the definition of "net income" in section 2502.

(b) Alternative tax rate.—Alternatively, a manufacturer, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on manufacturing sales, at the rate established by the council of the said city of the first class, on receipts from manufacturing sales after deducting cost of goods sold as determined under the rules prescribed by the Internal Revenue Code of 1954 (68A Stat. 3, 26 U.S.C. § 1 et seq.).

(c) Wholesaler alternative.—Alternatively, a wholesaler, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on wholesale sales, at the rate established by the council of said city of the first class, on receipts from wholesale sales after deducting the applicable cost of goods and the applicable cost of labor.

(d) Retailer alternative.—Alternatively, a retailer, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on retail sales, at the rate established by the council of a city of the first class, on receipts from retail sales after deducting the applicable cost of goods and the applicable cost of labor.

Section 2505. Period used in computation of tax.

(a) Computation.—Every person subject to the payment of the tax hereby imposed who has commenced his business at least one full year prior to the beginning of any tax year shall compute his annual receipts upon the actual receipts received by him during the preceding calendar year.

(b) Current year computation.—Every person subject to the payment of the tax imposed hereunder, who has commenced his business subsequent to the beginning of any tax year, shall compute his annual receipts for such tax year upon the actual receipts received by him during the part of such tax year remaining.

(c) Partial computation.—Every person subject to the payment of the tax imposed hereunder, who has commenced his business less than one full year prior to the beginning of any tax year, shall compute his annual receipts for such tax year upon the actual receipts received by him during his first 365 days in business.

(d) Temporary computation.—Every person subject to the payment of the tax hereby imposed, who engages in a business, temporary, seasonal or itinerant by its nature, shall compute his annual receipts upon the actual receipts received by him during such license year.

Section 2506. Returns.

(a) Forms.—Every return shall be made upon a form furnished by the collector. Every person making a return shall certify the correctness thereof.

(b) Time.—Every person subject to the tax imposed and authorized by this chapter shall file a return at such time or times and in such manner as provided for by the city council of a city of the first class. Such provisions may permit reasonable extensions of time for filing returns, provided an estimated return is filed on or before the due date and is filed in the manner and paid in the amount prescribed by the collector. No penalties shall be imposed for underestimates of tax owed, provided the estimated payments are made as prescribed by the collector.

Section 2507. Payment at time of filing return.

The person making the return shall pay the amount of tax shown as due to the collector.

Section 2508. Collection of tax.

The ordinance authorizing the tax shall provide for its collection. The taxes shall be collected in accordance with all provisions, restrictions, limitations, rights of notice and appeal as are applicable to other taxes imposed for city purposes.

Section 2509. Penalties.

In addition to any other penalties or enforcement proceedings provided for by ordinance of the city council of cities of the first class for the collection and enforcement of taxes:

(1) Whoever willfully makes any false or untrue statement on his return commits a misdemeanor of the second degree and shall, upon conviction, be sentenced to

pay a fine of not more than \$2,000 or to imprisonment for not more than two years, or both.

(2) Whoever willfully fails or refuses to appear before the collector in person with his books, records or accounts for examination when required under the provisions of this chapter or ordinance of a city of the first class to do so, or who willfully refuses to permit inspection of the books, records or accounts of any business in his custody or control when the right to make such inspection by the collector is requested, commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$500 or to imprisonment for not more than six months, or both.

(3) Whoever willfully fails or refuses to file a return required by this chapter commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both.

Section 2510. Savings provisions.

(a) Validity.—The validity of any ordinance or part of any ordinance providing for or relating to the imposition, levy or collection of any tax passed by the council of a city of the first class, and any amendments or supplements thereto, shall not be affected or impaired by anything contained in this chapter.

(b) Limitations.—Nothing contained in this chapter shall be construed to empower a city of the first class to levy and collect the taxes hereby imposed not within the taxing power of this Commonwealth under the Constitution of the United States.

Section 2511. Other receipts taxes.

Notwithstanding anything contained in any law to the contrary, and except when specifically authorized by the General Assembly, no city council of a city of the first class may levy, assess or collect, for city purposes, any tax, based on or measured by gross receipts, for the privilege of doing business in the city if the city already provides for the imposition, levy and collection of the tax imposed and authorized by this chapter.

Section 2512. Severability.

In the event that all or any part of the provisions of this chapter are declared by a court to be unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions. It is hereby declared as the legislative intent that the remainder of this part would have been adopted had such unconstitutional provision or part of such provision not been included herein.

Section 2513. Applicability.

(a) General rule.—At its option, a city of the first class may elect to impose and collect taxes under this chapter or under the act of May 23, 1949 (P.L.1669, No.508), entitled, as reenacted and amended, "An act to provide revenue for school districts of the first class by imposing a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection; conferring and imposing powers and duties on the Board of Public Education, receiver of school taxes and school treasurer in such districts; and prescribing penalties," but not under both.

(b) Effect on other receipts taxes.—Section 2511 shall take effect with respect to any tax year after tax year 1984 to fund the fiscal year of a city of the first class commencing July 1, 1984, and for subsequent fiscal years.

PARTS III THROUGH VIII

(RESERVED)

PART IX

MISCELLANEOUS PROVISIONS

CHAPTER 91

MISCELLANEOUS PROVISIONS

Section 9101. Repeals.

(a) Absolute.—The following acts and parts of acts are repealed:

Act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

Act of May 30, 1984 (P.L.345, No.69), known as the First Class City Business Tax Reform Act.

(b) Other.—The following acts and parts of acts are repealed to the extent specified:

Section 8(6) of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, insofar as it is inconsistent with Part II of this act.

Section 14 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, insofar as it is inconsistent with the provisions of section 2502 of this act.

(c) General.—All other acts and parts of acts are repealed insofar as they are inconsistent with this act.  
Section 9102. Effective date.

This act shall take effect as follows:

(1) Part I of this act shall take effect January 1, 1995.

(2) Section 2303 of this act shall take effect January 1, 1994.

(3) The remainder of this act shall take effect immediately.

On the question recurring,  
Will the House agree to the amendment?

AMENDMENT PASSED OVER TEMPORARILY

The SPEAKER pro tempore. The Chair informs the members that amendment 0462 is over temporarily.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. STETLER offered the following amendment No. A0523:

Amend Sec. 320.1, page 93, line 28, by striking out "60%" and inserting  
40%

Amend Sec. 320.1, page 93, line 29, by striking out "40%" and inserting  
60%

On the question,  
Will the House agree to the amendment?

The SPEAKER pro tempore. For the information of the members, this amendment is in packet No. 2.

On that question, the Chair recognizes Mr. Stetler.

Mr. STETLER. Thank you, Mr. Speaker.

Mr. Speaker, I thought we were going to run A0520 first.

The SPEAKER pro tempore. The Chair did not have that immediately available. Is that the member's wish, and is there some compelling reason to do that?

Mr. STETLER. No, that is fine. We can go in that order.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. STETLER. Thank you, Mr. Speaker.

Amendment 0523 deals with the sales tax option for the counties.

In the event that a county, after opting into the PIT, taking the PIT option as a result of this bill, the sales tax then would cease to be an option for the counties to take. The intent of this amendment is to encourage municipalities to participate by requiring that the counties in which they exist would then cause a sales tax to be collected.

What this amendment does is affects the distribution rate that would result. Under the bill as submitted, the distribution

under this scenario would be 60-40 - 60 percent going to the counties and 40 percent to the municipalities. This amendment changes that in the opposite direction. Those municipalities that would participate in the sales tax by requiring by ordinance that the county collect the sales tax would then participate with municipalities getting 60 percent and the counties getting 40 percent.

I would appreciate your support of this amendment. Thank you.

The SPEAKER pro tempore. On that amendment, the Chair recognizes Representative Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

Would the maker of the amendment stand for a brief interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. Representative Nyce may proceed.

Mr. NYCE. Mr. Speaker, under the bill as currently formed before your amendment, it is my understanding that if the counties choose a personal income tax as an option, they could be forced to mandate the sales tax on top of and in addition to the personal income tax. Under that scenario as currently written, then when mandated, the county would get 60 percent and the municipalities would get 40-percent portions of that sales tax. Is that correct?

Mr. STETLER. Yes, that is correct.

Mr. NYCE. And the intent of your amendment is to change the pro rata share of the mandated sales tax application—only the mandated portion; this has nothing to do with when the county chooses to implement a sales tax—would change the mandated portion to a 50-50— No; this is the one that goes 40-60 - 40 for the counties, 60 for the municipalities. So it is an exact reversal of the ratios currently in the bill.

Mr. STETLER. That is correct.

Mr. NYCE. Now, let me ask you, the responsibility of the counties in all of this is very important. So the counties would be required to implement the tax. What about the collection process or administration of the tax itself? Will the counties play any role in that?

Mr. STETLER. No. The county would play no role. This would be administered in accordance with State law, to be collected by the State.

Mr. NYCE. Okay. But if the counties had opted in their best interests to implement personal income tax, none of your amendment would have any effect on whether or not the municipalities could still force the counties into the sales tax. It only changes the distribution after the forcing or mandating was accomplished.

Mr. STETLER. That is correct.

Mr. NYCE. Okay.

One minute, Mr. Speaker.

All right. Mr. Speaker, I have finished my interrogation. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Druce.

Mr. DRUCE. Thank you, Mr. Speaker.

I rise to oppose this amendment for the simple reason that, and all of you may hear this as well, the service providers in our Commonwealth by and large are our counties, and what we are having in this amendment is the possibility of a municipality enacting a full 1-percent income tax, forcing the county into a sales tax, and then collecting potentially 40 percent of that revenue. They are going to have so much money, they are going to be repaving streets two and three times.

The people that need this money are the counties, because they are providing the services, and in most cases, when you go home, that is the group that we hear from the most about mandated services that they have to employ. But what this amendment does is strip that away and give it to who I think are the biggest winners in this whole bill, the municipalities, because they are making money on both ends. They are getting it out of the personal income tax of 1 percent, and now they are going to get it from a sales tax of 40 percent by forcing the county into it.

I think it is a bad bill, and I think it hurts the one group that we should be helping, and that is the service providers, which are our counties. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

#### PARLIAMENTARY INQUIRY

The SPEAKER pro tempore. On the amendment, the Chair recognizes the minority chairman of the Finance Committee, Representative Boyes.

Mr. BOYES. Thank you very much, Mr. Speaker.

May I make a parliamentary inquiry?

The SPEAKER pro tempore. The gentleman may state his point.

Mr. BOYES. Mr. Speaker, I notice in the alignment of the amendments that are being considered tonight, there is an amendment that deals with the question of the mandating of the shares with the municipalities and the process. Just as a question, I thought that probably before we talk about the individual shares, whether it is 50-50 or 60-40, that possibly the members of the House should consider the other amendment first and let that dictate it. Then in the order of sequence, the amendment, the Stetler amendment on 60-40 or 50-50, would be more appropriate and in order once the House has spoken to the other question of the other amendment dealing with the mandated.

The SPEAKER pro tempore. The Chair is following the order of amendments as outlined by the majority leader and will continue to do so throughout tonight's debate.

Mr. BOYES. Thank you, Mr. Speaker.

And I will abide by the decision of the Chair there, but if the majority leader would, you know, please take into consideration that this might help us to resolve the other questions as far as the division of the recommendation that we could make on the Stetler amendment that is before us if we considered the mandated provision first.

If the mandate is going to remain in the bill, then that helps us to decide what we are going to do as far as a recommendation as far as the Stetler amendment. Just as a point of information.

I will wait for the majority leader to reflect on that for 30 seconds. If not, then I have to make a comment on the Stetler amendment.

The SPEAKER pro tempore. The gentleman is in order to proceed with his comments on the amendment.

Mr. BOYES. Okay.

The amendment No. A0456 is the amendment I was making reference to at the time.

Since there is no comment from the majority leader, I will proceed to comment on the Stetler amendment. Would I be in order, Mr. Speaker?

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. BOYES. Each member of the House would have to make a decision as to whether or not they would want to rearrange it, but I would have to agree with Representative Tom Druce as far as reducing the amount of money that would be available to the counties. The counties have had the impact of a lot of additional programs. If you look at the numbers of your municipalities in terms of their percentage increased on the income tax, they are going to have an additional windfall from the sharing arrangement. Any increase in the sharing arrangement, as I would have to agree on review of the municipal shares that Representative Druce pointed out, this would be a substantial windfall to the municipalities at the expense of the counties, and the counties, as the center or the core of all of the social programs in the human services area, need the money where the other municipalities would have an excess. They have other options available to them.

So I would recommend a "no" vote on the Stetler amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the Representative from Lancaster, Representative Sturla.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, if we are to buy into this argument that the counties are in fact the ones that need this the most because they provide the social services, then I would contend that the counties would buy into their option up front to do the 1-percent sales tax and get 75 percent of it and that in those cases where the counties decided that they did not need those funds and decided not to optionally do the 1-percent sales tax, in those cases, there would then be the provision for a mandated 1-percent tax if it is forced by the municipalities, and obviously the only reason the municipalities would force the issue is that they felt that they needed the moneys at that point in time. So the counties have first dibs on this. They can get 75 percent of this money if they want. If they pass up that option, then the municipalities, with the Stetler amendment, would have the option to come back and get their portion of it.

So I think the argument that the counties should be the ones that get all the money may be true, but they have that option to do so. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The Chair recognizes, for the second time on the amendment, Representative Stetler.

Mr. STETLER. Thank you, Mr. Speaker.

I would just like to correct a few misconceptions about what my amendment does.

First, as Representative Sturla pointed out, the counties do have the option for the sales tax, and if the county so opts, not only is there a 75-25 percent distribution, under the way the original bill is drafted, the county gets to keep 5 percent of that tax before it returns the rest to reduce property taxes.

In the scenario where a municipality, whether they get it as a result of a 75-25 distribution or a 40-60, 50-50, or 60-40, it is extremely important to understand that the municipalities have a dollar-for-dollar restriction in terms of reductions. There is no windfall for the municipalities if they are to put in place this sales tax. Let me repeat: It is a dollar-for-dollar reduction in the local taxes that would result from the implementation of the sales tax. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Nyce on the amendment for the second time.

Mr. NYCE. Mr. Speaker, again, would the maker of the amendment stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. The gentleman may proceed.

Mr. NYCE. Mr. Speaker, under the bill as currently written, is it not true that the counties— We have given each level of government a choice, an option, and under the county portion they can opt for either a sales tax or an income tax. Is that correct?

Mr. STETLER. That is correct.

Mr. NYCE. And I would presume then that the basis for that choice would be in the best interests of that particular county by the appropriate county officials. What we have created here and why these two issues are inextricably linked is because now the county leaders could choose to opt for the appropriate tax, being a personal income tax, and be forced to implement a tax that they do not want.

Now, let me ask one other question. With regard to the reductions that are mandated under the sales tax if forced to implement, supposing a municipality has already, through their own choice, opted for a personal income tax which reduces the real estate tax to zero. What then happens to the money that would be forced out of this revenue procedure if in fact real estate taxes are already eliminated by the municipality's choice? What happens to that windfall?

Mr. STETLER. Mr. Speaker, under those scenarios, having a lot of confidence in my local elected officials, I would think they would not opt into that.

Mr. NYCE. Mr. Speaker, your impression of what may or may not happen is critical to what you are asking us to vote on.

Mr. STETLER. And I would suggest to you, sir, that the amendment and the act are specific, that a dollar-for-dollar reduction must occur if this sales tax is implemented.

Mr. NYCE. Mr. Speaker, I have finished my interrogation. On the amendment.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. NYCE. Mr. Speaker, this issue bespeaks to the exact problem that exists within the bill in terms of what is going to happen when this mandated event occurs. We could actually be in a situation where a municipality chooses to implement an income tax, significantly or completely reduces its real estate tax, and then, for whatever other reasons they may have, could force the county to implement a sales tax against its wishes, and that money is required to offset other taxes but it does not speak to the issue that if no other taxes currently exist, that there has to be any offset. It is not specific in the bill.

So I suggest that this is a loophole within the bill which could cause a mandated tax for which there are no required reductions. It is one of the reasons we wanted to address the mandate first, and I regret that we have to do it in this fashion.

I urge the members to be very cautious on this amendment. Although it only speaks to a sharing of the revenue when a forced situation exists, be very careful that this may in fact result in a windfall for local municipalities on top of the option they already have to choose and contrary to the option which the county may have chosen for itself.

Thank you, Mr. Speaker. I am opposed to the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

For the second time on the amendment, the Chair recognizes Representative Sturla.

Mr. STURLA. Mr. Speaker, I would interrogate the maker of the amendment, but I think I can answer this without it.

It would be my understanding that if in fact the scenario that was presented here earlier, where as a result of a personal income tax that was imposed on a local level, the real estate tax was then zero, and then on top of that there was a sales tax imposed, because there is a regulation that requires a dollar-for-dollar reduction in taxes, in fact that sales tax would then be used to reduce the personal income tax, because there needs to be a dollar-for-dollar reduction.

So in fact what we would have is a situation where no matter where the tax is coming from, there could not be a windfall. First, the real estate tax would be reduced on a dollar-for-dollar basis, and then the sales tax would reduce a personal income tax on a dollar-for-dollar basis beyond that. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—59

Acosta	Fee	McNally	Staback
Bebko-Jones	Freeman	Michlovic	Steelman
Belardi	Gamble	Mihalich	Stetler
Bishop	George	Mundy	Sturla
Blaum	Gruitza	Oliver	Surra
Buxton	James	Pesci	Thomas
Cappabianca	Josephs	Petrone	Trello
Carn	Kaiser	Pistella	Trich
Cawley	Keller	Preston	Van Home
Colafella	Kirkland	Richardson	Veon
Cowell	Lederer	Rieger	Vitali
Coy	Lescovitz	Ritter	Williams
Dermody	Manderino	Robinson	Wozniak
Donatucci	Markosek	Roebuck	Yandrisevits
Evans	Mayernik	Rooney	

NAYS—136

Adolph	Farmer	Leh	Saylor
Allen	Fichter	Lloyd	Scheetz
Argall	Fleagle	Lucyk	Schuler
Armstrong	Flick	Lynch	Scrimenti
Baker	Gannon	Maitland	Semmel
Barley	Geist	Marsico	Serafini
Battisto	Gerlach	Masland	Smith, B.
Belfanti	Gigliotti	McCall	Smith, S. H.
Birmelin	Gladeck	McGeehan	Snyder, D. W.
Boyes	Godshall	Melio	Stairs
Brown	Gordner	Merry	Steighner
Bunt	Gruppo	Micozzie	Steil
Caltagirone	Haluska	Miller	Stern
Carone	Hanna	Nailor	Stish
Cessar	Harley	Nyce	Stritmatter
Chadwick	Hasay	O'Brien	Tangretti
Civera	Hennessey	Olasz	Taylor, E. Z.
Clark	Herman	Petrarca	Taylor, J.
Clymer	Hershey	Pettit	Tigue
Cohen, L. I.	Hess	Phillips	Tomlinson
Cohen, M.	Hughes	Piccola	True
Colaizzo	Hutchinson	Pitts	Tulli
Conti	Itkin	Platts	Uliana
Cornell	Jadlowiec	Raymond	Vance
Corrigan	Jarolin	Reber	Washington
Curry	Kasunic	Reinard	Waugh
Daley	Kenney	Roberts	Wogan
DeLuca	King	Rohrer	Wright, D. R.
Dempsey	Krebs	Rublely	Wright, M. N.
Dent	Kukovich	Rudy	Yewcic
Druce	LaGrotta	Ryan	Zug
Egolf	Laub	Santoni	
Fairchild	Laughlin	Sather	DeWeese,
Fajt	Lawless	Saurman	Speaker
Fargo	Lee		

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

The SPEAKER pro tempore. The Chair inquires of Representative Stetler as to whether he has additional amendments that he wishes to offer at this time?

Mr. STETLER. Yes, Mr. Speaker. I would like to propose amendment 0520.

The SPEAKER pro tempore. The clerk will read the amendment.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. STETLER offered the following amendment No. A0520:

Amend Sec. 331, page 97, line 15, by striking out "\$10" and inserting

\$30

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Stetler.

Mr. STETLER. Mr. Speaker, what this amendment does, it deals with the municipal services tax.

In 1965 when first a tax of this type was imposed, it was imposed at a level of \$10. Realistic growth over the past 35 years would indicate to me that the amount of \$30 should be considered.

This amendment would be optional as imposed by the municipalities and also could be graduated so that one is not locked into the \$30 figure but could choose a figure of less than that amount.

I would appreciate your support.

The SPEAKER pro tempore. On the amendment, the Chair recognizes Representative Boyes.

Mr. BOYES. Thank you, Mr. Speaker.

Would the gentleman, the maker of the amendment, stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will stand for interrogation. The gentleman, Mr. Boyes, may proceed.

Mr. BOYES. The understanding I have of the overall amendment, Mr. Speaker, is that we have a 95-percent offset to real estate taxes in the new revenues raised. Have I stated that correctly?

Mr. STETLER. Yes.

Mr. BOYES. On the consideration, I am not clear on the offset as far as the municipal services tax. Is that part of the offset?

Mr. STETLER. Yes.

Mr. BOYES. We seem to have, if I can, differences here. I am getting conflicting opinions and signals here. What you are saying is, if you raise it from \$10 to \$30, it is part of the offset.

Mr. STETLER. Yes.

Mr. BOYES. The municipal services charge, Mr. Speaker, what we are asking today is whether or not that is an offset, dollar for dollar, for the municipal services charges for real estate and property taxes.

Mr. Speaker, in order to move this along, while they are proceeding to find an answer to my inquiry, I would like to make reference to the fact that in my own hometown municipality, they would have a net effect, a gain, of about \$900,000. There would be no offset to local property taxes.

In keeping with that, I would terminate my interrogation at this time. Would I be in order to speak on the amendment?

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. BOYES. Thank you, Mr. Speaker.

I will cut to the chase very quickly.

I would recommend a negative vote on the Stetler amendment, because there is no offset and I believe that there is no reduction in property taxes, and I would be opposed to the increase.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the chairman of the Finance Committee, Representative Trello.

Mr. TRELLO. Thank you, Mr. Speaker.

With all due respect to my colleague who offered the amendment, I rise to oppose it.

Back in western Pennsylvania we find it very difficult with all of our taxes, and most of my constituents are working for minimum wage or less. In most cases, both parents are working just to make ends meet.

I think the present \$10 municipal service tax is sufficient, and I would not like to see it increase at all. So I would urge my colleagues to vote "no" on the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Stairs.

Mr. STAIRS. Thank you, Mr. Speaker.

Many amendments are being offered this evening, and it is sometimes easy to overlook one if we are not very careful, but I draw the attention of the members to this very important amendment.

I would urge you to vote against this amendment, because the offset provision is not there, and certainly this is going to be a windfall or a tax enhancement to a taxing authority. Certainly the purpose of tax reform is to have equity, and if we are going to increase one tax to have an offset in another tax, and if this amendment were to pass, certainly it would be catastrophic to the taxpayers of the Commonwealth. Five or six years ago when tax reform was overwhelmingly defeated, people were apprehensive of the nature of the ballot question, and this is certainly as offensive as that was.

I would hope that we would vote against this resoundingly, a resounding "no." Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the Representative from Penn Hills, Representative DeLuca.

Mr. DeLUCA. Thank you, Mr. Speaker.

Mr. Speaker, I oppose this amendment.

This is the same type of amendment that we shot down two sessions in a row. It is a commuter tax, nothing else. You might call it a municipal service tax, but it is a commuter tax, and I ask my fellow colleagues here to vote this amendment down.

It is a bad amendment. It does nothing for tax reform. It is a windfall for the cities, and it is a tax increase. It does nothing for our local municipalities but tax our taxpayers. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman from Allegheny County, Representative Cessar.

Mr. CESSAR. Thank you, Mr. Speaker.

Briefly, I concur with what the previous speakers have said in regard to this amendment, and I would urge all members on this side to vote against it. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—18

Bebko-Jones	Gigliotti	Pesci	Sturla
Buxton	Haluska	Preston	Tigue
Cappabianca	Itkin	Robinson	Veon
Cohen, M.	Michlovic	Stetler	Williams
Evans	Mihalich		

NAYS—176

Acosta	Farmer	Lucyk	Saurman
Adolph	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Scheetz
Argall	Fleagle	Manderino	Schuler
Armstrong	Flick	Markosek	Scrimenti
Baker	Freeman	Marsico	Sernmel
Barley	Gamble	Masland	Serafini
Battisto	Gannon	Mayernik	Smith, B.
Belardi	Geist	McCaill	Smith, S. H.
Belfanti	George	McGeehan	Snyder, D. W.
Birmelin	Gerlach	McNally	Staback
Bishop	Gladeck	Melio	Stairs
Blaum	Godshall	Merry	Steelman
Boyes	Gordner	Micozzie	Steighner
Brown	Gruitza	Miller	Steil
Bunt	Gruppo	Mundy	Stern
Caltagirone	Hanna	Nailor	Stish
Carn	Harley	Nyce	Strittmatter
Carone	Hasay	O'Brien	Surra
Cawley	Hennessey	Olasz	Tangretti
Cessar	Herman	Oliver	Taylor, E. Z.
Chadwick	Hershey	Petrarca	Taylor, J.
Civera	Hess	Petrone	Thomas
Clark	Hughes	Pettit	Tomlinson
Clymer	Hutchinson	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Colafrilla	James	Pistella	True
Colaizzo	Jarolin	Pitts	Tulli
Conti	Josephs	Platts	Ujhana
Cornell	Kaiser	Raymond	Vance
Corrigan	Kasunic	Reber	Van Horne
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington

Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Wogan
DeLuca	Kukovich	Roberts	Wozniak
Dempsey	LaGrotta	Roebuck	Wright, D. R.
Dent	Laub	Rohrer	Wright, M. N.
Dermody	Laughlin	Rooney	Yandrisevits
Donatucci	Lawless	Rubley	Yewcic
Druce	Lederer	Rudy	Zug
Egolf	Lee	Ryan	DeWeese,
Fairchild	Leh	Santoni	Speaker
Fajt	Lescovitz	Sather	
Fargo	Lloyd		

NOT VOTING—1

Keller

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdanský		

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mrs. MILLER offered the following amendment No. A0527:

Amend Chapter Heading, page 98, line 26, by striking out all of said line and inserting

CREDITS, EXEMPTIONS AND DEFERRALS  
SUBCHAPTER A

CREDITS AND EXEMPTIONS

Amend Bill, page 99, by inserting between lines 20 and 21  
SUBCHAPTER B

REAL ESTATE TAX DEFERRAL

Section 511. Short title of subchapter.

This subchapter shall be known and may be cited as the Real Estate Tax Deferral Program Act.

Section 512. Findings and legislative intent.

(a) Findings.—The General Assembly finds as follows:

(1) Many tax jurisdictions are forced into an increasing reliance on the real property tax.

(2) The high level of real property taxes in some taxing jurisdictions makes it difficult for many individuals to keep a home.

(3) The high level of real property taxes in many taxing jurisdictions creates a tremendous hardship on many taxpayers, especially those on fixed incomes.

(4) When counties conduct countywide reassessments many taxpayers experience substantial increases in their real property taxes.

(b) Intent.—It is the intent of the General Assembly to provide relief to residential property owners from tax increases caused by changes in the millage rate, or assessment rates or method or by a countywide reassessment. It is the further intent of the General Assembly to create a program which will allow counties, municipalities and school districts to defer the increased portion of real property taxes when certain conditions are met.

Section 513. Definitions.

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Base payment.” The amount of property tax paid by an applicant in the base year.

“Base year.” The tax year preceding the first tax year for which a taxing authority implements the provisions of this

subchapter or the tax year immediately preceding an applicant's entry into the tax deferral program.

“Claimant.” A person who qualifies as a claimant under the provisions of the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, whether or not a claim is filed under that act and whose household income does not exceed the limit provided for in section 515.

“Homestead.” Real property which qualifies as a homestead under the provisions of the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, except real property which is rented or leased to a claimant.

“Household income.” All income as defined in the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, received by the claimant and by the claimant's spouse while residing in the homestead during the calendar year for which a tax deferral is claimed.

“Increases in property taxes.” An increase in the property tax above the base payment, resulting from a millage increase, a change in the assessment ratio or method, or any other reason.

“Taxing authority.” A county, city, borough, town, township and school district.

Section 514. Authority.

All taxing authorities shall have the power and authority to grant annual tax deferrals in the manner provided in this subchapter.

Section 515. Income eligibility.

(a) First year of enactment.—During the first calendar year this subchapter takes effect, a person shall be eligible for a tax deferral if the person has a household income of \$15,000 or less.

(b) Subsequent years.—The amount of household income provided for in subsection (a) shall be increased \$500 each calendar year following the calendar year this subchapter takes effect.

Section 516. Tax deferral.

(a) Amount.—An annual real estate tax deferral granted under this subchapter shall equal the increase in real property taxes in excess of the person's base payment.

(b) Prohibition.—No tax deferrals shall be granted if the total amount of deferred taxes, plus the total amount of all other unsatisfied liens on the homestead of the claimant, exceeds 85% of the market value of the homestead or if the outstanding principal on any and all mortgages on the homestead exceeds 70% of the market value of the homestead. Market value shall equal assessed value divided by the common level ratio as most recently determined by the State Tax Equalization Board for the county in which the property is located.

Section 517. Application procedure.

(a) Initial application.—Any person eligible for a tax deferral under this subchapter may apply annually to the taxing authority. In the initial year of application the following information shall be provided in the manner required by the taxing authority:

(1) A statement of request for the tax deferral.

(2) A certification that the applicant or the applicant and his or her spouse jointly are the owners in fee simple and residents of the property upon which the real property taxes are imposed.

(3) A certification that the applicant's residence is adequately insured under a homeowner's policy to the extent of all outstanding liens.

(4) Receipts showing timely payment of the current year's nondeferred real property tax liability.

(5) Proof of income eligibility under section 515.

(b) Subsequent years.—After the initial entry into the program a claimant shall remain eligible for tax deferral in subsequent years so long as the claimant continues to meet the eligibility requirements of this subchapter.

Section 518. Contents of application.

Any application for a tax deferral distributed to persons shall contain the following:

(1) A statement that the tax deferral granted under this subchapter is provided in exchange for a lien against the homestead of the applicant.

(2) An explanation of the manner in which the deferred taxes shall become due, payable and delinquent and include, at a minimum, the consequences of noncompliance with the provisions of this subchapter.

Section 519. Attachment and satisfaction of liens.

(a) Nature of lien.—All taxes deferred under this subchapter shall constitute a prior lien on the homestead of the claimant in favor of the taxing authority and shall attach as of the date and in the same manner as other liens for taxes. The deferred taxes shall be collected as other liens for taxes, but the deferred taxes shall be due, payable and delinquent only as provided in subsection (b), and no interest shall be collected on the lien.

(b) Payment.—

(1) All or part of the deferred taxes may at any time be paid to the taxing authority.

(2) In the event that the deferred taxes are not paid by the claimant or the claimant's spouse during his or her lifetime or during their continued ownership of the property, the deferred taxes shall be paid either:

(i) prior to the conveyance of the property to any third party; or

(ii) prior to the passing of the legal or equitable title, either by will or by statute, to the heirs of the claimant or the claimant's spouse.

(3) The surviving spouse of a claimant shall not be required to pay the deferred taxes by reason of his or her acquisition of the property due to death of the claimant as long as the surviving spouse maintains his or her residence in the property. The surviving spouse may continue to participate in the tax deferral program in subsequent years provided he or she is eligible under the provisions of this subchapter.

On the question,  
Will the House agree to the amendment?

The SPEAKER pro tempore. This amendment is in packet No. 2, for the information of the members.

On the amendment, the Chair recognizes Representative Miller.

Mrs. MILLER. Thank you, Mr. Speaker.

This amendment defers real estate property tax increases until the property is sold or transferred to heirs other than a spouse in an estate settlement. It applies to senior citizens who are eligible for claiming under the property tax and rent rebate program.

This amendment would allow this program, the property tax and rent rebate program, to provide for the administration of this tax deferral. It is an optional program for taxing districts. It does not strike anything from the bill, and similar legislation has passed the House of Representatives in previous sessions. Thank you.

The SPEAKER pro tempore. The Chair thanks the Representative and, on the amendment, recognizes Representative Kukovich.

Mr. KUKOVICH. Thank you, Mr. Speaker.

This amendment was embodied in a bill previously introduced by Representative Miller. We originally made it part of the overall package.

We think it is good language, and we would ask for a "yes" vote.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—194

Acosta	Fargo	Lloyd	Saurman
Adolph	Farmer	Lucyk	Saylor
Allen	Fee	Lynch	Scheetz
Argall	Fichter	Maitland	Schuler
Armstrong	Fleagle	Manderino	Scrimanti
Baker	Flick	Markosek	Semmel
Barley	Freeman	Marsico	Serafini
Battisto	Gamble	Masland	Smith, B.
Bebko-Jones	Gannon	Mayernik	Smith, S. H.
Belardi	Geist	McCall	Snyder, D. W.
Belfanti	George	McNally	Staback
Birmelin	Gerlach	Melio	Stairs
Bishop	Gigliotti	Merry	Steelman
Blaum	Gladeck	Michlovic	Steighner
Boyes	Godshall	Micozzie	Steil
Brown	Gordner	Mihalich	Stern
Bunt	Gruitz	Miller	Stetler
Buxton	Gruppo	Mundy	Stish
Caltagirone	Haluska	Nailor	Strittmatter
Cappabianca	Hanna	Nyce	Sturla
Carn	Harley	O'Brien	Surra
Carone	Hasay	Olasz	Tangretti
Cawley	Hennessey	Oliver	Taylor, E. Z.
Cessar	Herman	Pesci	Taylor, J.
Chadwick	Hershey	Petrarca	Thomas
Civera	Hess	Petrone	Tigue
Clark	Hughes	Pettit	Tomlinson
Clymer	Hutchinson	Phillips	Trello
Cohen, L. I.	Itkin	Piccola	Trich
Cohen, M.	Jadlowiec	Pistella	True
Colafella	James	Pitts	Tulli
Colaizzo	Jarolin	Platts	Uliana
Conti	Josephs	Preston	Vance
Cornell	Kaiser	Raymond	Van Horne
Corrigan	Kasunic	Reber	Veon
Cowell	Keller	Reinard	Vitali
Coy	Kenney	Richardson	Washington
Curry	King	Rieger	Waugh
Daley	Kirkland	Ritter	Williams
DeLuca	Krebs	Roberts	Wogan
Dempsey	Kukovich	Robinson	Wozniak
Dent	LaGrotta	Roebuck	Wright, D. R.
Dermody	Laub	Rohrer	Wright, M. N.
Donatucci	Laughlin	Rooney	Yandrisevits
Druce	Lawless	Rubley	Yewcic
Egolf	Lederer	Rudy	Zug
Evans	Lee	Ryan	
Fairchild	Leh	Santoni	DeWeese,
Fajt	Lescovitz	Sather	Speaker

NAYS—0

NOT VOTING—1

McGeehan

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the amendment was agreed to.



On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. LLOYD offered the following amendment No. A0542:

Amend Sec. 316, page 89, line 3, by inserting after "MUNICIPALITY"

and school district

Amend Sec. 318, page 90, line 25, by striking out "75%" and inserting

50%

Amend Sec. 318, page 91, line 3, by striking out "THE REMAINING"

Amend Sec. 318, page 91, by inserting between lines 6 and 7

(d) Disbursement to school districts.—The State Treasurer shall, at the same time, disburse to the qualified school districts 25% of the tax collected in their respective counties as provided in section 320. Each school district's portion shall be deposited in the school district's general fund for disposition as provided in section 701(b).

Amend Sec. 319, page 91, line 7, by inserting after "ORDINANCES"

and school district petitions

Amend Sec. 319, page 91, line 9, by inserting after "318(C)" and no school district shall be entitled to a disbursement under section 318(d)

Amend Sec. 319, page 91, line 12, by striking out "AN ORDINANCE" and inserting

a municipal ordinance or a school district petition

Amend Sec. 319, page 91, line 16, by inserting after "ORDINANCE"

and any school district which does not enact a petition

Amend Sec. 319, page 91, line 22, by striking out "AN ORDINANCE" and inserting

a municipal ordinance or a school district petition

Amend Sec. 319, page 91, line 28, by inserting after "ORDINANCE"

or the school district petition

Amend Sec. 320, page 92, line 2, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 320, page 92, line 4, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 320, page 92, line 10, by inserting after "COUNTY."

Each qualified school district shall receive a portion of the total disbursement to qualified school districts which is equal to the total disbursement to qualified school districts multiplied by the ratio of average daily membership of the school district divided by the sum of the average daily membership of all qualified school districts in the county. For the purposes of this section, "average daily membership" shall mean "average daily membership" as defined by the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

Amend Sec. 320, page 92, line 11, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 320, page 92, line 12, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 320, page 92, line 14, by inserting after "ORDINANCE"

or petition

Amend Sec. 320, page 92, line 16, by inserting after "ORDINANCES"

or, in the case of school districts, take the legally necessary action

Amend Sec. 701, page 100, line 6, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 701, page 100, line 7, by inserting after "MUNICIPALITY"

or school district

Amend Sec. 701, page 100, line 9, by inserting after "TAX" or the school district real property tax, respectively,

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. The Chair informs the members that this amendment is in packet No. 3.

On the amendment, the Chair recognizes Representative Lloyd from Somerset.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, under the bill, if the county chooses to impose the 1-percent sales tax, 75 percent of the revenue goes to the county and 25 percent goes to those municipalities which enact ordinances asking for or endorsing the countywide sales tax.

This amendment, Mr. Speaker, would retain the 25 percent for the municipalities but would reduce the county's share from 75 percent to 50 percent and give the school districts 25 percent. In order to qualify, the school districts would have to pass petitions in which they endorse the tax or ask the county to impose the tax.

Mr. Speaker, in my county I do not get complaints about the county commissioner's tax, and I do not get complaints about the borough's tax, and I do not get complaints about the township's tax, but I get lots of complaints about the school district's tax.

We got a budget today, which I have just begun to try to understand how the subsidy money would be distributed, but it is very clear that some areas are not going to get very much, and the overall increase statewide is not very great. As Mr. Ryan indicated this morning, that means higher and higher property taxes.

I think that if we are going to have a local sales tax, we ought to give the school districts some of that money so that some of the tax relief can go to the taxing jurisdictions which in at least some of our areas have the highest tax burden.

Mr. Speaker, I would ask for an affirmative vote on the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and, on the amendment, recognizes Representative Nyce.

Mr. NYCE. Mr. Speaker, would the maker of the amendment stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. Representative Nyce may proceed.

Mr. NYCE. Mr. Speaker, to the intent of your amendment, which is a different sharing proportion than what is laid out currently in the bill, there is a menu of options offered in the bill which include school districts, who have the right to in fact implement an income tax substantially higher than all of the other options given to the counties and municipalities. For those of us who oppose the mandated portion of the sales tax, which we are going to address later, it is contrary to my

personal belief, anyway, that we would want to interfere in the county's one singular option, and that is to implement either an income tax or a sales tax, given the fact that they are going to share only 75 percent in that.

I question, directly, what was the impetus for changing the sharing ratio, in light of the fact that these other options already exist?

Mr. LLOYD. Mr. Speaker, as we have heard again and again, it is very difficult to design a tax package which is going to deal with every county's problems equitably, because every county's situation is not the same. But in my county I have a substantial number of second homes, people who have condominiums or townhouses at one of the ski resorts. I have two of those in my county. I have a dam, a Corps of Engineers dam, which has some people with second homes. A lot of those people not only do not live in Somerset County, they do not live in Pennsylvania. They pay a substantial amount of money toward the cost of running our school system as well as running our townships and boroughs and county. Under this legislation, no matter what options are taken, there is going to be a reduction in their property taxes. One of the things which is going to happen in a couple school districts is that they are simply not going to levy the local income tax, because the net effect of that would be, because there is nothing to make up the tax revenue lost from those second homes and there is nothing to make up the tax revenue lost from the business property in those school districts, they simply are going to be left without any choice in tax reform, and they just will not take advantage of the bill at all. I believe, Mr. Speaker, that we ought to give them an opportunity to share in whatever revenue there is so that they can begin to lower their property taxes as well.

The second thing is, Mr. Speaker, that the distribution of this money would be done not on the basis of how wealthy you are but on the basis of how many students you have. Now, we could argue about a different formula for passing it out, but what you have in a lot of rural school districts, there simply is no tax base. It does not make much difference in the Salisbury or Turkeyfoot School Districts whether you tax income or you tax property. There are a few stores, there are some houses, and there are some farms, and that is all that is there. If we are going to enable them to share in the revenue being generated in the county as a whole, if we pass this money out on the basis of a per-student formula, we will get some tax relief to those areas that they otherwise will not have.

Thirdly, Mr. Speaker, last Friday we had a meeting, legislators from our part of the State and county commissioners, and while they certainly did not, the county commissioners, depart from the position of their State association, they did acknowledge that my recitation of where the pressure is coming and from where the complaints come in our part of the State, that I was right, that the school districts are the ones that have the biggest problem. In fact, there were some county officials there who said, gee, I could understand if you guys just did not do anything for anybody but the school districts, because in our part of the State that is the big problem.

So that is the impetus for the amendment, Mr. Speaker, and I think that without this, there are going to be many school districts in my county which are going to lose their chance to get anything out of tax reform whatsoever.

Mr. NYCE. Thank you for that response, Mr. Speaker.

I have another question, and that relates to whether or not this additional sharing by the school districts would require them to offset their real estate tax.

Mr. LLOYD. Yes, it would. The language is tied in. It parallels the language which applies to the municipalities, so they would have to make the same kind of reduction that the municipalities would.

Mr. NYCE. Then your analogy that you gave earlier regarding the real estate property owners benefiting would be further extended. However, you believe—and I do not want to put any words in your mouth—that it would be more fair to pay that in the form of a sales tax than it would be in the form of an income tax?

Mr. LLOYD. My county is somewhat unique in this regard because we have a lot of tourism. We have got two turnpike restaurants, frequented by many people who do not live in Pennsylvania. We have got a lot of motels, we have got a lot of restaurants, we have got a couple of resorts, and some rough equity in terms of the business-residential split occurs by using the sales tax. I realize that that is not the case in everybody else's county, but that is the case in my county, and this is, in my view, the only way that we are going to get any tax relief for some of the areas in Somerset County.

Mr. NYCE. Mr. Speaker, I have ended my interrogation. I thank the gentleman for his clear response on the questions.

I would urge the members to listen to the balance of the debate on this particular amendment because it may or may not have a similar effect to their county and school district as espoused by the maker of the amendment. I would encourage the members to pay close attention to this because the issue of the mandate is again going to be raised, and whether or not a county chooses to implement one tax or another, they could end up with a sales tax which they did not desire to have in the first place.

So I urge the members to pay attention as we further debate this particular amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and, on the amendment, recognizes Representative Smith from Punxsutawney.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

Would the maker of the amendment stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. The gentleman, Mr. Smith, may proceed.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

Mr. Speaker, I am curious, how does this work in a situation where the school district is in two different counties or perhaps multiple counties and one has the sales tax and one does not? How is that type of a distribution handled?

Mr. LLOYD. This amendment does not specifically address that problem, but that same situation—I guess the short answer is, it does not address the problem.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

I have some municipalities that are similar to your county. My whole district is not that way, but to some degree we have a problem with that, and I guess that it is a problem that I would like to see addressed. I am not necessarily opposed to your amendment, but I think that when you have a school district that is in two different counties or perhaps three counties, it would pose a problem in administering the distribution or coming up with a formula. I would like to see this type of distribution of the sales tax considered. However, without that, I am a little bit hesitant to support this amendment. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and, on the amendment, recognizes Representative Lee.

Mr. LEE. Mr. Speaker, may I interrogate the maker of the amendment?

The SPEAKER pro tempore. The gentleman may proceed.

Mr. LEE. Mr. Speaker, I believe Representative Smith's question, I think, was along the lines of what I am asking. I guess, could you give a brief explanation of how the money would be divided up? I think you basically said that you really had not taken into account multicounty districts, and that is a problem with me. How do you deal with that?

Mr. LLOYD. I think there would have to be some kind of clarification, but I think that under the language now, the way you would construe it, the amount of money that you would get would be based on the number of students that you would have residing in the county where the sales tax was levied. If a court were trying to construe how this would work and what would have been rational, I think that is what would happen.

Now, the question becomes, if the school district gets that money, it must lower its property taxes. Does it have the right to lower the property taxes only on the properties of those people living in the county with the sales tax? I think the answer to that probably is no, and I am not sure whether by statute we can change that because of the uniformity clause.

Mr. LEE. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Boyes.

Mr. BOYES. Thank you, Mr. Speaker.

I rise to support the Lloyd amendment and would urge an affirmative vote.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—182

Acosta	Fargo	Lynch	Sather
Adolph	Farmer	Maitland	Scheetz
Allen	Fee	Manderino	Schuler
Argall	Fichter	Markosek	Scrimenti
Armstrong	Fleagle	Marsico	Semmel
Baker	Flick	Masland	Serafini
Barley	Freeman	Mayernik	Smith, B.
Bebko-Jones	Gamble	McCall	Snyder, D. W.

Belardi	Gannon	McGeehan	Staback
Belfanti	Geist	McNally	Stairs
Birmelin	George	Melio	Steelman
Bishop	Gerlach	Merry	Steighner
Blaum	Gigliotti	Michlovic	Stern
Boyes	Gladeck	Micozzie	Stetler
Brown	Gordner	Mihalich	Stish
Bunt	Gruitza	Miller	Strittmatter
Buxton	Gruppo	Mundy	Sturla
Caltagirone	Haluska	Nailor	Surra
Cappabianca	Harley	Nyce	Tangretti
Carn	Hasay	O'Brien	Taylor, E. Z.
Carone	Hennessey	Olasz	Taylor, J.
Cawley	Herman	Oliver	Thomas
Cessar	Hershey	Pesci	Tigue
Chadwick	Hess	Petrarca	Tomlinson
Civera	Hughes	Petrone	Trello
Clark	Hutchinson	Pettit	Trich
Clymer	Itkin	Phillips	True
Cohen, L. I.	James	Piccola	Tulli
Cohen, M.	Jarolin	Pistella	Uliana
Colafella	Josephs	Pitts	Vance
Colaizzo	Kaiser	Preston	Van Horne
Conti	Kasunic	Raymond	Veon
Cornell	Keller	Reber	Vitali
Corrigan	Kenney	Reinard	Washington
Cowell	King	Richardson	Waugh
Coy	Kirkland	Rieger	Williams
Curry	Krebs	Ritter	Wogan
Daley	Kukovich	Roberts	Wozniak
DeLuca	LaGrotta	Robinson	Wright, D. R.
Dempsey	Laub	Roebuck	Wright, M. N.
Dent	Laughlin	Rohrer	Yandrisevits
Dermody	Lederer	Rooney	Yewcic
Donatucci	Leh	Rubley	Zug
Egolf	Lescovitz	Rudy	
Evans	Lloyd	Ryan	DeWeese,
Fajt	Lucyk	Santoni	Speaker

NAYS—13

Battisto	Hanna	Lee	Saylor
Druce	Jadlowiec	Platts	Smith, S. H.
Fairchild	Lawless	Saurman	Steil
Godshall			

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. TIGUE offered the following amendment No. A0554:

Amend Bill, page 98, by inserting between lines 23 and 24  
SUBCHAPTER E  
AMUSEMENT TAX

Section 341. Amusement tax.

Municipalities and school districts shall have the power to levy, assess and collect a tax not to exceed 4% based on the price of admission.

Amend Subchapter Heading, page 98, line 24, by striking out "E" and inserting

F

On the question,  
Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Tigie.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, amendment 0554 would allow municipalities and school districts to assess a 4-percent amusement tax. Currently, under Act 511 they are allowed to have up to a 10-percent amusement tax, except for bowling alleys, ski resorts, and golf courses, which are at 4 percent. HB 2202, the amended version that we have in front of us, eliminates the amusement tax.

The reason why I think it is fair to put the amusement tax back in is that the amusement tax, unlike other nuisance taxes, is not usually paid by the people who live in that jurisdiction. Under HB 2202, when you eliminate the amusement tax, you must replace the revenue lost with a personal income tax. Why should people who live in a specific jurisdiction have to have an increase in an income tax to replace an amusement tax which is paid by people who are using facilities in their area?

So I would ask your support of this amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Tulli on the amendment.

Mr. TULLI. Thank you, Mr. Speaker.

I wish to stand and oppose this amendment.

This is an antibusiness nuisance tax, and this is among the 511 taxes that we are trying to clean up, those nuisance taxes in the Tax Enabling Act 511. So if we are going to really do tax reform, if we are really going to take away all those nuisance taxes, let us do it and defeat this amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Does Representative Snyder wish to speak on the amendment? The gentleman indicates that he does, and the gentleman may proceed.

Mr. SNYDER. Thank you, Mr. Speaker.

Mr. Speaker, I stand in favor of the Tigie amendment.

One of the main concerns with tax reform that we have struggled with the last time and that also is still a concern in this particular proposal that we are considering this evening is the fact that while we are shifting the burden of raising revenues from property to income tax, we are providing in the legislation an offset to the reduction in property tax with increases on income taxes on individuals, but yet there is no offset on businesses to compensate for the loss of tax dollars from the reduced property taxes on nonresidential property.

Mr. Speaker, I agree with the proposal of the bill that eliminates the nuisance taxes that are in the current local reform act, but, Mr. Speaker, all, except the amusement tax, are nuisance taxes on individuals, such as the per capita tax, the occupational assessment tax, and some of the other taxes that are included in there, Mr. Speaker, but the amusement tax,

as the maker of the amendment has noted, is a tax on sales, and already in this we have a sales tax, but the amusement tax allows us a tax on admissions paid by people who are generally nonresidents. In many municipalities, Mr. Speaker, the amusement tax loss would actually be greater than the revenues that a municipality can offset with a shift to the personal income tax. Each of us received letters from the various municipality and county associations, Mr. Speaker, and while each one of them had different points of view on aspects of this legislation, there was almost unanimity about retaining the amusement tax. Mr. Speaker, if we eliminate the amusement tax, those lost revenues have to be made up by the residents through income tax.

Therefore, I feel that we should retain the amusement tax, and if the purpose of this bill is to maintain flexibility for local governments to raise revenues, this is one additional tool that they can use in their bag to provide the best services and the best mix for their residents. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the Republican chairman of the Finance Committee, Representative Boyes.

Mr. BOYES. Thank you, Mr. Speaker, but there are some other members on this side that are still waiting to speak, and I would like to yield to them.

The SPEAKER pro tempore. The Chair notes that.

The Chair recognizes Representative Steil.

Mr. STEIL. Mr. Speaker, I would like to interrogate the maker of the amendment.

The SPEAKER pro tempore. The gentleman indicates that he is willing to be interrogated, and the gentleman may proceed.

Mr. STEIL. Mr. Speaker, this particular amendment offers a 4-percent amusement tax. As you have indicated, the current rate is up to 10 percent, and I know that there is another amendment that would offer that same amendment. If we impose the 4 percent, those communities that are currently collecting up to 10 percent would have significant declines in revenue. Is that correct?

Mr. TIGUE. Yes, Mr. Speaker. However, it currently is 10 percent, but it is limited to 4 percent—again, let me say this—on ski resorts, bowling alleys, and golf courses. So the reason why I am offering the 4 percent is, if there is going to be an amusement tax, why should the ski industry have 4 percent when Hersheypark can get 10 percent or Pocono International Raceway can have 10 percent or someone else? The reason why I am offering the 4-percent amendment is to make it uniform again.

Mr. STEIL. Mr. Speaker, do you intend to offer the 10-percent amendment?

Mr. TIGUE. No.

Mr. STEIL. Thank you.

That ends the interrogation. I would like to comment on the amendment.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. STEIL. The problem I have with this particular amendment is that there are certain amusement facilities and there is one in our area that collects a significant amount of revenue from individuals who visit this particular area from outside the area. The demand on municipal services is extensive. At a 4-percent amusement tax, there will be relatively large declines in revenue which they will have to make up from their residents.

Therefore, I would oppose this particular amendment, because it does not raise sufficient amounts of revenue to offset those areas which are now collecting the 10-percent amusement tax. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative McCall on the amendment.

Mr. McCALL. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of the Tigie amendment.

The people in my district have spoken loud and clear on this particular amendment. Last year I had a bill that would have repealed the amusement tax, and I received over 2,000 letters in opposition to my repealing that tax. I have a number of ski areas in my district as well as white-water rafting outfitters that pay an amusement tax to both local governments and to the school districts. Now, they do not pay that tax per se, rather the person who buys or purchases the lift ticket or the person who takes a ride down the river, they pay that tax.

Now, the people using these facilities come from all over the Commonwealth, all over the State of Pennsylvania. However, they use the municipal services and the like in my district and put a strain on those municipal services. Without this tax in place, it will place an inordinate burden on our school districts as well as our local governments. It will certainly create budget shortfalls in these school districts and local governments, and the only way that they will be able to recoup this money, the lost money to the amusement tax, would be to shift it somewhere else, either onto property or income.

Mr. Speaker, for those reasons I would ask that you support the Tigie amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Masland on the amendment.

Mr. MASLAND. Thank you, Mr. Speaker.

I just have one brief point to make in support of this amendment. A number of major points have already been made, so I will not repeat them. That is simply that to call this tax a nuisance tax is really a misnomer. For the many communities that reap benefits from these types of taxes on nonresidents, this is not a nuisance tax; it is a user fee on people for the actual expenditures that boroughs and municipalities have to incur when they service these individuals as they come in from out of town. If anybody has ever been to the Carlisle car show, you know what a burden that can be to a municipality. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and, on the amendment, recognizes Representative Fleagle.

Mr. FLEAGLE. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of the Tigie amendment.

Most of the ski resorts, I would venture to say all of the ski resorts that collect this tax are in rural areas that are relatively poor, have a very low tax base. Now, if this were a new tax that we were placing on these establishments, I would probably be the first one to stand up and oppose it, but what we are basically doing is giving this tax to people by former acts and taking away from our school districts, just ripping it away from them, with no way of making up for that. I think that is unconscionable to give it to them and then take it away.

So I would ask for support of the Tigie amendment. We owe that to our school districts that depend so much on this tax. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Nyce on the amendment.

Mr. NYCE. Mr. Speaker, I just would like to comment on the amendment.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. NYCE. Mr. Speaker, there have been several speakers up on the floor regarding this amendment and supporting it on the basis that they need this to continue the amusement tax. Well, I put before the members that if they want to continue the amusement tax, each municipality, under the bill, has the option to review its tax position and keep what they have right now. The whole idea behind tax reform was to create a menu of taxes and eliminate the nuisance taxes, including the business mercantile tax, the amusement tax, the occupational tax, and several other per capita taxes, et cetera. So any municipality that wants to continue the practice of levying an amusement tax simply keeps that amusement tax which they have right now and does not opt into this package of tax reform or tax menu.

So therefore, I suggest that we do not need this amendment to the tax package presented and in fact we already have the option that is before us in this amendment.

I urge the members to oppose this amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, does the gentleman, Mr. Trello, wish to be recognized on this amendment?

Mr. TRELLO. Mr. Speaker, I rise to support the amendment.

I think what the gentleman is trying to do is not to have two sets of rules in this Commonwealth. I do not think it is fair to have a 4-percent tax for one organization, such as skiing or golfing, and then have someone else have 10 or 9 or 8 or 7. I think he is trying to make it uniform for all areas at 4 percent, and I think the gentleman from Carlisle was 100 percent right. I have seen their automobile show. I think that 4 percent can be used for police patrol, for protection, for traffic control, and so forth. You have got to remember, under these options, you have got to reduce the property tax by 95 percent, so there is not really any windfall, and this is really no windfall at all either, because this money is going to continue

to be spent for traffic control, for police protection, and so forth.

So I support the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman, and on the amendment, the Chair recognizes Representative Boyes.

Mr. BOYES. Will the maker of the amendment, Mr. Speaker, stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will, and the gentleman, Mr. Boyes, may proceed.

Mr. BOYES. Mr. Speaker, I would make an inquiry—I am not sure, and I want it noted for the record here—whether or not the revenues raised by this amendment, would there be an offset to property taxes for the revenues?

Mr. TIGUE. I cannot hear you.

Mr. BOYES. Would there be an offset to the property taxes for the revenues raised by your amendment, Mr. Speaker?

Mr. TIGUE. No, Mr. Speaker. My understanding is, there will not be a dollar-for-dollar offset in the property tax, but if it is not put in the bill, any municipality that has it that loses it must increase the income tax to replace it.

Mr. BOYES. Mr. Speaker, could you go over that answer again so I could understand it?

Mr. TIGUE. If they lose the amusement tax under the current bill, then they have to raise the personal income tax to replace it. What my amendment does is say they do not have to lose it; they can keep it. Therefore, there is no offset anywhere.

Mr. BOYES. Mr. Speaker, that completes my interrogation.

My understanding of what the speaker had previously told us was that, number one, there is no offset for property taxes; number two, that the local municipality does not, does not have to opt in, so that they can maintain the revenues under the current 511 taxes and the nuisance taxes and under any franchise tax aspect or amusement tax, so that they do not lose that option.

But what happens here is that we are beginning to mix the apples and the oranges again. The tax menu that we set out in this tax reform package called for us to say that we are going to do away with the 511's. Now we are beginning to have second thoughts. If we accept this amendment, we are beginning to say, well, we do not really want to do that; we will keep some of them. If we start to redefine that package, then we have got to go back and look at the entire package under the 511.

Again, I remind the members, it is not a case where it is being taken away from them. It is a local opt in or opt out of the tax plan. If they opt to keep the taxes as they have, they can keep the tax, an amusement tax, that the Tigue amendment provides.

Based on that, I would recommend a negative vote on the Tigue amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—78

Acosta	Fleagle	McCall	Rudy
Bebko-Jones	Gamble	McGeehan	Santoni
Bishop	Gordner	McNally	Saurman
Buxton	Gruitza	Melio	Scriminti
Cappabianca	Hanna	Michlovic	Smith, B.
Carn	Hennessey	Mihalich	Snyder, D. W.
Carone	Hughes	Olasz	Steelman
Cawley	Itkin	Oliver	Stish
Clark	Jadlowiec	Pesci	Thomas
Cohen, M.	James	Petrarca	Tigue
Conti	Josephs	Petrone	Tomlinson
Corrigan	Keller	Pistella	Trich
Cowell	Kirkland	Preston	Van Horne
Curry	Krebs	Reinard	Veon
Daley	Lederer	Richardson	Vitali
Donatucci	Lloyd	Rieger	Washington
Druce	Lucyk	Robinson	Williams
Egolf	Lynch	Roebuck	Wozniak
Evans	Maitland	Rubley	Wright, M. N.
Fajt	Masland		

NAYS—117

Adolph	Farmer	Lee	Semmel
Allen	Fee	Leh	Serafini
Argall	Fichter	Lescovitz	Smith, S. H.
Armstrong	Flick	Manderino	Staback
Baker	Freeman	Markosek	Stairs
Barley	Gannon	Marsico	Steighner
Battisto	Geist	Mayernik	Steil
Belardi	George	Merry	Stern
Belfanti	Gerlach	Micozzie	Stetler
Birmelin	Gigliotti	Miller	Strittmatter
Blaum	Gladeck	Mundy	Sturla
Boyes	Godshall	Nailor	Surra
Brown	Gruppo	Nyce	Tangretti
Bunt	Haluska	O'Brien	Taylor, E. Z.
Caltagirone	Harley	Pettit	Taylor, J.
Cessar	Hasay	Phillips	Trello
Chadwick	Herman	Piccola	True
Civera	Hershey	Pitts	Tulli
Clymer	Hess	Platts	Uliana
Cohen, L. I.	Hutchinson	Raymond	Vance
Colafella	Jarolin	Reber	Waugh
Colaizzo	Kaiser	Ritter	Wogan
Cornell	Kasunic	Roberts	Wright, D. R.
Coy	Kenney	Rohrer	Yandrisevits
DeLuca	King	Rooney	Yewcic
Dempsey	Kukovich	Ryan	Zug
Dent	LaGrotta	Sather	
Dermody	Laub	Saylor	DeWeese,
Fairchild	Laughlin	Scheetz	Speaker
Fargo	Lawless	Schuler	

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

AMENDMENT A0542 RECONSIDERED

The SPEAKER pro tempore. The Chair is in receipt of a reconsideration motion from Representatives Saylor and Platts, who move that the vote by which amendment No. 542 was passed to HB 2202, PN 3141, on the 8th day of February be reconsidered.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—194

Acosta	Fargo	Lucyk	Saurman
Adolph	Farmer	Lynch	Saylor
Allen	Fee	Maitland	Scheetz
Argall	Fichter	Manderino	Schuler
Armstrong	Fleagle	Markosek	Scrimenti
Baker	Flick	Marsico	Semmel
Barley	Freeman	Masland	Serafini
Battisto	Gamble	Mayernik	Smith, B.
Bebko-Jones	Gannon	McCall	Smith, S. H.
Belardi	Geist	McGeehan	Snyder, D. W.
Belfanti	George	McNally	Staback
Birmelin	Gerlach	Melio	Stairs
Bishop	Gigliotti	Merry	Steelman
Blaum	Gladeck	Michlovic	Steighner
Boyes	Godshall	Micozzie	Steil
Brown	Gordner	Mihalich	Stern
Bunt	Gruitza	Miller	Stetler
Buxton	Gruppo	Mundy	Stish
Caltagirone	Haluska	Nailor	Strittmatter
Cappabianca	Hanna	Nyce	Sturla
Carn	Harley	O'Brien	Surra
Carone	Hasay	Olasz	Tangretti
Cawley	Hennessey	Oliver	Taylor, E. Z.
Cessar	Herman	Pesci	Taylor, J.
Chadwick	Hershey	Petrarca	Thomas
Civera	Hess	Petrone	Tigue
Clark	Hughes	Pettit	Tomlinson
Clymer	Hutchinson	Phillips	Trello
Cohen, L. I.	Itkin	Piccola	Trich
Cohen, M.	Jadlowiec	Pistella	True
Colafiglia	James	Pitts	Tulli
Colaizzo	Jarolin	Platts	Uliana
Conti	Josephs	Preston	Vance
Cornell	Kaiser	Raymond	Van Horne
Corrigan	Kasunic	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker

NAYS—1

Keller

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,  
Will the House agree to the amendment?

The clerk read the following amendment No. A0542:

Amend Sec. 316, page 89, line 3, by inserting after "MUNICIPALITY"

and school district

Amend Sec. 318, page 90, line 25, by striking out "75%" and inserting

50%

Amend Sec. 318, page 91, line 3, by striking out "THE REMAINING"

Amend Sec. 318, page 91, by inserting between lines 6 and 7

(d) Disbursement to school districts.—The State Treasurer shall, at the same time, disburse to the qualified school districts 25% of the tax collected in their respective counties as provided in section 320. Each school district's portion shall be deposited in the school district's general fund for disposition as provided in section 701(b).

Amend Sec. 319, page 91, line 7, by inserting after "ORDINANCES"

and school district petitions

Amend Sec. 319, page 91, line 9, by inserting after "318(C)" and no school district shall be entitled to a disbursement under section 318(d)

Amend Sec. 319, page 91, line 12, by striking out "AN ORDINANCE" and inserting

a municipal ordinance or a school district petition

Amend Sec. 319, page 91, line 16, by inserting after "ORDINANCE"

and any school district which does not enact a petition

Amend Sec. 319, page 91, line 22, by striking out "AN ORDINANCE" and inserting

a municipal ordinance or a school district petition

Amend Sec. 319, page 91, line 28, by inserting after "ORDINANCE"

or the school district petition

Amend Sec. 320, page 92, line 2, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 320, page 92, line 4, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 320, page 92, line 10, by inserting after "COUNTY."

Each qualified school district shall receive a portion of the total disbursement to qualified school districts which is equal to the total disbursement to qualified school districts multiplied by the ratio of average daily membership of the school district divided by the sum of the average daily membership of all qualified school districts in the county. For the purposes of this section, "average daily membership" shall mean "average daily membership" as defined by the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

Amend Sec. 320, page 92, line 11, by inserting after "MUNICIPALITIES"

and school districts

Amend Sec. 320, page 92, line 12, by inserting after "MUNICIPALITIES"

and school districts  
 Amend Sec. 320, page 92, line 14, by inserting after  
 "ORDINANCE"

or petition  
 Amend Sec. 320, page 92, line 16, by inserting after  
 "ORDINANCES"

or, in the case of school districts, take the  
 legally necessary action  
 Amend Sec. 701, page 100, line 6, by inserting after  
 "MUNICIPALITIES"

and school districts  
 Amend Sec. 701, page 100, line 7, by inserting after  
 "MUNICIPALITY"

or school district  
 Amend Sec. 701, page 100, line 9, by inserting after "TAX"  
 or the school district real property tax, re-  
 spectively,

On the question recurring,  
 Will the House agree to the amendment?

The SPEAKER pro tempore. The question immediately  
 recurs on the amendment 0542 to HB 2202. That was the  
 Lloyd amendment, for the information of the members.

**PARLIAMENTARY INQUIRY**

The SPEAKER pro tempore. The Chair recognizes Repre-  
 sentative Ryan. For what purpose does the gentleman rise?

Mr. RYAN. Point of parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. RYAN. I heard the Speaker say then, as the vote was  
 just taken on this particular motion, that the question immedi-  
 ately recurs, that we are now about to take up the Lloyd  
 amendment again, and I have no objection to that.

I had a motion to reconsider that has been up there for a  
 half an hour, three-quarters of an hour, to reconsider that has  
 never been acted upon, and I am wondering why one is acted  
 upon quickly and another one is ignored.

**POINT OF ORDER**

Mr. COY. Mr. Speaker, point of order.

The SPEAKER pro tempore. The gentleman may please  
 state his point.

Mr. COY. I am not sure, maybe I caught something that  
 the gentleman from Delaware did not catch, but I believe that  
 the reconsideration motion that he filed was voted on by the  
 House at 8:05.

The SPEAKER pro tempore. The gentleman is correct, that  
 it indeed was voted on, and because there was a lack of  
 members on the floor at the time that that reconsideration  
 motion was reconsidered, the vote on the amendment was  
 postponed at that time.

Mr. RYAN. My parliamentary inquiry was twofold. I noted  
 that in this particular case what the Speaker said was, the  
 motion to reconsider having passed—and I forget the exact  
 wording—the question immediately recurs, will the House agree  
 to the amendment, and I had that very same situation some  
 time ago and nothing happened to the second part. I never got  
 a vote, and I was curious as to why I did not get a vote.

Mr. COY. It probably has to do with the temporary help.  
 The SPEAKER pro tempore. The gentleman is partially  
 correct, and I also wanted to say, in a moment of candor, that  
 we were recognizing inverse order of seniority tonight in  
 recognizing the freshmen's motion to reconsider as opposed to  
 the much more senior minority leader's motion.

Mr. COY. Your turn, Matt.

On the question recurring,  
 Will the House agree to the amendment?

The following roll call was recorded:

**YEAS—184**

Acosta	Fee	Maitland	Saylor
Adolph	Fichter	Manderino	Scheetz
Allen	Fleagle	Markosek	Schuler
Argall	Flick	Marsico	Scrimenti
Armstrong	Freeman	Masland	Semmel
Baker	Gamble	Mayernik	Serafini
Barley	Gannon	McCall	Smith, B.
Bebko-Jones	Geist	McGeehan	Snyder, D. W.
Belardi	George	McNally	Staback
Belfanti	Gerlach	Melio	Stairs
Birmelin	Gigliotti	Merry	Steelman
Bishop	Gladeck	Michlovic	Steighner
Blaum	Godshall	Micozzie	Stern
Boyes	Gordner	Mihalich	Stetler
Brown	Gruitza	Miller	Stish
Bunt	Gruppo	Mundy	Strittmatter
Buxton	Haluska	Nailor	Sturla
Caltagirone	Harley	Nyce	Surra
Cappabianca	Hasay	O'Brien	Tangretti
Carn	Hennessey	Olasz	Taylor, E. Z.
Carone	Herman	Oliver	Taylor, J.
Cawley	Hershey	Pesci	Thomas
Cessar	Hess	Petrarca	Tigue
Chadwick	Hughes	Petrone	Tomlinson
Civera	Hutchinson	Pettit	Trello
Clark	Itkin	Phillips	Trich
Clymer	Jadlowiec	Piccola	True
Cohen, L. I.	James	Pistella	Tulli
Cohen, M.	Jarolin	Pitts	Uliana
Colaella	Josephs	Platts	Vance
Colaizzo	Kaiser	Preston	Van Home
Conti	Kasunic	Raymond	Veon
Cornell	Keller	Reber	Vitali
Corrigan	Kenney	Reinard	Washington
Cowell	King	Richardson	Waugh
Coy	Kirkland	Rieger	Williams
Curry	Krebs	Ritter	Wogan
Daley	Kukovich	Roberts	Wozniak
DeLuca	LaGrotta	Robinson	Wright, D. R.
Dent	Laub	Roebuck	Wright, M. N.
Dermody	Laughlin	Rohrer	Yandrisevits
Donatucci	Lederer	Rubley	Yewcic
Egolf	Leh	Rudy	Zug
Evans	Lescovitz	Ryan	
Fajt	Lloyd	Santoni	DeWeese,
Fargo	Lucyk	Sather	Speaker
Farmer	Lynch		

**NAYS—10**

Battisto	Fairchild	Lee	Smith, S. H.
Dempsey	Hanna	Saurman	Steil
Druce	Lawless		



## NOT VOTING—1

Rooney

## EXCUSED—6

Bush  
ButkowitzDurham  
Levdansky

Nickol

Perzel

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

### CONSIDERATION OF AMENDMENT A0462 CONTINUED

The SPEAKER pro tempore. The Chair recognizes Representative Tomlinson on amendment A0462, which was previously reconsidered.

On that, the Chair recognizes Representative Tomlinson.

Mr. TOMLINSON. Mr. Speaker, I again ask you to reconsider your vote on my amendment.

I want to emphasize that it would leave only our counties as counties that could not tax their residents. This bill, as amended, would allow every other municipality in the State of Pennsylvania to tax their residents except ours.

Therefore, I ask for your support on this amendment. Thank you.

The SPEAKER pro tempore. On the amendment, the Chair recognizes Representative Kukovich.

Mr. KUKOVICH. Thank you, Mr. Speaker.

I would like to remind the members that this is probably the most significant damaging amendment to the bill. It did fail earlier this evening, 116 to 76.

I am not going to go into the debate on this extensively because we need to move this along, but it is quite clear that if we are serious about accomplishing tax reform in this session, this amendment cannot go into this bill, and I would ask for a negative vote.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Reinard on the amendment.

Mr. REINARD. Thank you, Mr. Speaker.

Mr. Speaker, I would like to stand to support the Tomlinson amendment.

I would like to just maybe criticize myself personally for a moment, because unlike what the previous speaker said, the most damaging amendment that tells a story, I believe, was an amendment that I was going to offer to the House, which I am going to withdraw, but I would like to show from the impact of my fiscal note the reason why the Tomlinson amendment needs the support of this House if we really want meaningful tax reform.

The problem that the Tomlinson amendment is trying to correct is the inequity that happens if the southeastern counties' school districts or municipalities want to institute local tax reform as being proposed under this program. Because there

are 30-plus percent in most of those suburban communities that work in the city of Philadelphia, this type of a plan that is being pushed by this General Assembly today to the Commonwealth will have an inability to be implemented on a local level.

The amendment which I am going to contrast, which is going to be withdrawn, to show the reason why we have to support Tomlinson is clear in its fiscal note. The impact on the local municipalities, counties, and school districts, if they implement fully this plan before the House, is in excess of \$250 million on the southeast communities which will have to be spread by the taxpayers in those communities to make up for the inequity that the Tomlinson amendment is trying to correct which is in a dollar amount of \$40 million.

Clearly, if we were serious in trying to deal with tax reform and clearly if we wanted to get a package that is going to be implemented to its full extent, we are going to have to look past the Philadelphia Sterling Act; we are going to have to look past some of our petty concerns about what is best for Philadelphia or what is best for our municipality and really clearly look at what is best for Pennsylvania. At \$250 million, I believe the southeast is not going to be able to implement the program. With the \$40 million in the Tomlinson amendment, you are opening up an opportunity for all of Pennsylvania to reform their tax base and their tax system.

I ask the House to support the Tomlinson amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Druce on the amendment.

Mr. DRUCE. Thank you, Mr. Speaker.

Before I get some of the members from Philadelphia to stand up, let me qualify a comment I am going to make and use an illustration. None of it is directed to be negative toward the city of Philadelphia. I was born in the city of Philadelphia and love the city. That is not the issue. Let me put it in people terms rather than in the large dollars that the suburbs or nonresident contributes to the city, and I will use an example that relates right to my own family.

My mother, who is from Warminster Township, Bucks County, works in the city of Philadelphia. She is a nurse. Our township has a 1-percent tax which it collects and splits between the school district and the municipality. She contributes not one penny toward our local taxes, not a dime for the school district, not a dime for the township. Every penny that she pays, 4.3 percent goes to the city of Philadelphia. I am not quarreling with the fact that the city should get some compensation for the services that it indeed provides while my mother works in the city of Philadelphia, but is it fair to disenfranchise her from contributing to her own municipality which she lives in when she derives the very same services from that township and school district, probably on a much larger basis than she does the city of Philadelphia?

I think we need to look at this issue sometimes from the other side and not simply from the side of Philadelphia's perspective, but what about the townships and municipalities outside the city that lose from this and lose substantial money

and in essence disenfranchise people from contributing in their own communities.

Mr. Speaker, I am voting tonight for people who are for fairness in this tax bill, for people to make a contribution to their local communities, and putting up a vote for my mother and a vote for all the mothers and fathers in the suburbs who work in the city but live in the suburbs. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and, on the amendment, recognizes the chairman of the Finance Committee, Representative Trello.

Mr. TRELLO. Mr. Speaker, I know for a fact the problem that those bedroom communities outside Philadelphia have, but this is a tax reform package. This tax reform package gives options on how they are going to tax their constituents. What this amendment does, it takes away from Philadelphia but it gives nothing back.

Now, I can respect their concerns. I have been to their counties and I talked to the members. Just this evening we sat in the back with several members and I gave those members my personal commitment that we would start to do something immediately to solve their problem with the Finance Committee, and I can guarantee them that with the members from your side in those counties, I can give you my word that we will address this problem, and hopefully somehow we will find a solution to alleviate your problem, but this is not part of a tax reform package. It takes away but it gives nothing back. There are no options.

I would appreciate it very much if we could address this problem in another piece of legislation, and I give you my word that I will work very hard to solve your problem somehow, someday. At the present time I urge a negative vote on the amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Corrigan on the amendment.

Mr. CORRIGAN. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support the Tomlinson amendment, and I will just refer to the remarks that I made on the Curry amendment and let it go at that. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Coy.

Mr. COY. Thank you, Mr. Speaker.

Not to prolong the debate any further. Remarks were made earlier about moving this legislation along. I think they apply equally right now. Amendments have been considered; some passed, some defeated. The bottom line is, we are moving local tax reform on in a meaningful sort of way. While I sympathize with some of the suburban legislators representing their constituents in this matter, I firmly believe that the insertion of an amendment like this in this piece of legislation will not move the process along and will rather impede it.

Therefore, with the feeling that meaningful tax reform for many other areas of the State, in fact the majority of the rest

of the State, is possible with passage of this legislation without this type of amendment, I respectfully ask the members to continue to oppose and resist this type of amendment and move the process along. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Gannon on the amendment.

Mr. GANNON. Thank you, Mr. Speaker.

Mr. Speaker, this probably is one of the most important amendments to be offered to this bill, but it is not a destructive amendment.

This is true tax reform, as Representative Druce alluded. How can you expect someone to live and raise their families in a community and simply because they work in the city of Philadelphia, none of their earnings, the taxes on their earnings, can go to that community where they live and raise their families, where they get their police protection, where they get their fire protection, where they get all their other municipal services?

Mr. Speaker, if anything, this is true tax reform, because it is not saying we are going to increase taxes on the individual. We are simply taking a portion of those taxes and putting them where they belong, and that is the communities where people live and raise their families. Philadelphia is not being disenfranchised; it is not being denied its fair share of the wage tax, but there has got to be an element of fairness between people who live in the city and people who work in counties that surround the city and perhaps as far out as York and Lancaster and Chester Counties and Northampton and those other counties. Why cannot those counties, those municipalities in those counties, have at least some fair share of that revenue? We are not asking for everything.

I think this is really a fair amendment. It strikes a balance between those who would say there should not be any tax at all on nonresidents and those who say we can strike a balance, have some equity between those who live in the communities, raise their families there and get their services from those communities, and also work in the city.

I urge a "yes" vote on this amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Tomlinson on the amendment.

Mr. TOMLINSON. Mr. Speaker, I do not want to belabor the point any further, but I just want to remind my fellow legislators that this is a very, very big issue for us.

There can be no—please listen to me—there can be no meaningful tax reform without this amendment. This is our issue. This allows us to be just like you. You all want tax reform in your districts but you do not want me to have tax reform in my district, and I do not think it is fair for my fellow legislators from the rural areas to say, well, this is going to stop meaningful tax reform. That is not true. This is our issue. You cannot ask my people not to be able to participate in tax reform. This is our issue as your issues are in agriculture. If you do not support me on this, you are abandoning my people, and I ask you to please support my people on this issue, to go for meaningful tax reform. People must be able to

pay taxes in the areas where they live. That is all I am asking for.

I ask you to support me on this amendment. Thank you.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—85

Adolph	Egolf	Laub	Sather
Allen	Fargo	Lawless	Saurman
Argall	Farmer	Leh	Scheetz
Armstrong	Fichter	Lynch	Schuler
Baker	Fleagle	Maitland	Semmel
Barley	Flick	Marsico	Serafini
Birmelin	Gannon	Melio	Smith, S. H.
Boyes	Geist	Merry	Snyder, D. W.
Brown	Gladeck	Micozzie	Stairs
Bunt	Godshall	Miller	Steil
Carone	Gruppo	Nailor	Stern
Cessar	Harley	Nyce	Strittmatter
Chadwick	Hasay	Pettit	Taylor, E. Z.
Civera	Herman	Phillips	Tomlinson
Clymer	Hess	Piccola	True
Cohen, L. I.	Hutchinson	Pitts	Tulli
Conti	Jadlowiec	Raymond	Uliana
Cornell	Jarolin	Reinard	Vance
Corrigan	King	Rohrer	Vitali
Curry	Kirkland	Rubleby	Wright, M. N.
Dent	Krebs	Ryan	Zug
Druce			

NAYS—109

Acosta	George	Mayernik	Smith, B.
Battisto	Gerlach	McCall	Staback
Bebko-Jones	Gigliotti	McGeehan	Steelman
Belardi	Gordner	McNally	Steighner
Belfanti	Gruitza	Michlovic	Stetler
Bishop	Haluska	Mihalich	Stish
Blaum	Hanna	Mundy	Sturla
Buxton	Hennessey	O'Brien	Surra
Cappabianca	Hershey	Olasz	Tangretti
Carn	Hughes	Oliver	Taylor, J.
Cawley	Itkin	Pesci	Thomas
Clark	James	Petrarca	Tigue
Cohen, M.	Josephs	Petrone	Trello
Colafella	Kaiser	Pistella	Trich
Colaizzo	Kasunic	Platts	Van Horne
Cowell	Keller	Preston	Veon
Coy	Kenney	Reber	Washington
Daley	Kukovich	Richardson	Waugh
DeLuca	LaGrotta	Rieger	Williams
Dempsey	Laughlin	Ritter	Wogan
Dermody	Lederer	Roberts	Wozniak
Donatucci	Lee	Robinson	Wright, D. R.
Evans	Lescovitz	Roebuck	Yaudrisevits
Fairchild	Lloyd	Rooney	Yewcic
Fajt	Lucyk	Rudy	
Fee	Manderino	Santoni	DeWeese,
Freeman	Markosek	Saylor	Speaker
Gamble	Masland	Scrimenti	

NOT VOTING—1

Caltagirone

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. TRELLO offered the following amendment No. A0450:

Amend Sec. 332, page 98, line 6, by striking out "\$30" and inserting  
\$10

On the question,  
Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Trello from Coraopolis.

Mr. TRELLO. Mr. Speaker, this amendment makes a technical correction in the bill.

The bill calls for a \$10 municipal service tax. However, there are two references to the dollar figure in the bill and they are currently in conflict. This makes it a uniform \$10.

I urge support for the amendment.

The SPEAKER pro tempore. On the amendment, the Chair recognizes the Republican leader of the Finance Committee, Representative Boyes.

Mr. BOYES. Thank you, Mr. Speaker.

This is an agreed-to amendment, and I would urge an affirmative vote for the Trello amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—195

Acosta	Farmer	Lucyk	Saurman
Adolph	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Scheetz
Argall	Fleagle	Manderino	Schuler
Armstrong	Flick	Markosek	Scrimenti
Baker	Freeman	Marsico	Semmel
Barley	Gamble	Masland	Serafini
Battisto	Gannon	Mayernik	Smith, B.
Bebko-Jones	Geist	McCall	Smith, S. H.
Belardi	George	McGeehan	Snyder, D. W.
Belfanti	Gerlach	McNally	Staback
Birmelin	Gigliotti	Melio	Stairs
Bishop	Gladeck	Merry	Steelman
Blaum	Godshall	Michlovic	Steighner
Boyes	Gordner	Micozzie	Steil
Brown	Gruitza	Mihalich	Stern
Bunt	Gruppo	Miller	Stetler
Buxton	Haluska	Mundy	Stish
Caltagirone	Hanna	Nailor	Strittmatter

Cappabianca	Harley	Nyce	Sturla
Carn	Hasay	O'Brien	Surra
Carone	Hennessey	Olasz	Tangretti
Cawley	Herman	Oliver	Taylor, E. Z.
Cessar	Hershey	Pesci	Taylor, J.
Chadwick	Hess	Petrarca	Thomas
Civera	Hughes	Petrone	Tigue
Clark	Hutchinson	Pettit	Tomlinson
Clymer	Itkin	Phillips	Trello
Cohen, L. I.	Jadlowiec	Piccola	Trich
Cohen, M.	James	Pistella	True
Colafella	Jarolin	Pitts	Tulli
Colaizzo	Josephs	Platts	Uliana
Conti	Kaiser	Preston	Vance
Cornell	Kasunic	Raymond	Van Horne
Corrigan	Keller	Reber	Veon
Cowell	Kenney	Reinard	Vitali
Coy	King	Richardson	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker
Fargo			

NAYS—0

NOT VOTING—0

EXCUSED—6

Bush	Durham	Nickol	Perzel
Butkovitz	Levdansky		

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mrs. RUBLEY offered the following amendment No. A0563:

Amend Sec. 318, page 91, lines 2 and 3, by striking out "QUALIFIED MUNICIPALITIES" and inserting municipalities within the county

Amend Sec. 319, page 91, lines 7 through 30; page 92, line 1, by striking out all of said lines on said pages and inserting Section 319. (Reserved).

Amend Sec. 320, page 92, line 2, by striking out "QUALIFIED MUNICIPALITIES" and inserting Municipalities

Amend Sec. 320, page 92, line 4, by striking out "QUALIFIED"

Amend Sec. 320, page 92, line 5, by striking out "QUALIFIED"

Amend Sec. 320, page 92, line 6, by striking out "QUALIFIED"

Amend Sec. 320, page 92, line 7, by striking out "QUALIFIED"

Amend Sec. 320, page 92, line 10, by striking out "QUALIFIED"

Amend Sec. 320, page 92, lines 11 through 18, by striking out all of lines 11 through 17 and "(C)" in line 18 and inserting

(b)

Amend Sec. 320.1, page 93, line 4, by striking out "QUALIFIED"

Amend Sec. 320.1, page 93, line 9, by striking out "QUALIFIED"

Amend Sec. 320.1, page 93, line 11, by striking out "QUALIFIED"

Amend Sec. 320.1, page 93, line 12, by striking out "QUALIFIED"

Amend Sec. 320.1, page 93, line 13, by striking out "QUALIFIED"

Amend Sec. 320.1, page 93, line 18, by striking out "QUALIFIED"

Amend Sec. 320.1, page 93, line 29, by striking out "QUALIFIED"

Amend Sec. 701, page 100, line 6, by striking out "UNDER CHAPTER 3"

Amend Sec. 701, page 100, lines 7 and 8, by striking out "WHICH HAS ELECTED TO PROCEED"

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Rubley and informs the members that this amendment is in packet No. 6.

On the amendment, Representative Rubley.

Mrs. RUBLEY. Thank you, Mr. Speaker.

Amendment A0563 changes section 319 to allow a municipality to participate in its share of the 25 percent of the sales tax which may be enacted by the county. The feeling is that the residents of each municipality of that county would be contributing to the sales tax, and they should be able to benefit from the proceeds.

I urge your adoption of this amendment.

The SPEAKER pro tempore. On the amendment, the Chair recognizes Representative Boyes.

Mr. BOYES. Could we just be at ease for a moment, Mr. Speaker?

The SPEAKER pro tempore. For what purpose does the gentleman, Mr. Coy, rise?

Mr. COY. Will the gentlelady stand for interrogation?

Mr. BOYES. I will yield, Mr. Speaker, and then reserve my right to speak later on the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The lady indicates that she will stand for interrogation. The gentleman, Mr. Coy, may proceed.

Mr. COY. Mr. Speaker, is it my understanding then that if a local municipality would not opt into participation in the optional program, that they could nonetheless share in the proceeds that might be generated within a county that does opt in but the municipality does not and then they could share in the proceeds?

Mrs. RUBLEY. Could you please repeat the question?

Mr. COY. Yes, Mr. Speaker.

Is it my understanding that if a municipality chooses not to opt into this new optional tax plan, that then with the language of this amendment, that municipality could then garner the proceeds from the new tax plan regardless of whether they opted in or not?

Mrs. RUBLEY. That is correct.

Currently the way this bill is written, if a municipality has been precluded from changing its tax system, perhaps because of the Sterling Act, they would then be precluded from participating in this sales tax. This way every municipality would have the opportunity to participate in the benefits from that sales tax since all of their taxpayers have contributed to that sales tax.

Mr. COY. I understand your answer, but let me draw another scenario.

Walking away from the Sterling Act for a moment and drawing a scenario that if a community chose not to opt in and operated under the old Act 511 taxes and then there were new revenues garnered by a county sales tax, for example, could that municipality then share in new revenues that were garnered from the county sales tax without opting into the other parts of the optional plan?

Mrs. RUBLEY. That is correct.

Mr. COY. Thank you, Mr. Speaker.

On the question.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. COY. Mr. Speaker, I respectfully ask for a negative vote on this amendment. I do so because I believe that municipalities ought to either be in or they ought to be out. They should either opt in as a municipality to be into the optional tax plan or else they should continue to operate under the Act 511 taxes, which we purposely do not totally repeal if they do not opt into the program.

I think in a sense of fairness, Mr. Speaker, to taxpayers in municipalities that may not opt in and conversely to municipalities that do opt in, that only those revenues from a county sales tax or another type of county tax be able to be garnered by municipalities that totally opt into the program, and I think this amendment would not do that, and for that reason I ask for a negative vote on the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman from Somerset, Mr. Lloyd.

Mr. LLOYD. Mr. Speaker, my concern is that if you remove the requirement that the local governments go on record in favor of the sales tax, the county commissioners are much less likely to use it. What, if I am understanding this amendment correctly, can happen is that the boroughs and the townships and, with my amendment, the school districts can all sit back and say, those SOB county commissioners, they should not put any taxes on you, and then after the county commissioners have voted for it, they all sit back and rake in the money. I think the county commissioners are at least as smart politically as we are and they are going to see that and they are not going to play that game. So consequently, I am afraid that this amendment is going to have a chilling effect on the counties actually taking advantage of the tax option.

So, Mr. Speaker, I would join the gentleman, Mr. Coy, in asking for a negative vote.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Mr. Saurman.

Mr. SAURMAN. Thank you, Mr. Speaker.

Mr. Speaker, I guess one of us is not understanding what Representative Rubley said.

Her concern is that those of you who have precluded the counties of Montgomery, Chester, Delaware, and Bucks from getting into this program, perhaps opting into it because the Sterling Act prohibits it, are also now going to be prohibited from participating in this sales tax revenue.

What she wants to do is to allow those four counties or persons in similar situations who are forced to not take advantage of the option because of the unfairness of what has happened with the Sterling Act or if there are other similar situations throughout the State, she wants them to be able to opt in. So what you are doing is denying those persons twice — once because you are making them pay under the Sterling Act and creating and continuing that unfairness and now creating another situation which precludes them from operating or from choosing into the sales tax option.

I would ask you to support the Rubley amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Mr. Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, would the maker of the amendment stand for interrogation?

The SPEAKER pro tempore. The gentlelady indicates that she will, and the gentleman, Mr. Nyce, may proceed.

Mr. NYCE. Mr. Speaker, I am somewhat confused over what the option is with regard to opting in. In other words, if a municipality has not opted into the new complete tax package, would they then be eligible to take a share of this mandated tax which was opted into by the municipalities who forced the county to implement the tax?

#### AMENDMENT WITHDRAWN TEMPORARILY

Mrs. RUBLEY. If a municipality—

We are going to hold this amendment over. Thank you.

Mr. NYCE. All right. Thank you, Mr. Speaker.

Mrs. RUBLEY. I move that we hold this over.

The SPEAKER pro tempore. The Chair notes the lady's comments to temporarily withdraw the amendment.

Mrs. RUBLEY. That is correct.

The SPEAKER pro tempore. The Chair thanks the lady.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mrs. RUBLEY offered the following amendment No. A0522:

Amend Bill, page 86, by inserting between lines 8 and 9 Section 305. Local tax study commission.

(a) First-year implementation.—Before any municipality, school district or county levies, assesses or collects, or provides for the levy, assessment or collection of any tax under the authority of this act, the governing body may appoint a local tax study commission in accordance with the following provisions:

(1) Membership.—The local tax study commission shall consist of five, seven or nine members appointed by the board. One member of the local tax study commission

may be a member of the school board, as deemed appropriate by the board. No member of the local tax study commission shall be a relative, by blood or marriage, of an official or employee of the municipality, school district or county. All members shall be residents of the district. Representatives on a local tax study commission must reasonably reflect the socioeconomic, age and occupational diversity of the municipality, school district or county.

(2) Staff and expenses.—The board shall provide necessary and reasonable staff to support the local tax study commission and shall reimburse the members of the local tax study commission for necessary and reasonable expenses in the discharge of their duties.

(3) Contents of study.—The local tax study commission shall study the existing taxes levied, assessed and collected by the district and determine if and how the tax policies of the district could be strengthened or made more equitable by adopting for levy, assessment and collection one or a combination of any of the following taxes: personal income tax, real estate tax, realty transfer tax or amusement tax at such levels and in such combinations on permissible subjects of taxation as do not exceed the limitations in this act. This study shall include, but not be limited to, consideration of all of the following:

(i) Historic rate and revenue provided by taxes currently levied, assessed and collected by the district.

(ii) The percentage of total revenues provided by taxes currently levied, assessed and collected.

(iii) The age, income, employment and property use characteristics of existing tax base.

(iv) The projected revenues of any taxes currently levied, assessed and collected.

(v) The projected revenues of any taxes referred to above not currently levied, assessed and collected by the district.

(4) Recommendation.—Within 60 days of its appointment, the local tax study commission shall make a nonbinding recommendation to the board of the appropriate tax or combination of taxes, identified in paragraph (3), to be levied, assessed and collected commencing the next fiscal year. Upon appointment of the commission, and except as provided for in paragraph (5), no tax may be levied, assessed or collected for the next fiscal year until receipt of the recommendation of the local tax study commission. No later than 30 days prior to the commencement of the next fiscal year, the board shall accept or reject the recommendation of the local tax study commission or adopt any other appropriate tax or combination of taxes for the district commencing the next fiscal year as provided by law.

(5) Failure to issue recommendation.—If the local tax study commission fails to make a nonbinding recommendation within 60 days of its appointment, the board shall discharge the appointed local tax study commission and appoint itself as the local tax study commission. No later than 30 days prior to the commencement of the next fiscal year, the board shall adopt the appropriate tax or combination of taxes for the district commencing the next fiscal year as provided by law.

(6) Public distribution of report.—The local tax study commission shall publish or cause to be published, within 30 days of making its recommendation, a final report of its activities and recommendations and shall deliver the final report to the secretary of the board who shall supply copies to any interested persons upon request.

(7) Receipts.—Receipts are required for all reimbursable expenses.

(8) Materials.—All the records, receipts, tapes, minutes of meetings and written discussions of the local tax study commission shall, upon its discharge, be turned over to the secretary of the district for the permanent safekeeping. The secretary shall make such materials available for public inspection at any time during regular business hours.

(9) Discharge.—The local tax study commission shall be discharged upon the filing of its final report.

(b) Three-year review.—Any municipality, school district or county that levies, assesses and collects, or provides for the levy, assessment or collection of any tax, after having received the recommendations of a local tax study commission and acted, shall continue to levy, assess and collect the same tax or combination of taxes for the next three fiscal years. However, nothing herein shall preclude the board to change or alter the rates of any such tax or combination of taxes if it deems necessary. Before the third fiscal year following the district's action on the recommendations of a local tax study commission, and every third fiscal year thereafter, the board may appoint a local tax study commission in the manner provided in subsection (a). The local tax study commission appointed under this subsection shall be charged with all of the same powers and duties provided for the local tax study commission under subsection (a). In the event the district does not appoint a local tax study commission under this subsection after having previously acted on the recommendations of a local tax study commission, the district shall continue to levy, assess and collect the same tax or combination of taxes for the next three fiscal years.

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Rubley and informs the members that this amendment is in packet No. 2.

The gentlelady may proceed.

Mrs. RUBLEY. Thank you, Mr. Speaker.

This amendment would give the taxing districts the option of appointing a local tax study commission to study the options available to them and to develop a recommendation for their particular board or commission. This is an option for them. This would open up the process to include a reasonable representation of the socioeconomic, the age, and the occupational diversity of the municipality, school district, or county.

I would like to point out that this suggestion was part of a school district tax reform proposal developed by a bipartisan tax commission in Chester County after studying this issue for over a year and a half.

I do urge that you support this amendment.

The SPEAKER pro tempore. The Chair thanks the lady and, on the amendment, recognizes Representative Kukovich.

Mr. KUKOVICH. Thank you, Mr. Speaker.

I am not real excited about a whole lot more study commissions, but I think this is drafted quite well. As the lady said, it is only optional. I think there is no problem with allowing a school district, municipality, or county, at their discretion, to set up a study commission as crafted in this amendment.

I would agree to this and ask the members for a "yes" vote.

The SPEAKER pro tempore. The Chair thanks the gentleman.

#### LEAVE OF ABSENCE CANCELED

Mr. COY. Mr. Speaker?

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. COY. To note that the gentleman, Mr. Levdansky, is present in the hall of the House and ask that his leave be canceled and be counted.

The SPEAKER pro tempore. Without objection, the gentleman will be added to the master roll and taken off leave.

**CONSIDERATION OF HB 2202 CONTINUED**

The SPEAKER pro tempore. On the amendment, those in favor of the amendment will vote "aye"; those opposed to the Rubley amendment will vote "no."

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

**YEAS—194**

Acosta	Fargo	Lloyd	Sather
Adolph	Farmer	Lucyk	Saurman
Allen	Fee	Lynch	Saylor
Argall	Fichter	Maitland	Scheetz
Armstrong	Fleagle	Manderino	Schuler
Baker	Flick	Markosek	Scrimenti
Barley	Freeman	Marsico	Semmel
Battisto	Gamble	Masland	Smith, B.
Bebko-Jones	Gannon	Mayermik	Smith, S. H.
Belardi	Geist	McCall	Snyder, D. W.
Belfanti	George	McGeehan	Staback
Birmelin	Gerlach	McNally	Stairs
Bishop	Gigliotti	Melio	Steelman
Blaum	Gladeck	Merry	Steighner
Boyes	Godshall	Michlovic	Steil
Brown	Gordner	Micozzie	Stern
Bunt	Gruitza	Mihalich	Stetler
Buxton	Gruppo	Miller	Stish
Caltagirone	Haluska	Mundy	Strittmatter
Cappabianca	Hanna	Nailor	Sturla
Cam	Harley	Nyce	Surra
Carone	Hennessey	O'Brien	Tangretti
Cawley	Herman	Olasz	Taylor, E. Z.
Cessar	Hershey	Oliver	Taylor, J.
Chadwick	Hess	Pesci	Thomas
Civera	Hughes	Petrarca	Tigue
Clark	Hutchinson	Petrone	Tomlinson
Clymer	Itkin	Pettit	Trello
Cohen, L. I.	Jadlowiec	Phillips	Trich
Cohen, M.	James	Piccola	True
Colafrilla	Jarolin	Pistella	Tulli
Colaizzo	Josephs	Pitts	Uliana
Conti	Kaiser	Platts	Vance
Cornell	Kasunic	Preston	Van Horne
Corrigan	Keller	Raymond	Veon
Cowell	Kenney	Reber	Vitali
Coy	King	Reinard	Washington
Curry	Kirkland	Richardson	Waugh
Daley	Krebs	Rieger	Williams
DeLuca	Kukovich	Ritter	Wogan
Dempsey	LaGrotta	Roberts	Wozniak
Dent	Laub	Robinson	Wright, D. R.
Dermody	Laughlin	Roebuck	Wright, M. N.
Donatucci	Lawless	Rohrer	Yandrisevits
Druce	Lederer	Rooney	Yewcic
Egolf	Lee	Rubley	Zug
Evans	Leh	Rudy	
Fairchild	Lescovitz	Ryan	DeWeese,
Fajt	Levdansky	Santoni	Speaker

**NAYS—2**

Hasay                      Serafini

**NOT VOTING—0**

**EXCUSED—5**

Bush                      Durham                      Nickol                      Perzel  
Butkovitz

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. STEIL offered the following amendment No. A0573:

Amend Sec. 503, page 99, lines 7 through 11, by striking out all of said lines and inserting

Persons who are "eligible claimants" as defined in section 302 of the act of August 14, 1991 (P.L.342, No.36), known as the Lottery Fund Preservation Act, shall be exempt from the payment of any tax imposed under section 322.

On the question,  
Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Steil, and notes for the members that that amendment is in packet No. 3.

The gentleman may proceed.  
Mr. STEIL. Thank you, Mr. Speaker.

The purpose of this amendment is to redefine that section of the proposed HB 2202 identifying senior citizens or those over the age of 65. What it does is raise the tax exemption to the same level as that permitted by the property tax Rebate and Assistance Act. It does not provide for any exemption of any individual who receives more income than that basic level but does exempt from tax under this bill any person at that level, and I ask for support of the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Kukovich.

Mr. KUKOVICH. Mr. Speaker, let me be clear on this amendment. What this does is increase that senior citizen exemption to a much higher amount.

I would suggest that whether we like it or not fiscally, we support that amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The Chair recognizes Representative Trello on the amendment.

Mr. TRELLO. Mr. Speaker, I think it is a good amendment. It increases the amount that we allow our senior citizens, and I also ask for a positive vote on it.

The SPEAKER pro tempore. The Chair thanks the gentleman and, on the amendment, recognizes Representative Tigue.

Mr. TIGUE. Mr. Speaker, I would like to interrogate the maker of the amendment.

The SPEAKER pro tempore. The gentleman indicates that he is willing to stand for interrogation. Representative Tigue may proceed.

Mr. TIGUE. Mr. Speaker, in your amendment, is your intention that anyone who is not qualified for the tax and rent rebate would not be qualified for the exemption?

Mr. STEIL. That is correct.

Mr. TIGUE. Thank you, Mr. Speaker.

I support the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The Chair recognizes Representative Gerlach on the amendment.

Mr. GERLACH. Would the maker of the amendment stand for interrogation, Mr. Speaker?

The SPEAKER pro tempore. The gentleman indicates he is willing to stand for interrogation. Mr. Gerlach may proceed.

Mr. GERLACH. Thank you, Mr. Speaker.

As a followup to the last question, what is the current eligibility requirement for the rent rebate program?

Mr. STEIL. I believe it is \$15,200.

Mr. GERLACH. Okay. Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—194

Acosta	Fargo	Levdansky	Sather
Adolph	Farmer	Lloyd	Saurman
Allen	Fee	Lucyk	Saylor
Argall	Fichter	Lynch	Scheetz
Armstrong	Fleagle	Maitland	Schuler
Baker	Flick	Manderino	Scrimenti
Barley	Freeman	Markosek	Semmel
Battisto	Gamble	Marsico	Serafini
Bebko-Jones	Gannon	Masland	Smith, B.
Belardi	Geist	Mayernik	Smith, S. H.
Belfanti	George	McCall	Snyder, D. W.
Birmelin	Gerlach	McGeehan	Staback
Bishop	Gigliotti	McNally	Stairs
Blaum	Gladeck	Melio	Steelman
Boyes	Godshall	Merry	Steighner
Brown	Gordner	Michlovic	Steil
Bunt	Gruitza	Micozzie	Stern
Buxton	Gruppo	Mihalich	Stetler
Caltagirone	Haluska	Miller	Stish
Cappabianca	Hanna	Mundy	Strittmatter
Carn	Harley	Nailor	Sturla
Carone	Hasay	O'Brien	Surra
Cawley	Hennessey	Olasz	Tangretti
Cessar	Herman	Oliver	Taylor, E. Z.
Chadwick	Hershey	Pesci	Taylor, J.
Civera	Hess	Petrarca	Thomas
Clark	Hughes	Petrone	Tigue
Clymer	Hutchinson	Pettit	Tomlinson
Cohen, L. I.	Itkin	Phillips	Trello
Cohen, M.	Jadlowiec	Piccola	Trich
Colafella	James	Pistella	True
Colaizzo	Jarolin	Pitts	Tulli
Conti	Josephs	Platts	Uliana
Cornell	Kaiser	Preston	Vance
Corrigan	Kasunic	Raymond	Van Horne
Cowell	Keller	Reber	Veon

Coy	Kenney	Reinard	Vitali
Curry	King	Richardson	Washington
Daley	Kirkland	Rieger	Waugh
DeLuca	Krebs	Ritter	Williams
Dempsey	Kukovich	Roberts	Wogan
Dent	LaGrotta	Robinson	Wozniak
Dermody	Laub	Roebuck	Wright, D. R.
Donatucci	Laughlin	Rohrer	Wright, M. N.
Druce	Lawless	Rooney	Yewcic
Egolf	Lederer	Rubley	Zug
Evans	Lee	Rudy	
Fairchild	Leh	Ryan	DeWeese,
Fajt	Lescovitz	Santoni	Speaker

NAYS—2

Nyce	Yandrisevits
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NOT VOTING—0

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. STEIL offered the following amendment No. A0572:

Amend Title, page 2, line 17, by striking out "AND" where it appears the second time

Amend Title, page 2, line 19, by removing the period after "TREASURER" and inserting  
; and providing for limitations on spending by school districts.

Amend Bill, page 103, line 17, by striking out all of said line and inserting

CHAPTER 11

LIMITATIONS ON SPENDING

Section 1101. Spending limit for school districts.

(a) General rule.—Except as provided in subsections (c) and (d), total spending by school districts shall not exceed the spending limit in any fiscal year.

(b) Determination of spending limit.—The spending limit for any fiscal year shall be equal to total spending divided by total student population in constant dollars compared to the same calculation for the immediately preceding fiscal year.

(c) Voter approval for spending increase.—Any spending increase in excess of the school district's spending limit shall require voter approval at a public referendum conducted consistent with the provisions of section 304(a).

(d) Emergencies or disasters.—The spending limit of school districts may be exceeded in any fiscal year for expenditures required by emergencies or disasters declared by the President of the United States or the Governor. The excess spending authorized by exceeding the limit in this manner shall not be included in the computation base of the spending limit for any subsequent fiscal year.

(e) Funding of future liabilities.—Future liabilities resulting from the adoption of or contracting for new or improved deferred compensation, benefits or pensions on or after the effective date of this section shall in each instance be fully funded in accordance with an accepted, advance-funding actuarial method using actuarial assumptions and asset valuation methods.

(f) Calculation of total spending.—Total spending by a school district means all appropriations and authorizations from all current funds and funds created after the effective date of this section, but shall not include refunds, servicing of bonded



indebtedness incurred prior to the effective date of this section, voter-approved bonded indebtedness and expenditures for funding unfunded pension liabilities existing on the effective date of this section.

(g) *Refund of excess revenue.*—If revenue from sources not excluded from fiscal year spending exceeds the limits in dollars prescribed by this section for a fiscal year, the excess shall be refunded in the next fiscal year unless voters approved a revenue change as an offset.

CHAPTER 13

Amend Sec. 1101, page 103, line 19, by striking out "1101" and inserting

1301

On the question,  
Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Steil.

Mr. STEIL. Mr. Speaker, the purpose of this amendment is to redefine what is considered to be the spending level by school districts.

Currently in the bill, "spending level" is defined as total funds spent. What this amendment does is to redefine spending on a per-student basis in constant dollars so that those districts which are facing an influx of students as a result of development have a way to offset those additional expenditures without having to go to referendum. It is particularly important for the southeast area of the State where development is rampant and other areas of the State.

Simply again, it permits the school district to define the spending comparison on a per-student, constant-dollar basis. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Lloyd.

Mr. LLOYD. Mr. Speaker, would the sponsor of the amendment consent to interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. The gentleman, Mr. Lloyd, may proceed.

Mr. LLOYD. Mr. Speaker, this does not take anything substantively out of the bill. Is that correct?

Mr. STEIL. That is correct.

Mr. LLOYD. Am I correct that what this amendment says is that from now on, regardless of whether the school district does or does not take advantage of the sales tax or the income tax options, that if it raises its spending by more than a certain amount, it must go to a referendum?

Mr. STEIL. As the bill is currently written, if the school district proposes to increase spending, it must go to a referendum. Under this particular amendment, increased spending is defined on a per-student basis so that if the increased spending is related to additional students, there is no need for a referendum.

Mr. LLOYD. My concern, Mr. Speaker, is, it is my understanding that the bill requires a referendum only if the school district opts to take advantage of this tax law, and then it gives the school district a choice: either you have a referendum up front or you have a referendum after the fact.

This amendment, maybe I am just missing the tie-in of this amendment to the language which is already in the bill, but it seems to me, Mr. Speaker, that what this amendment does is to say that there is a spending limit for school districts regardless of whether or not they have chosen to opt into the new tax options and that those limitations, if they are exceeded, require a voter referendum.

Now, that is a legitimate point of view. I am not sure if that is what you are intending, but if it is not, where is the language in this amendment which makes this amendment applicable only in those cases of school districts which have opted to take advantage of the new tax choices and then, secondly, have not had an up-front referendum?

Mr. STEIL. This amendment is clearly tied to HB 2202 and impacts that legislation only in the sense that the school districts are required to proceed with referendums if they opt into the bill. So I am not sure that I understand the question.

Mr. LLOYD. I guess my problem is one of drafting. Let us try to do it this way, because probably you are going to have the votes to do this.

It is your intention, Mr. Speaker, that this limitation is to apply only if a school district opts into the bill. Is that correct?

Mr. STEIL. It is.

Mr. LLOYD. And is it your further intention that this limitation would apply only to that school district which did not have an up-front referendum?

Mr. STEIL. It is.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, on the amendment.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. LLOYD. Mr. Speaker, I do think that there is a drafting problem. My concern is that this amendment has the unintended consequence of possibly putting a limitation on other school districts. I think that needs to be addressed in the Senate or wherever this goes, assuming that the amendment goes in. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and, on the amendment, recognizes Representative Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

Would the maker stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. Representative Nyce may proceed.

Mr. NYCE. Mr. Speaker, can you tell me what the impetus for the amendment is in terms of its structure?

Mr. STEIL. The purpose of the amendment, again, is to insure that those school districts facing significant influxes of students due to development are not faced with the consequence of having opted into the provisions of this bill and having been required by the bill itself to pass a referendum in order to increase or to raise the necessary spending to accommodate those additional students. By placing the expenditure levels on a per-student basis, we remove that problem.

Mr. NYCE. Mr. Speaker, under the bill as currently drafted, if a school district adopts this package of options by

referendum initially, where does the need for future referenda occur?

Mr. STEIL. Then there is no need for this.

Mr. NYCE. So there is no need for this amendment if in fact a school district opts into the package currently by referendum.

Mr. STEIL. That is the intent. It is only for those school districts which under the bill itself are required to pass a referendum in order to increase spending.

Mr. NYCE. At a later date.

Mr. STEIL. At a later date.

Mr. NYCE. Mr. Speaker, then your amendment would protect school districts who, for some unknown reason, would have an influx of students—for example, if a private or parochial school were to close down, generating an unprecedented number of new students—and they could raise taxes without going to a referendum. Is that the intent?

Mr. STEIL. That is correct.

Mr. NYCE. Mr. Speaker, on the amendment.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. NYCE. Mr. Speaker, I encourage the members to pay very close attention to this amendment. If in fact a school district would adopt the option package as presented in the bill by referendum up front, they would not be required to have a future referendum on rate increases as long as they stayed within the limits allowed in the bill, and that is basically a 2-percent limit on personal income tax. Therefore, this may or may not be an issue.

So I encourage members to watch closely in terms of the later amendments that may come up mandating referendum for both opting into the package and also future rate increases. That would make this amendment absolutely necessary.

But again, we are dealing with an issue not in sequence, and I encourage the members to pay attention to this, because it is going to cause controversy. We are dealing with amendments which, if they had come up at a different time with regard to the way we are dealing with amendments, we would know whether we needed this amendment or not. I guess that is what I am trying to say. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman from Punxsutawney, Representative Smith.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

Would the maker of the amendment stand for a brief interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. Mr. Smith may proceed.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

Mr. Speaker, as I read the amendment, it would seem that it deals primarily with the spending limits and not tax increases, and I am curious if your amendment would require a school district to hold a referendum in a year whenever the State, say on the amount of money that we give to the local school districts, if we increase their amount of money that they in turn would spend—maybe they do not touch their local tax

base; they just increase their spending because the State gives them a little more money—would they be required to hold a referendum on that particular budget?

Mr. STEIL. Mr. Speaker, the intent of this bill, as stated, is that the spending limit for any fiscal year on a per-student, constant-dollar basis shall not be increased over the prior year, so that wherever the money comes from, it is calculated on a per-student basis. It does not make any difference what the source of the funds is.

Mr. S. H. SMITH. Do I infer from that that the answer is yes?

Mr. STEIL. Yes.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

On the amendment.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. S. H. SMITH. Mr. Speaker, I do not generally have a problem with imposing some level of referendum or a referendum if they wanted it, if the school district wanted to increase spending by, say, 3 percent or 4 percent in a tax increase year, but I do not know that I can agree with the concept of requiring them to take their budget to a referendum because they had more money to spend in this given year, whether it be because the State gave them more money or because their local revenues generated more money from, say, the local income tax or whatever it may be.

I would urge the members to oppose this amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The Chair recognizes Representative Maitland on the amendment.

Mr. MAITLAND. Thank you, Mr. Speaker.

I rise in support of the Steil amendment.

Several of my school districts are the fastest growing school districts in the Commonwealth, and trying to be sensitive both to the needs of the taxpayer and of the school districts, I think the Steil amendment will go a long way toward heading off referenda that will be defeated and defeated time after time as we pack more and more pupils into crowded classrooms.

So I urge everyone to support the Steil amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Trello on the amendment.

Mr. TRELLO. Mr. Speaker, the gentleman indicated that the increase in spending might occur through increased enrollment of more students. Well, I am under the understanding that if there are more students that enroll in that particular school district, there is more funding. I mean, the funding is based on the number of students that are in that particular school district.

And right now there are precautions or latitude given to school districts that have to raise taxes without referendum. For example, emergencies, like I just had in one of my school districts. The heavy snow caused the roof to cave in, and they had to spend approximately \$1 million. If this would have

happened while this bill was in effect, they would not have had to go to a referendum, because it would qualify under an emergency to spend additional money without the option of putting it on a referendum.

And I agree with the gentleman. A referendum, when it comes to spending, is going to be voted down. But you claim that because of a higher enrollment of more students, there would be more spending and it would require an increase in spending for the school district, but the simple fact is, they get more money per student automatically, no matter what the enrollment is. The subsidy is increased.

I think we are opening up the door for school districts to find a reason to spend more money or not go to a referendum, and I oppose the amendment and ask for a negative vote.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the Republican chair of the Education Committee.

Mr. STAIRS. Thank you, Mr. Speaker.

I stand to interrogate the sponsor of the amendment. Would he please respond?

The SPEAKER pro tempore. The gentleman indicates that he will. Representative Stairs may proceed.

Mr. STAIRS. Thank you, Mr. Speaker.

My question would be, if indeed a school district is planning to remodel, build a new building, or also another example: In case of high inflation, which we hope never happens, but indeed if it does happen, how does this allow the school district to be protected under these adverse situations?

Mr. STEIL. Mr. Speaker, could we be at ease for a minute?

The SPEAKER pro tempore. The House is at ease.

**AMENDMENT WITHDRAWN TEMPORARILY**

Mr. STEIL. Mr. Speaker, I would like to go over this amendment temporarily. We have some issues to work out.

Mr. STAIRS. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair notes the gentleman's comments, and this amendment is withdrawn temporarily.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

**AMENDMENT A0573 RECONSIDERED**

The SPEAKER pro tempore. The Chair is in receipt of a reconsideration motion from Representatives Nyce and Boyes, who move that the vote by which amendment 573 passed to HB 2202, PN 3141, on February 8 be reconsidered.

On the question,

Will the House agree to the motion?

The following roll call was recorded:

**YEAS—193**

Acosta	Fargo	Lucyk	Saurman
Adolph	Farmer	Lynch	Saylor

Allen	Fee	Maitland	Scheetz
Argall	Fichter	Manderino	Schuler
Armstrong	Fleagle	Markosek	Scrimenti
Baker	Flick	Marsico	Semmel
Barley	Freeman	Masland	Serafini
Battisto	Gamble	Mayermik	Smith, B.
Bebko-Jones	Gannon	McCall	Snyder, D. W.
Belardi	Geist	McGeehan	Staback
Belfanti	George	McNally	Stairs
Birmelin	Gerlach	Melio	Steelman
Bishop	Gigliotti	Merry	Steighner
Blaum	Gladeck	Michlovic	Steil
Boyes	Godshall	Micozzie	Stern
Brown	Gordner	Mihalich	Stetler
Bunt	Gruitza	Miller	Stish
Buxton	Gruppo	Mundy	Strittmatter
Caltagirone	Haluska	Nailor	Sturla
Cappabianca	Hanna	Nyce	Surra
Cam	Harley	O'Brien	Tangretti
Carone	Hasay	Olasz	Taylor, E. Z.
Cawley	Hennessey	Oliver	Taylor, J.
Cessar	Herman	Pesci	Thomas
Chadwick	Hershey	Petrarca	Tigue
Civera	Hess	Petrone	Tomlinson
Clark	Hutchinson	Pettit	Trello
Clymer	Itkin	Phillips	Trich
Cohen, L. I.	Jadlowiec	Piccola	True
Cohen, M.	James	Pistella	Tulli
Colafigli	Jarolin	Pitts	Uhiana
Colaizzo	Josephs	Platts	Vance
Conti	Kaiser	Preston	Van Horne
Cornell	Kasunic	Raymond	Veon
Corrigan	Kenney	Reber	Vitali
Cowell	King	Reinard	Washington
Coy	Kirkland	Richardson	Waugh
Curry	Krebs	Rieger	Williams
Daley	Kukovich	Ritter	Wogan
DeLuca	LaGrotta	Roberts	Wozniak
Dempsey	Laub	Robinson	Wright, D. R.
Dent	Laughlin	Roebuck	Wright, M. N.
Dermody	Lawless	Rohrer	Yandrisevits
Donatucci	Lederer	Rooney	Yewcic
Druce	Lee	Rubley	Zug
Egolf	Leh	Rudy	
Evans	Lescovitz	Ryan	DeWeese,
Fairchild	Levdansky	Santoni	Speaker
Fajt	Lloyd	Sather	

**NAYS—2**

Keller Smith, S. H.

**NOT VOTING—1**

Hughes

**EXCUSED—5**

Bush	Durbam	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,

Will the House agree to the amendment?

The clerk read the following amendment No. A0573:

Amend Sec. 503, page 99, lines 7 through 11, by striking out all of said lines and inserting

Persons who are "eligible claimants" as defined in section 302 of the act of August 14, 1991 (P.L.342, No.36), known as the Lottery Fund Preservation Act, shall be exempt from the payment of any tax imposed under section 322.

On the question recurring,  
Will the House agree to the amendment?

The SPEAKER pro tempore. The question recurs to amendment A0573 as offered by Representative Steil.

On the amendment, the Chair recognizes Representative Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

I see there is a meeting going on. I will defer until the prime sponsor of the amendment is available.

The SPEAKER pro tempore. The House will be at ease temporarily.

#### AMENDMENT WITHDRAWN

Mr. STEIL. Mr. Speaker, we are going to withdraw amendment 573.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Does the gentleman wish to offer any additional amendments?

The gentleman indicates that he does not wish to offer any further amendments, and the Chair thanks the gentleman.

Does the gentleman wish to be recognized on another matter?

Mr. STEIL. Mr. Speaker, I would like to just withdraw temporarily these other amendments.

The SPEAKER pro tempore. The Chair notes the gentleman's request to withdraw temporarily the remaining amendments.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. DENT offered the following amendment No. A0562:

Amend Title, page 2, line 11, by striking out "SALES AND USE OR"

Amend Title, page 2, line 12, by striking out "OR IN CERTAIN CIRCUMSTANCES A COMBINATION OF BOTH"

Amend Title, page 2, lines 14 and 15, by striking out "EMPOWERING MUNICIPALITIES TO REQUIRE COUNTY SALES AND USE TAXES;"

Amend Subchapter B, page 86, lines 10 through 30; pages 87 through 92, lines 1 through 30; page 93, lines 1 through 29, by striking out all of said lines on said pages and inserting  
(Reserved)

Amend Sec. 701, page 99, lines 23 through 30; page 100, lines 1 through 11, by striking out all of said lines on said pages and inserting

Section 701. (Reserved).

Amend Sec. 703, page 101, line 2, by striking out "SECTIONS 701 AND

section

Amend Sec. 902, page 102, line 2, by striking out "SALES AND USE."

Amend Sec. 902, page 102, lines 7 and 8, by striking out "MUNICIPAL SERVICE TAX OR SALES AND USE TAX" and inserting

or municipal service tax

On the question,  
Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Dent, and for the information of the members, that amendment is in package No. 6.

The gentleman, Mr. Dent, may proceed.

Mr. DENT. Thank you, Mr. Speaker.

My amendment removes the sales tax from this bill. I want to remove the sales tax from this bill because I believe the sales tax will have a very negative impact on many of our smaller employers, particularly retailers, and this, of course, will hurt their ability to create jobs in our districts.

This legislation does provide for the county to be able to impose both a sales and income tax. The sales tax could be imposed by 50 percent of the population of municipalities wishing to adopt ordinances for this sales tax. The sales tax will negatively impact border counties and other counties with very strong retail bases, and they, of course, will be negatively impacted by the tax.

The sales tax, as we know, tends to be more regressive and not based on an ability to pay. Also, our retailers will be negatively impacted by this legislation, because the cost of collection to the retailer does not go up. The retailer collects 1 percent of all the sales taxes collected, and this legislation does not provide any fair treatment, I believe, to the retail establishment. The retail establishment has to have costs in excess of 3 percent to collect the sales tax, and right now they can only take in 1 percent.

That is all my remarks, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Kukovich on the amendment.

Mr. KUKOVICH. Thank you, Mr. Speaker.

I would ask for a "no" vote on this amendment.

I have tried to go along with as many amendments as possible, especially the Republican amendments which I think are reasonable. I think I understand the philosophy behind Mr. Dent's amendment. But one of the hallmarks of this legislation is to try to provide flexibility to all the taxing entities, including the counties. This, again, remember, is optional, unless, of course, it would be forced on a county by a municipality.

I think we should not begin dictating bits and pieces of this, and we should try to leave it as open for the local governmental entities as possible. I would ask for a negative vote.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Battisto.

Mr. BATTISTO. Thank you, Mr. Speaker.

Mr. Speaker, I likewise oppose this amendment.

First of all, if we try to take bits and pieces out of this bill, we are going to unravel the entire bill. We will no longer have a menu of opportunities for municipalities and school districts

and counties to undertake. The fact of the matter is, our sales tax has a very narrow base. We do not tax clothing as adjoining States do. Some States even tax food. Ours is rather narrow.

I think we have got to leave this option in for counties, and frankly, unless we do, we are going to unravel this bill to the extent that we will not have any tax reform.

I strongly oppose this amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Coy on the amendment.

Mr. COY. Thank you, Mr. Speaker.

Mr. Speaker, I think by eliminating the option of a sales tax, you would potentially hurt some of the more urban areas of the State that once the mercantile tax is repealed, need almost all the money that would come from the mercantile tax, which will be replaced by the personal income tax. There would probably be no availability to reduce property taxes in those areas if you did not give them the option of adding the sales tax.

So I think it would have a negative impact on some of those areas, and keep in mind that it is optional. As Representative Lloyd said, you are limiting options, and one of the hallmarks of the original legislation was to have a variety of options available to municipalities, and I think this is one that you do not want to necessarily close.

Representative Battisto pointed out that the scope of the sales tax is narrow in Pennsylvania, and it is, especially with regard to some of our neighboring States. But the crux of the amendment, I think, would have the negative effect of not allowing some of the more urban areas, some of the smaller cities in our State, to significantly reduce property taxes unless they have this option of the county sales tax.

For that reason, whether or not you support a county sales tax, leaving it in as an option for county commissioners to impose, either by referendum or ordinance, I think is a good idea for an option and should not be precluded by this amendment.

Therefore, I oppose the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Boyes.

Mr. BOYES. Thank you, Mr. Speaker.

What we are doing here tonight is we are considering tax reform, but we are also looking at tax menu, and what we are doing is saying to the counties that you can have two ways of taxing, additional ways, in the personal income tax and the sales tax.

I really think that what we are doing is setting a wrong policy for tax menu in the Commonwealth of Pennsylvania, because it is optional. What we are saying is that we could end up having 22 counties with some form of sales tax and bordering counties not having it and creating chaos and havoc on the people that are dealing in Pennsylvania, plus we are also sending to the small businesses that we do not want to see that they are the strong people in the economy, leading the way out in jobs and economic opportunity; that we are saying

to them that you are going to have the additional burden of competition of having that 1 percent added.

I would ask for a negative vote on the sales tax. I feel that the counties and the County Commissioners Association have said in their letters to the members of this House, they said that we prefer the income tax, and really, they are saying in between, do not saddle us with the sales tax, too.

I am for the amendment, Mr. Speaker. I am not against the amendment. I have been against a few this evening. I am for the amendment, but I want to point out to you that it is very, very important that we do not create this quiltwork of taxation in the Commonwealth of Pennsylvania. Think about what we are doing. Let us proceed slowly. We do not want to give this hodgepodge to the taxpayers and add to their additional burden.

So I would be for the Dent amendment. I think it is the right public policy statement to make on taxation as part of the tax menu in this new tax reform package. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Mr. Lloyd, on the amendment.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, I rise to oppose the amendment.

I do not know what position the State Association of County Commissioners has taken. I thought they wanted us to leave both options in the bill, but you know, I cannot verify that. All I know is that my county commissioners have three or four times asked me to vote for legislation giving counties the option to impose a sales tax, and as we indicated several times earlier this evening, not every county's situation is the same. The more we try to make this a straitjacket, the more we will have counties and municipalities not getting any benefits from this bill.

Furthermore, Mr. Speaker, a sales tax is a rough, equitable way to make sure that everybody — businesses, residents, part-time residents, people who own homes, people who do not own homes, people who are tourists — all contribute something toward the cost of government, because people buy things regardless of their status as property owner and the kind of property they own.

We know that there is a problem with this whole package if you impose only income and you cut taxes for people who do not live in the county and you cut taxes for businesses and they do not pay a replacement. We ought to give counties the option to impose the sales tax so that those counties where that is a problem have an opportunity to take advantage of this bill.

Mr. Speaker, I strongly urge a "no" vote on the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman from Monroe County, Representative Battisto.

Mr. BATTISTO. Thank you, Mr. Speaker.

Mr. Speaker, the State Association of County Commissioners soundly opposes this amendment. Let us be clear: They oppose this amendment. There are county commissioners right

here who could speak if we would allow them to speak. We will not do that, of course. However, I can tell you unequivocally that the State Association of County Commissioners opposes this amendment. They want the options of a sales tax or an income tax. That is very clear, so let us strongly oppose this amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

For the second time on the amendment, the Chair recognizes Representative Boyes.

Mr. BOYES. Thank you very much, Mr. Speaker.

I want to make sure that we clarify this, and I want to state it very emphatically: I support the Dent amendment.

Some of the previous speakers alluded to the fact that they wanted to give the taxpayers an opportunity at the county level to pay a sales tax. We are all mindful of the fact that our county taxpayers are paying a sales tax, a 6-percent sales tax. The Dent amendment would make sure that it was not an additional sales tax being added to those taxpayers in the incident.

So I want to conclude by saying that I support the Dent amendment. I feel that the personal income tax given to the counties is a substantial revenue raiser and should address their revenue needs. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Coy.

Mr. COY. Thank you, Mr. Speaker.

Mr. Speaker, Representative Battisto said it and I repeat it: The County Commissioners Association opposes this amendment.

One of the previous speakers said you create a hodgepodge of possibilities of certain counties having the sales tax and certain counties not. Mr. Speaker, we already have that. Philadelphia has the extra sales tax, and the county of Allegheny already has the extra sales tax. The precedent has begun, and in a sense of fairness to those other counties who want to be able to repeal the mercantile tax, to help small businesses that really need the help, the mercantile tax is one of the most devastating taxes on small business because it taxes gross receipts; it has nothing to do with profits or profitability; it taxes gross receipts and gross receipts only. If you want to allow small businesses to benefit and to be participants in the economy and in the comeback of the economy, the sales tax is much less hard for them to accept than the mercantile tax, which is currently in the bill and can be repealed with the enactment of this tax.

So if you want to provide for significant property tax reductions, you give this option, this option, not this mandate but this option, to counties, which we already have with certain other counties in Pennsylvania, and extend it further. The county commissioners oppose this type of limiting amendment which makes this bill a little less optional, which we have tried to make it from the beginning.

Please oppose the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Does the gentleman, Mr. Gannon, wish to be recognized on the amendment? He indicates he does. The gentleman may proceed.

Mr. GANNON. Thank you, Mr. Speaker.

Mr. Speaker, we are not just talking about the added tax that the counties would be able to put on. What we are talking about is the 6-percent sales tax that our folks already pay plus the 1-percent additional tax that they would have to pay without the Dent amendment.

Now, what the effect of that is, particularly in the county where I come from, Delaware, and I am sure some of the other surrounding counties, those people are not going to pay that 7 percent. What they are going to do is go down to the State of Delaware, where they do not have to pay any tax at all. Now, the net effect of that is that we will not only lose that 1 percent that the counties added on but we are also going to lose the 6 percent that goes to the State that is already collected now. We should not encourage the residents of Pennsylvania to go to other States to do their shopping by putting in these exorbitant taxes. We have got to leave that sales tax alone. We do not need a 7-percent sales tax in any county in this Commonwealth. We do not have to chase people out of State to buy goods, and they will go where they do not have to pay any sales tax at all, which means we will lose everything.

Now, the other side can talk all about how this is a fair tax and it is equitable and all that, but it does not mean a thing when people go out of State to buy their goods and they do not pay one penny in sales tax at all.

We should vote in the Dent amendment, get that sales tax out of this, and make this a fair bill. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman from Allegheny County, Representative Cessar.

Mr. CESSAR. Thank you, Mr. Speaker.

I rise to oppose the Dent amendment.

Mr. Speaker, it just seems to me that if we are going to allow local municipalities to put a 2-percent personal income tax on schools, for the school districts, a 1-percent for the local government, adding another half percent just does not make sense. Those individuals who spend money and buy and purchase those goods which are under the sales tax should pay, and I firmly believe that that is the proper way to go. We ought not to be looking and granting to counties the half-percent increase in the income tax, and I oppose the amendment, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Dent on the amendment for the second time.

Mr. DENT. Thank you, Mr. Speaker.

It was mentioned earlier that the County Commissioners Association was against my amendment. I would like to let you know that I did receive a letter from the County Commissioners Association on February 7, 1994, and I am going to

read something that they said, quote, "We suggest instead that each level of local government, including counties, should have the PIT as its primary alternative to the property tax," close quote.

Again, this legislation could result in a county imposing both an income and a sales tax. All I am doing is taking the sales tax out of the legislation entirely. A county still may impose an income tax.

Furthermore, it was mentioned earlier that it would be hard for counties to lower property taxes without a sales tax, but if you look at the rather comprehensive printout provided to us by Chairman Dwight Evans, on table 2, he has a breakdown as to how much each county in this Commonwealth could reduce its property taxes if it were to impose a one-half-percent personal income tax. So I think the argument that the counties do not have an opportunity to lower property taxes is a false one.

Also, it was mentioned that urban areas somehow need this sales tax more than others. Well, frankly, I listened to a debate about a month ago about Allegheny County, and we were told at that time that the people of Pittsburgh were being taxed to death and they needed additional revenues to create a regional asset district, and a 1-percent sales tax was imposed there. As far as I am concerned, the people of Pittsburgh in that case received just an additional tax, and I see the same thing for all other areas of this Commonwealth, for our urban areas. They will see an increase in their sales taxes. That is the bottom line, I think, in all of this. If we move to have a sales tax that would go from 6 to 7 percent, that would be a 16-percent increase, just for those of you who are not aware of that.

Again I encourage you to support my amendment. Thank you very much.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the chairman of the Finance Committee, Representative Trello.

Mr. TRELLO. Mr. Speaker, this bill does not mandate anything. It allows each municipality, each county, to stay with the 511 taxes that they currently impose or they could take the option of the sales tax or the income tax.

Now, unlike Allegheny County, when this General Assembly overwhelmingly voted to support a sales tax for Allegheny County—and I can say at least that Mr. Dent is consistent because he did vote against that, and I thank you for that—but unlike Allegheny County, there were no options. When we passed that bill here, there was a sales tax and the local municipalities had no say-so. We here in the General Assembly dictated what share we were going to get and what they were going to keep and what the great city of Pittsburgh, with their new mayor, Tom Murphy, what he is going to get. But unlike that, Mr. Speaker, this makes no mandate. This is just an option, and I think that is what tax reform is all about, giving options, and I think if we take that away, there is no option.

I regrettably urge defeat of this amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Nyce.

Mr. NYCE. Mr. Speaker, on the amendment, previously today I mentioned several times that I felt the sequence of events in which we were addressing these amendments was going to cause some of us some distress in how we voted on these issues. I am supporting the Dent amendment, because contrary and in deference to the chairman of the Finance Committee, I believe there is a mandate right now that could go beyond the county commissioners' or county councils' objections if in fact they put in place an income tax. The municipalities can force this sales tax on any county, whether or not they choose to take it, and I urge the members to think on this extremely difficult issue.

Had we voted the mandate first, we would not be in this position, but since we are forced to vote on the bill in its present form, I have no choice but to support Representative Dent. There is a mandated sales tax in this bill as it exists. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—92

Adolph	Egolf	Leh	Scheetz
Allen	Evans	Lucyk	Schuler
Argall	Fargo	Lynch	Semmel
Armstrong	Farmer	Maitland	Smith, S. H.
Baker	Fleagle	Markosek	Snyder, D. W.
Barley	Flick	Marsico	Staback
Belardi	Gannon	Masland	Stairs
Birmelin	Gerlach	Mayermik	Steighner
Blaum	Gladeck	Merry	Steil
Boyes	Godshall	Micozzie	Stritmatter
Brown	Gruppo	Miller	Taylor, E. Z.
Bunt	Harley	Mundy	Taylor, J.
Carone	Hennessey	Nailor	Tomlinson
Cawley	Hershey	Nyce	True
Civera	Hutchinson	O'Brien	Tulli
Clymer	Jadlowiec	Pettit	Uliana
Cohen, L. I.	Kaiser	Piccola	Vance
Conti	Kenney	Pitts	Waugh
Cornell	King	Raymond	Wogan
Dempsey	LaGrotta	Reinard	Wright, D. R.
Dent	Laub	Rohrer	Wright, M. N.
Dermody	Lawless	Ryan	Yewcic
Druce	Lee	Saurman	Zug

NAYS—101

Acosta	Freeman	Manderino	Saylor
Battisto	Gamble	McCall	Scrimenti
Bebko-Jones	Geist	McGeehan	Serafini
Belfanti	George	McNally	Smith, B.
Bishop	Gigliotti	Michlovic	Steelman
Buxton	Gordner	Mihalich	Stern
Caltagirone	Gruitza	Olasz	Stetler
Cappabianca	Haluska	Oliver	Stish
Carn	Hanna	Pesci	Sturla
Cessar	Hasay	Petrarca	Surra
Chadwick	Herman	Petrone	Tangretti

Clark	Hess	Phillips	Thomas
Cohen, M.	Itkin	Pistella	Tigue
Colafiglia	James	Platts	Trello
Colaizzo	Jarolin	Preston	Trich
Corrigan	Josephs	Richardson	Van Horne
Cowell	Kasunic	Rieger	Veon
Coy	Keller	Ritter	Vitali
Curry	Kirkland	Roberts	Washington
Daley	Krebs	Robinson	Williams
DeLuca	Kukovich	Roebuck	Wozniak
Donatucci	Laughlin	Rooney	Yandrisevits
Fairchild	Lederer	Rubleby	
Fajt	Lescovitz	Rudy	DeWeese,
Fee	Levdansky	Santoni	Speaker
Fichter	Lloyd	Sather	

NOT VOTING—3

Hughes	Melio	Reber
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EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. STEIL offered the following amendment No. A0571:

Amend Sec. 301, page 83, line 9, by striking out "SECTIONS 303 AND" and inserting

section 303 and in the case of school districts subject also to section

Amend Sec. 304, page 85, line 5, by striking out "A" and inserting

the

Amend Sec. 304, page 85, line 6, by inserting after "BODY" of a school district

Amend Sec. 304, page 85, lines 8 and 9, by striking out "COUNTY, MUNICIPALITY OR"

Amend Sec. 304, page 85, lines 9 through 12, by striking out "NOVEMBER" in line 9, all of lines 10 and 11 and "BASIS AND AT THE" in line 12

Amend Sec. 304, page 85, lines 13 and 14, by striking out "FOR ENTITIES OPERATING ON A JULY TO JUNE FISCAL BASIS"

Amend Sec. 304, page 85, line 17, by inserting after "BODY"

of the school district

Amend Sec. 304, page 85, line 25, by striking out "POLITICAL SUBDIVISION" and inserting

school district

Amend Sec. 304, page 86, lines 3 through 6, by striking out all of lines 3 through 5 and "(6)" in line 6 and inserting

(5)

On the question,

Will the House agree to the amendment?

VOTE CORRECTION

The SPEAKER pro tempore. For what purpose does the gentleman, Mr. Reber, rise?

Mr. REBER. To correct the record, Mr. Speaker.

On amendment A0562 I was in my seat and voting in the affirmative, and it did not record.

The SPEAKER pro tempore. The Chair asks that the gentleman's remarks be spread across the record.

HOUSE SCHEDULE

Mr. GEIST. Mr. Speaker?

The SPEAKER pro tempore. For what purpose does the gentleman, Mr. Geist, rise?

Mr. GEIST. Mr. Speaker, would the majority leader stand for a brief interrogation for a moment, please?

The SPEAKER pro tempore. In order to expeditiously move the matters through the House tonight, I would like to ask if the gentleman could have a sidebar with the majority leader and proceed—we are on the Steil amendment—or alternatively ask the gentleman to ask his request after the Steil amendment has been considered.

Mr. GEIST. Mr. Speaker, this has to do about conduct of the House, and I thought it may be of interest to all the members.

The SPEAKER pro tempore. Unless the gentleman, Mr. Steil, yields, this request is not in order.

The gentleman indicates that he does yield. The gentleman, Mr. Geist, may ask the question to the majority leader, who stands for interrogation.

Mr. GEIST. Thank you, Mr. Speaker.

Mr. Speaker, could you tell us what the intention of the House is because of the weather conditions? A lot of members have to drive home tonight. It is now approaching 11 o'clock at night. There are not rooms available in Harrisburg because of the sportsmen's show. How long do we intend to keep this up in this kind of weather, and what do you foresee for the order of the House?

Mr. COY. Mr. Speaker?

The SPEAKER pro tempore. For what purpose does the gentleman, Mr. Coy, rise?

Mr. COY. Just in response to the caucus chairman.

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. COY. To indicate that our read, in talking with the amendment clerk and the Parliamentarian, is that there are about 10 amendments left. It is our intention to continue through them and to finish here this evening.

Mr. ITKIN. Mr. Speaker?

The SPEAKER pro tempore. For what purpose does the majority leader rise?

Mr. ITKIN. It is my intention that if we conclude our work tonight, we will not have to come in tomorrow.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Mr. GEIST. I did not hear the reply.

The SPEAKER pro tempore. The majority leader said that it is his intention that we should finish the work this evening so that we will not have to be in session tomorrow.

For what purpose does the gentleman, Mr. Ryan, rise?



Mr. RYAN. Mr. Speaker, that being the case, my prediction when I was talking to the gentleman, Mr. Kukovich, was, the way we were going, it was going to be 2 o'clock in the morning before we got out, and I still think that that is pretty close to fact. We have members who have to drive tonight 50 miles to go home. There are no rooms in this town, as the gentleman, Mr. Geist, told you.

Under all of those circumstances, I am going to ask that the members impose upon themselves, on a voluntary basis, a 1- or 2-minute rule on debate and that the Chair strictly limit debate to two times; that the Chair strictly use the guidelines that debate be limited to the subject that is before the House; and that those rules be adhered to on a voluntary, and if not voluntary, then on a policed basis by the Chair so that perhaps we can get out of here a little bit earlier and allow these people to get home and on the way maybe a little bit sooner, and if we are unable to do it on a voluntary basis, I would ask the Chair to recognize me shortly and I will ask for a vote on that.

The SPEAKER pro tempore. The Chair thanks the gentleman and will be happy to comply with his request.

The Chair would also like to remind the gentleman that we have had a number of reconsideration motions from the Republican side of the aisle tonight, which have been further delaying the debate here, and I would just like to ask that all members please stay close to their switches and to pay attention to their voting record so that we can cease on the further consideration of reconsideration motions.

### CONSIDERATION OF HB 2202 CONTINUED

The SPEAKER pro tempore. The Chair would like to go back to the Steil amendment; that is amendment 0571.

On the amendment, the Chair recognizes Representative Steil.

Mr. STEIL. Thank you, Mr. Speaker.

Amendment A0571 has the purpose and intention of removing the referendum requirement for municipalities and counties for the expenditure of additional revenues. Now, this is the referendum for expenditure limits. It is not the referendum that they must pass in order to opt into the system. It is the referendum which must be passed by the municipality or the county to increase spending.

The reasoning for this is that in the case of a second-class township, for example, they currently have caps on spending. All other municipalities and counties have caps on spending. In a second-class township, the base level is 14 mills. Through court authorization, they may go to 19 mills. Many municipalities are already at something above 14 mills, which is on an annual basis court approved. Under this particular bill, all of those municipalities who opt into the system will have to go to referendum to go to the same spending limit that they have been employing for a number of years. This particular amendment simply keeps the caps on spending, on mill levies, consistent with current law and does not require a referendum to go above that minimum level.

I ask for support of the amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Lee.

Mr. LEE. Thank you, Mr. Speaker.

May I interrogate the maker of the amendment?

The SPEAKER pro tempore. The gentleman indicates he is willing to stand for interrogation. Representative Lee may proceed.

Mr. LEE. Thank you very much, Mr. Speaker.

I know that Representative Coy is preparing an answer here, too. You keep saying spending limits here. Are we talking about spending limits or taxing limits?

Mr. STEIL. Expenditure limits.

Mr. LEE. Millage is how much you can tax, not how much you can spend. Is that not correct?

Mr. STEIL. Right.

Currently a mill in every jurisdiction has a value. The mill levy within that particular district is capped. Second-class townships, 14 mills, another 5 mills on court approval.

According to the way the law is written right now, for those municipalities that opt into this system through an ordinance, they would then have to go to a referendum to get the same spending level, the same mill levy, that they have already in place on a court-authorized basis from prior years, and this simply keeps that same system in place. It does not require them to go to referendum to accomplish it.

Mr. LEE. I just assumed that in order to have a tax rate increase, you had to have a referendum, and I do not see how they are having a tax rate increase if they would simply adopt a new taxing authority under the bill.

I am a bit confused, but I will certainly defer perhaps to Representative Coy or someone else who knows a little bit more about this issue. Thank you very much, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Coy on the amendment.

Mr. COY. Will the gentleman stand for interrogation, Mr. Speaker?

The SPEAKER pro tempore. The gentleman indicates he will. Representative Coy may proceed.

Mr. COY. Mr. Speaker, let me ask a question that might help clarify this. Your intent is to eliminate referenda that would happen on what occasion?

Mr. STEIL. In the example of a second-class township, second-class townships currently have authorized 14-mill limits on tax rates, 14-mill limits. They have another 5 mills which they may gain by going to court, court-authorized additional 5 mills. Our understanding is that under this particular bill, they would have to go to referendum in order to get above the 14 mills, an expenditure level, tax rate level, which they have been at for a number of years, and what this amendment does is to remove that authorization.

Mr. COY. Mr. Speaker, so is it your intent by this amendment to not force a referendum on a tax which currently applies and is not opted in by this new legislation?

Mr. STEIL. That is correct.

Mr. COY. Then, Mr. Speaker, I think it is our position, in the drafting of the legislation, that that is not needed, and in fact, it hails back to an earlier argument that you are taking away one more option, and therefore, it may be harmful to the intent of the legislation.

Mr. STEIL. Mr. Speaker, I think that we need to clarify the tax rates. Under current law, a second-class township, as an example, exists at 14 mills; an additional 5 mills are authorized upon court approval. It is my interpretation that if this bill passes without this amendment, that any community that is currently at 17 mills is now going to have to go to referendum for that additional 3 mills, and what this amendment does is insure that those communities operate under the current law.

Mr. COY. Mr. Speaker, as I read the language, I believe that your situation would only occur if they opted into the new act and would not be required if they did not opt into the act.

Mr. STEIL. It would only be required if they passed an ordinance to get into the act and therefore had to go to referendum for all future— If they passed a referendum first, this would not apply.

Mr. COY. I came to the conclusion that you are agreeing with our point of view.

Mr. STEIL. Correct.

Mr. COY. Then we question the need for the amendment, because we believe the language in the bill addresses the subject.

Mr. STEIL. My understanding of the bill is still that if a referendum is required, then the municipality has to go to that referendum. They cannot go to court to get those levies approved.

Mr. COY. Well, Mr. Speaker, if I can call your attention to page 84 of the bill, section 303, line 19 – page 84, section 303, line 19 – the words “ANY GOVERNING BODY.” I suspect for your amendment to have the effect that you want it to have, that those lines must also be amended to be included. In other words, in the other places in your amendment you strike out the words “COUNTY” and “MUNICIPALITY” with respect to the governing body, and this section would, I think, having to do with adoption of ordinance, would also have to be amended to come to the conclusion that you want to come to.

Mr. STEIL. I am sorry; I do not read it the same way. It seems to me that what this section is saying is that if you adopt an ordinance— Under section (B), “A GOVERNING BODY MAY ELECT TO PARTICIPATE UNDER THIS ACT BY ADOPTING AN ORDINANCE TO THAT EFFECT. THE ORDINANCE MUST SET FORTH THE INITIAL RATE OF THE TAX TO BE IMPOSED.” That may well be 14 mills, but to go above that, they are now going to need a referendum, and what I am saying is that the authority already exists for them to go to 19 mills under court approval.

Mr. COY. Mr. Speaker, would the House be at ease for just a moment.

The SPEAKER pro tempore. The House will be at ease.

## VOTE CORRECTIONS

The SPEAKER pro tempore. For what purpose does the gentleman, Mr. Melio, rise?

Mr. MELIO. To correct the record, Mr. Speaker.

The SPEAKER pro tempore. The gentleman is in order.

Mr. MELIO. On amendment 562 could I be recorded in the negative, please.

The SPEAKER pro tempore. The gentleman's remarks will be spread upon the record. The Chair thanks him.

Does the gentleman, Mr. Fairchild, wish to correct the record also?

Mr. FAIRCHILD. Thank you, Mr. Speaker.

On HR 238, the motion to reconsider, I was not recorded and I would like to be recorded in the affirmative, and on the last vote on HB 2202, amendment A0562, I was voted in the negative and I would like to be voted in the affirmative, please.

The SPEAKER pro tempore. The Chair thanks the gentleman and asks that his remarks be spread upon the record.

For what purpose does the gentleman, Mr. Tulli, rise?

Mr. TULLI. To correct the record, please.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. TULLI. On February 2 on SB 1384, amendment 0358, my button did not function properly. I wish to be recorded in the affirmative, please.

The SPEAKER pro tempore. The Chair thanks the gentleman and asks that his remarks be spread upon the record.

## BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**HB 2530, PN 3190**

By Rep. BELFANTI

An Act amending the act of May 13, 1915 (P.L.286, No.177), known as the Child Labor Law, further providing for the hours of activity of minor members of certain volunteer organizations.

LABOR RELATIONS.

## HEALTH AND WELFARE COMMITTEE MEETING

The SPEAKER pro tempore. For what purpose does the gentleman, Mr. Richardson, rise?

Mr. RICHARDSON. Mr. Speaker, I would like to make an announcement of a committee meeting.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. RICHARDSON. Thank you very much, Mr. Speaker.

Mr. Speaker, tomorrow morning at 9:30 the House Health and Welfare Committee will meet in room 22, Annex, as already scheduled. I just wanted to make sure that members who are still here know that we will be meeting tomorrow morning, so that when we adjourn the session tomorrow, we will have our committee meeting at 9:30, 22 Annex.

The SPEAKER pro tempore. The Chair thanks the gentleman.

**EDUCATION COMMITTEE MEETING**

The SPEAKER pro tempore. The Chair recognizes the Education chairman, Representative Cowell.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, earlier today the House Education Committee recessed a meeting. That meeting of the House Education Committee will be continued tomorrow morning at 9:30 a.m. in room 22 of the Annex. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

**POINT OF ORDER**

The SPEAKER pro tempore. For what purpose does the gentleman, Mr. Freeman, rise?

Mr. FREEMAN. Mr. Speaker, point of order.

The SPEAKER pro tempore. The gentleman may please state his point.

Mr. FREEMAN. Do we have any indication if we will continue to be in session after the 11 o'clock hour?

The SPEAKER pro tempore. Yes. And a motion to suspend rule 15 will be in order.

Mr. FREEMAN. Then I so move that we suspend rule 15 so that the House can continue to meet in session.

The SPEAKER pro tempore. The Chair stands corrected. Representative Freeman, we will take that motion under consideration after the consideration of the Steil amendment.

**CONSIDERATION OF HB 2202 CONTINUED**

On the question recurring,  
Will the House agree to the amendment?

The SPEAKER pro tempore. The gentleman, Mr. Coy. For what purpose does he rise?

Mr. COY. If we could return to the amendment for further interrogation?

The SPEAKER pro tempore. The gentleman is in order and may proceed.

Mr. COY. One final question that I think will clarify it, and then the members will have to really decide on the issue.

Mr. Speaker, will the language of your amendment take out the opportunity for a back-end or the secondary-type referendum, the referendum after a municipality would opt in?

Mr. STEIL. That is correct. If the municipality opts in by virtue of an ordinance, it removes the requirement for an additional referendum subject to the spending limits already in place for municipalities and counties, the tax rate limits in place for counties and municipalities.

Mr. COY. Okay. Thank you, Mr. Speaker.

On the amendment.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. COY. Mr. Speaker, I am sorry for the additional time, but I think we have finally clarified the matter.

If you vote for this amendment, you take away the opportunity for the secondary or back-end referenda for boroughs, townships, or counties that would opt into this program by

ordinance. So if you do not want to provide for a referendum at the back end or the secondary level for municipalities other than school districts, then you vote for this amendment. If you want to leave the possibility for a referendum in, then you oppose the amendment, Mr. Speaker. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Does the gentleman, Mr. Nyce, wish to be recognized? He indicates that he does. The gentleman is in order to speak on the amendment.

Mr. NYCE. Mr. Speaker, would the maker of the amendment stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. Representative Nyce may proceed.

Mr. NYCE. Mr. Speaker, the previous speaker indicated that the referendum that is being removed is the secondary referendum. However, in the event that a municipality, township, or borough implemented the option by ordinance, would there then be no referendum if your amendment goes into place at all, no referendum? Is that correct?

Mr. STEIL. Yes. That is correct, Mr. Speaker.

Mr. NYCE. All right.

Mr. Speaker, then as a followup to the earlier speaker, Representative Coy, who indicated the referendum for subsequent increases would be eliminated, I propose that not only is the supplementary one eliminated, but in the event a municipality, borough, or township opts by ordinance to enact this package, there would be no referendum required.

So I urge the members to oppose this amendment on the basis that it eliminates all referendum for those municipalities, boroughs, and townships in every case. Thank you very much, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the amendment, the Chair recognizes Representative Steil.

Mr. STEIL. Just one final comment, Mr. Speaker.

The point of this is that there are already tax rate caps for municipalities and counties. The need for a referendum here is not necessary because there are already caps on these tax rates. By not approving this amendment, we will be requiring municipalities who have been spending at court-authorized levels of tax rates for a number of years to now go to referendum to obtain the same tax rate levels, and that is what we are trying to avoid. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—11

Cohen, L. I.	Hanna	Markosek	Rubley
Cornell	Kenney	Melio	Steil
Druce	Laub	Reber	

NAYS—185

Acosta	Farmer	Lucyk	Scheetz
Adolph	Fee	Lynch	Schuler
Allen	Fichter	Maitland	Scrimenti
Argall	Fleagle	Manderino	Semmel
Armstrong	Flick	Marsico	Serafini
Baker	Freeman	Masland	Smith, B.
Barley	Gamble	Mayernik	Smith, S. H.
Battisto	Gannon	McCall	Snyder, D. W.
Bebko-Jones	Geist	McGeehan	Staback
Belardi	George	McNally	Stairs
Belfanti	Gerlach	Merry	Steelman
Birmelin	Gigliotti	Michlovic	Steighner
Bishop	Gladeck	Micozzie	Stern
Blaum	Godshall	Mihalich	Stetler
Boyes	Gordner	Miller	Stish
Brown	Gruitza	Mundy	Strittmatter
Bunt	Gruppo	Nailor	Sturla
Buxton	Haluska	Nyce	Surra
Caltagirone	Harley	O'Brien	Tangretti
Cappabianca	Hasay	Olasz	Taylor, E. Z.
Carn	Hennessey	Oliver	Taylor, J.
Carone	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Cessar	Hess	Petrone	Tomlinson
Chadwick	Hughes	Pettit	Trello
Civera	Hutchinson	Phillips	Trich
Clark	Itkin	Piccola	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, M.	James	Pitts	Uliana
Colafella	Jarolin	Platts	Vance
Colaizzo	Josephs	Preston	Van Home
Conti	Kaiser	Raymond	Veon
Corrigan	Kasunic	Reinard	Vitali
Cowell	Keller	Richardson	Washington
Coy	King	Rieger	Waugh
Curry	Kirkland	Ritter	Williams
Daley	Krebs	Roberts	Wogan
DeLuca	Kukovich	Robinson	Wozniak
Dempsey	LaGrotta	Roebuck	Wright, D. R.
Dent	Laughlin	Rohrer	Wright, M. N.
Dermody	Lawless	Rooney	Yandrisevits
Donatucci	Lederer	Rudy	Yewcic
Egolf	Lee	Ryan	Zug
Evans	Leh	Santoni	
Fairchild	Lescovitz	Sather	DeWeese,
Fajt	Levdansky	Saurman	Speaker
Fargo	Lloyd	Saylor	

NOT VOTING—0

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the amendment was not agreed to.

**RULES SUSPENDED**

The SPEAKER pro tempore. Does the gentleman, Mr. Freeman, wish to be recognized?

Mr. FREEMAN. Yes. Thank you, Mr. Speaker.

I just want to again raise the point of order regarding rule 15.

Under the rules of the House, rule 15, we are not allowed to meet after 11 o'clock unless, of course, we suspend that rule. I therefore move that we suspend rule 15.

On the question,

Will the House agree to the motion?

The SPEAKER pro tempore. The gentleman, Mr. Wozniak. For what purpose does the gentleman rise?

Mr. WOZNIAK. I wish to oppose the suspension of rule 15.

Everybody in this chamber has been prepared for weeks knowing that we were going to have 3 days of session. We have been through this before, and we are constantly running these 2, 3 o'clock processes. The world does not become a better place if we stay out late.

Representative Ryan has talked about the members who wish to drive home tonight. Hotels are at a premium because of the Sports Show. I think we have a number of amendments that are going to last a lot longer than the self-imposed 2-minute rule.

I think what we ought to do is not suspend the rules, go home tonight, get a good night's rest, come back tomorrow around 10 o'clock, finish up around 3 o'clock—

The SPEAKER pro tempore. Will the gentleman please suspend.

This is not a debatable motion.

On the question recurring,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—108

Allen	Fajt	Lloyd	Staback
Argall	Farmer	Lucyk	Stairs
Armstrong	Fee	Maitland	Steighner
Barley	Freeman	Markosek	Stern
Battisto	Gamble	Masland	Stetler
Bebko-Jones	George	McCall	Stish
Belardi	Gerlach	Mihalich	Strittmatter
Belfanti	Gigliotti	Miller	Sturla
Bishop	Godshall	Mundy	Surra
Boyes	Gordner	Nailor	Tangretti
Buxton	Gruitza	Nyce	Taylor, J.
Caltagirone	Gruppo	Olasz	Thomas
Cappabianca	Haluska	Oliver	Trello
Cawley	Hanna	Pesci	Trich
Chadwick	Hennessey	Petrarca	True
Clark	Herman	Pistella	Tulli
Cohen, M.	Hershey	Platts	Uliana
Colafella	Hutchinson	Roberts	Vance
Colaizzo	Itkin	Robinson	Veon
Corrigan	James	Rooney	Vitali
Cowell	Josephs	Rudy	Waugh
Coy	Kasunic	Santoni	Williams
Curry	Kukovich	Schuler	Wright, D. R.
Daley	LaGrotta	Scrimenti	Yandrisevits
DeLuca	Laub	Semmel	
Dent	Laughlin	Smith, B.	DeWeese,
Druce	Lescovitz	Snyder, D. W.	Speaker
Evans	Levdansky		

## NAYS—88

Acosta	Fleagle	Manderino	Roebuck
Adolph	Flick	Marsico	Rohrer
Baker	Gannon	Mayernik	Rubley
Birmelin	Geist	McGeehan	Ryan
Blaum	Gladeck	McNally	Sather
Brown	Harley	Melio	Saurman
Bunt	Hasay	Merry	Saylor
Carn	Hess	Michlovic	Scheetz
Carone	Hughes	Micozzie	Serafini
Cessar	Jadlowiec	O'Brien	Smith, S. H.
Civera	Jarolin	Petrone	Steelman
Clymer	Kaiser	Pettit	Steil
Cohen, L. I.	Keller	Phillips	Taylor, E. Z.
Conti	Kenney	Piccola	Tigue
Cornell	King	Pitts	Tomlinson
Dempsey	Kirkland	Preston	Van Home
Dermody	Krebs	Raymond	Washington
Donatucci	Lawless	Reber	Wogan
Egolf	Lederer	Reinard	Wozniak
Fairchild	Lee	Richardson	Wright, M. N.
Fargo	Leh	Rieger	Yewcic
Fichter	Lynch	Ritter	Zug

## NOT VOTING—0

## EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

A majority of the members elected to the House having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

## POINT OF ORDER

Mr. RICHARDSON. Mr. Speaker, point of order.

The SPEAKER pro tempore. Would the gentleman, Mr. Richardson, please state his point.

Mr. RICHARDSON. Mr. Speaker, my point of order is, it is my understanding that the majority leader indicated that at 11 o'clock this House would assess where we were with respect to the number of amendments that were left with respect to the bills. We have not had that assessment, and I thought that the reason for the motion being made was just to continue past the 11 o'clock hour so that we could assess where we were relevant to the number of amendments that are left and how long we were going to be anticipated to be here all evening. Had that not been the case, Mr. Speaker, I would not have made the announcement about our committee meeting for tomorrow morning, because I thought we were coming in an hour earlier to finish up this bill so that members could properly be able to articulate their positions concerning this matter.

It seems to me that whenever we get a hot potato, we want to limit debate, we want to limit the members' right to be able to speak on the issue, then rush the issue after you have brought it up for us to deal with. I do not understand that logic. So if in fact we want to handle this bill with the proper amendments and those who have proper discussion on the matter, why do we now want to limit debate on the matter since you brought the matter up at 2:30 this afternoon and said

we would debate it in its entirety? Now we want to limit members so they cannot discuss it and say we will stay here all night. For what? On a snowy night, on a dangerous night where people have got to drive in ice, and the colder it gets, the colder that it gets, the colder that it gets, the more freezing it does, and at least by the morning maybe the roads could be a little clearer so we can ride. I have been out there already tonight, and I just think it is dangerous to allow members to continue to go through these ice storms and not to deal with the problems that are in front of us that deal with climate and God. It has nothing to do with us as members because God is bigger than all of us here.

I would like to make a concerted effort, I would like to make a concerted effort, I would like to make a concerted effort that we deal with the matter that we asked for, and that is to ask for a recess or a suspension for a moment to speak to the leadership to discuss where we are so we know how many more amendments we have and then can assess whether or not we have to stay here all night or not. I think that is a fair request, and I would like to ask for a suspension for a few moments to speak to the leadership.

## CONSIDERATION OF HB 2202 CONTINUED

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. NYCE offered the following amendment No. A0453:

Amend Bill, page 101, by inserting between lines 20 and 21 Section 704. Revenue increase limits.

During the fiscal year beginning in 1995, increases in revenues resulting from this act shall be limited to the greater of:

- (1) the average annual increase in revenue from fiscal years 1989 through 1994; or
- (2) the rate of inflation for the immediately preceding 12-month period.

Any revenues received in excess of this limit shall be used to further reduce real property tax rates.

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes Representative Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, the purpose of this amendment is to replace the mandated 5-percent limitation on growth that is built into the bill as it is currently written.

The original bill that came to the Finance Committee included two provisions limiting the increased revenues as this optional package was implemented. The first would limit on an average basis over the last 5 years the increases of 1989 through 1994 to the greater of that or the rate of inflation in the immediately preceding 12-month period. The reason for this application is because the 5 percent that is currently built into the bill is upon the new revenue raised by the optional tax package, so that in fact if a community doubled its tax revenues through the implementation of the optional package, you could have in fact a 10—

Mr. Speaker, I cannot hear myself, let alone—

The SPEAKER pro tempore. The gentleman is correct. Please, the House will please come to order.

The hour is late. We have had a request by Representative Ryan to try to limit the debate tonight.

Mr. RICHARDSON. Mr. Speaker, I had the floor. I asked for a suspension. You went against me. I would like to know why.

The SPEAKER pro tempore. The gentleman is out of order. Will the gentleman please suspend.

Mr. RICHARDSON. I had the floor, Mr. Speaker.

The SPEAKER pro tempore. The gentleman is out of order. Will the gentleman please suspend.

Mr. RICHARDSON. Okay. Well, then why do you not ask the leadership then to speak?

I asked for the floor, Mr. Speaker, and I was on the floor and I asked for a suspension to speak to the leadership and you recognized the gentleman against me. Then they brought up the amendment without even having an opportunity to work out whatever it was when we asked for a suspension for a few moments on the floor. It is unfair.

The SPEAKER pro tempore. The Chair recognizes Representative Nyce and asks for some order in the House.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, the intention of this amendment, as I stated earlier, is to replace the 5-percent growth with the proposals that were in the original bill when it was sent to the Finance Committee. So in fact any growth under the bill as amended with my amendment would be an average growth allowed over the last 5 years or the inflation rate, whichever is higher.

Mr. COY. Mr. Speaker, on the amendment.

The SPEAKER pro tempore. The gentleman, Mr. Coy, may proceed on the amendment.

Mr. COY. Mr. Speaker, we agree to the amendment and ask for an affirmative vote.

On the question recurring,

Will the House agree to the amendment?

(Members proceeded to vote.)

### POINT OF ORDER

Mr. WILLIAMS. Mr. Speaker? Point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman may please state his point.

Mr. WILLIAMS. Now, there is total chaos in terms of people talking about the amendment. I think Representative Richardson did make an honest request of the Speaker, and I think that you should decide whether you are going to rule on his request to suspend for a moment to decide whether to proceed or not or proceed with the amendment, but we do not know what the heck is going on back here.

The SPEAKER pro tempore. The Chair saw that the gentleman, Mr. Richardson, and the majority leader were

having a sidebar. The Chair was under the impression that they settled their differences, and I think it was clear from the actions of the Chair that we were going to proceed with debate and we have done that, and I think that has been very clear.

Mr. WILLIAMS. Mr. Speaker, with all due respect to your interpretation, I think that was a visual interpretation, not an actual interpretation, and that is not the reality of that discussion. I think what I am asking, Mr. Speaker, is that you recognize the integrity of the institution. The gentleman made a request, and I think you should honor that, discuss it, and make a decision and not proceed with the amendment because members are not clear on what this amendment is about.

The SPEAKER pro tempore. The Chair asks for some indulgence, and we will consider this amendment and go back to Mr. Richardson immediately after the vote on the amendment.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

### YEAS—193

Acosta	Farmer	Lloyd	Saurman
Adolph	Fee	Lucyk	Saylor
Allen	Fichter	Lynch	Scheetz
Argall	Fleagle	Maitland	Schuler
Armstrong	Flick	Manderino	Scrimanti
Baker	Freeman	Markosek	Semmel
Barley	Gamble	Marsico	Serafini
Battisto	Gannon	Masland	Smith, B.
Bebko-Jones	Geist	Mayernik	Smith, S. H.
Belardi	George	McCall	Snyder, D. W.
Belfanti	Gerlach	McGeehan	Staback
Birmelin	Gigliotti	McNally	Stairs
Bishop	Gladeck	Melio	Steelman
Blaum	Godshall	Merry	Steighner
Boyes	Gordner	Michlovic	Steil
Brown	Gruitza	Micozzie	Stern
Bunt	Gruppo	Mihalich	Stetler
Buxton	Haluska	Miller	Stish
Caltagirone	Hanna	Mundy	Strittmatter
Cappabianca	Harley	Nailor	Sturla
Carone	Hasay	Nyce	Surra
Cawley	Hennessey	O'Brien	Tangretti
Cessar	Herman	Olasz	Taylor, E. Z.
Chadwick	Hershey	Oliver	Taylor, J.
Civera	Hess	Pesci	Thomas
Clark	Hughes	Petrarca	Tigue
Clymer	Hutchinson	Petrone	Tomlinson
Cohen, L. I.	Itkin	Pettit	Trello
Cohen, M.	Jadlowiec	Phillips	Trich
Colaella	James	Piccola	True
Colaizzo	Jarolin	Pistella	Tulli
Conti	Josephs	Pitts	Uliana
Cornell	Kaiser	Platts	Vance
Corrigan	Kasunic	Preston	Van Horne
Cowell	Keller	Raymond	Veon
Coy	Kenney	Reber	Vitali
Curry	King	Reinard	Washington
Daley	Kirkland	Rieger	Waugh
DeLuca	Krebs	Ritter	Wogan
Dempsey	Kukovich	Roberts	Wozniak
Dent	LaGrotta	Robinson	Wright, D. R.
Dermody	Laub	Roebuck	Wright, M. N.
Donatucci	Laughlin	Rohrer	Yandrisevits

Druce	Lawless	Rooney	Yewcic
Egolf	Lederer	Rubley	Zug
Evans	Lee	Rudy	
Fairchild	Leh	Ryan	DeWeese,
Fajt	Lescovitz	Santoni	Speaker
Fargo	Levdansky	Sather	

NAYS—1

Richardson

NOT VOTING—2

Carn Williams

EXCUSED—5

Bush Durham Nickol Perzel  
Butkovitz

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

The SPEAKER pro tempore. Does the gentleman, Mr. Richardson, seek recognition at this time? Does the gentleman, Mr. Richardson, seek recognition at this time?

**AMENDMENT A0453 RECONSIDERED**

The SPEAKER pro tempore. The Chair is in receipt of a reconsideration motion to move that the vote for amendment No. 453, which was passed by the House to HB 2202, PN 3141, on the 8th day of February, be reconsidered.

On the question,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—193

Acosta	Farmer	Lucyk	Saylor
Adolph	Fee	Lynch	Scheetz
Allen	Fichter	Maitland	Schuler
Argall	Fleagle	Manderino	Scrimenti
Armstrong	Flick	Markosek	Semmel
Baker	Freeman	Marsico	Serafini
Barley	Gamble	Masland	Smith, B.
Battisto	Gannon	Mayernik	Smith, S. H.
Bebko-Jones	Geist	McCall	Snyder, D. W.
Belardi	George	McGeehan	Staback
Belfanti	Gerlach	McNally	Stairs
Birmelin	Gigliotti	Melio	Steeleman
Bishop	Gladeck	Merry	Steighner
Blaum	Godshall	Michlovic	Steil
Boyes	Gordner	Micozzie	Stern
Brown	Gruitza	Mihalich	Stetler
Bunt	Gruppo	Miller	Stish
Buxton	Haluska	Mundy	Strittmatter
Caltagirone	Hanna	Nailor	Sturla
Cappabianca	Harley	Nyce	Surra
Carone	Hasay	O'Brien	Tangretti
Cawley	Hennessey	Olasz	Taylor, E. Z.
Cessar	Herman	Oliver	Taylor, J.
Chadwick	Hershey	Pesci	Thomas

Civera	Hess	Petrarca	Tigue
Clark	Hughes	Petrone	Tomlinson
Clymer	Hutchinson	Pettit	Trello
Cohen, L. I.	Itkin	Phillips	Trich
Cohen, M.	Jadlowiec	Piccola	True
Colafella	James	Pistella	Tulli
Colaizzo	Jarolin	Pitts	Uliana
Conti	Josephs	Platts	Vance
Cornell	Kaiser	Preston	Van Horne
Corrigan	Kasunic	Raymond	Veon
Cowell	Kenney	Reber	Vitali
Coy	King	Reinard	Washington
Curry	Kirkland	Rieger	Waugh
Daley	Krebs	Ritter	Williams
DeLuca	Kukovich	Roberts	Wogan
Dempsey	LaGrotta	Robinson	Wozniak
Dent	Laub	Roebuck	Wright, D. R.
Dermody	Laughlin	Rohrer	Wright, M. N.
Donatucci	Lawless	Rooney	Yandrisevits
Druce	Lederer	Rubley	Yewcic
Egolf	Lee	Rudy	Zug
Evans	Leh	Ryan	
Fairchild	Lescovitz	Santoni	DeWeese,
Fajt	Levdansky	Sather	Speaker
Fargo	Lloyd	Saurman	

NAYS—1

Keller

NOT VOTING—2

Carn Richardson

EXCUSED—5

Bush Durham Nickol Perzel  
Butkovitz

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,

Will the House agree to the amendment?

The clerk read the following amendment No. A0453:

Amend Bill, page 101, by inserting between lines 20 and 21 Section 704. Revenue increase limits.

During the fiscal year beginning in 1995, increases in revenues resulting from this act shall be limited to the greater of:

- (1) the average annual increase in revenue from fiscal years 1989 through 1994; or
- (2) the rate of inflation for the immediately preceding 12-month period.

Any revenues received in excess of this limit shall be used to further reduce real property tax rates.

On the question recurring,

Will the House agree to the amendment?

The SPEAKER pro tempore. The House now has before it again amendment A0453 as offered by Representative Nyce.

On the amendment, the Chair recognizes Representative Blaum.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, would the gentleman, Mr. Nyce, stand for interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. The gentleman may proceed.

Mr. BLAUM. I would ask the gentleman— I understand that we have 5 percent in the bill as it stands now and I understand the language of the amendment, but I would ask, what is the purpose behind the amendment and what is the gentleman trying to accomplish with it?

Mr. NYCE. Mr. Speaker, the current language in the bill does provide 5 percent on total new revenues. It is not 5 percent on last year's revenue; it is in fact 5 percent on all the new revenue generated. So the effect could be a significant windfall under the provisions as currently written.

What my amendment does is says, we will allow you—

Mr. BLAUM. Mr. Speaker, I cannot hear. I cannot hear the gentleman.

The SPEAKER pro tempore. The Chair asks, please, for some order in the House so that the members debating can hear each other. The House will please come to order.

The gentleman, Mr. Blaum, may proceed.

Mr. NYCE. Mr. Speaker, I will repeat my answer.

Mr. Speaker, if a municipality right now is raising \$1 million and under the optional tax package opted to go to a personal income tax and then raised \$2 million, the language in the bill now says that the 5-percent limit is on the \$2 million, which is double the revenue that they had the previous year, even though they must reduce and offset real estate taxes, which is a significant windfall, an additional revenue that does not have to be offset against real estate taxes. My amendment says you would use an average running between 1989 and 1994 or the greater of the two of that or the inflation rate to limit spending in the first year of implementation.

Mr. BLAUM. Which I take from the gentleman's statement he believes will be far less than the 5 percent under the new income tax which this bill creates.

Mr. NYCE. I believe it will either be far less or at least more reasonable in terms of what has been happening in that community. A 5-percent limit is an artificial limit, whether it is higher or lower, but in most cases I believe this gives a fair application to the limitations in new revenue.

Mr. BLAUM. I thank the gentleman.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Lloyd.

Mr. LLOYD. Mr. Speaker, would the sponsor of the amendment consent to interrogation?

The SPEAKER pro tempore. The gentleman indicates that he will. Representative Lloyd may proceed.

Mr. LLOYD. Mr. Speaker, what happens if there has been a referendum approved by the voters to raise taxes and therefore raise revenues by more than the rate of inflation?

Mr. NYCE. Mr. Speaker, the referendum provisions currently in the bill provide for opting in, first of all, and that is where these limits apply in the first year of opting in, and then subsequent rate increases to which this does not apply.

Mr. LLOYD. Where does it say this does not apply, Mr. Speaker?

## STATEMENT BY MAJORITY LEADER

Mr. ITKIN. Mr. Speaker?

The SPEAKER pro tempore. For what purpose does the majority leader rise?

Mr. ITKIN. Mr. Speaker, if I can have unanimous consent, I would like to bring forth to the House a matter.

I do not want to rebuke the Chair, but there was an opportunity for a member of the House to ask for a short hiatus in the proceedings so that he could discuss with me the status of the House and what our future plans were. During that time the Chair inadvertently began to proceed with the Nyce amendment. I asked, along with others, to have the amendment reconsidered, and that was done. But I want to make the House aware, the reason why it was done is because the Chair failed to heed to the wishes of the member, and I wanted to acknowledge that fact.

Having said that, I would like to have the proceedings proceed expeditiously. I would like to get the House out of here as quickly as possible without further interruption. I appreciate and would urge the cooperation of the House so that we can get out of here in a very reasonable period of time. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman, and the Chair apologizes to Mr. Richardson for any misunderstanding that may have occurred.

## CONSIDERATION OF HB 2202 CONTINUED

The SPEAKER pro tempore. Back to the matter at hand, the gentleman, Mr. Nyce, has the floor.

Mr. NYCE. Mr. Speaker, in response to the gentleman's question, a literal reading of the first sentence under section 704, "During the fiscal year beginning in 1995,..." these limitations would apply.

Mr. LLOYD. Mr. Speaker, if there is no up-front referendum, are you saying that after 1994 taxes may be raised without a back-end referendum?

Mr. NYCE. This amendment does not address referenda in any way.

Mr. LLOYD. That is correct, Mr. Speaker, and that is my question.

On the amendment, Mr. Speaker.

## THE SPEAKER (H. WILLIAM DeWEESE) PRESIDING

The SPEAKER. On the amendment.

Mr. LLOYD. Mr. Speaker, the problem with this amendment is that it is going to negate the effect of a referendum in which the voters have expressed their will in support of a tax increase. Whatever the project might be locally in the township or in the borough or in the school district or in the county, the voters have voted to do that and to raise the revenue maybe by 8 or 10 percent. This amendment is in conflict with that, and I think it is not— I think it is not properly drafted. I think I understand what the gentleman is trying to do, but there ought



to be an exception, and if it goes in, that needs to be changed in the other body. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

Mr. BLAUM. Mr. Speaker?

The SPEAKER. The gentleman, Mr. Blaum, is recognized.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I would concur with the gentleman, Mr. Lloyd.

In my interrogation with Representative Nyce, I think I know what the gentleman is trying to accomplish and is well intentioned, but staff pointed out the same point that Representative Lloyd raised, that after 1995 there would be no prerequisite to opting in and that the protections that are trying to be built into this law would not pertain. As well, the 95 percent, the various 95 percents, where it appears in the bill is not removed by this amendment, which adds a further conflict.

What is interesting to me, Mr. Speaker, is that before this amendment was reconsidered, this was an agreed-to amendment. This was an agreed-to amendment which passed unanimously on the floor of the House before the majority leader asked that it be reconsidered, and it is the type of vote that is being cast on the floor of this House at this hour that members, I think, are not totally clear on on the very important and very sensitive issue of local tax reform. I think we have to be very, very careful about what goes into this bill and the votes that are being cast, Mr. Speaker.

I ask for a negative vote on the amendment, only because it does not do what the gentleman, I think, wants it to do, and if it could be redrafted, I would support his amendment, because I agree with what his intentions are.

The SPEAKER. The Chair thanks the gentleman.

Does Mr. Nyce seek recognition for the second time?

Mr. NYCE. Mr. Speaker, in light of the conversation from the previous speakers and an apparent drafting error in the amendment, I would withdraw the amendment.

The SPEAKER. The Chair thanks the gentleman.

Mr. NYCE. All right. Never mind. Mr. Speaker? Mr. Speaker, may I have the floor?

The SPEAKER. The gentleman may.

Mr. NYCE. Mr. Speaker, contrary to my earlier statement, I do not withdraw the amendment, and I believe that the error that is in the amendment is a technical error and could very easily be corrected in the Senate. It refers to the first year of application of my limitations on the growth in revenue, and it was drafted as originally intended to the bill, being that the bill would be in effect in 1995. If that year changes for the effective date, then I agree that it could cause some problems, but we could fix that in the Senate, and I would appreciate a vote on the amendment, a favorable vote.

The SPEAKER. On the Nyce amendment—

Mr. GERLACH. Mr. Speaker?

The SPEAKER. Mr. Gerlach.

Mr. GERLACH. May I interrogate the maker of the amendment?

The SPEAKER. The gentleman indicates he will stand for interrogation. Mr. Gerlach may proceed.

Mr. GERLACH. Mr. Speaker, is it your intent by this amendment that in the first year of implementation under this new tax structure, if this bill is enacted into law, that the revenue increase limitations that are stated in your amendment would be in effect regardless of whether or not the power to undertake the option by front-end referendum is undertaken by the taxpayers in a particular municipality?

Mr. NYCE. That is correct.

Mr. GERLACH. In other words, even though the voters will be subject to a referendum on the question to undertake a new taxing structure, that referendum vote is subject to the revenue increase limits stated in your amendment. Is that not your intent?

Mr. NYCE. That is correct.

Mr. GERLACH. May I speak on the amendment, Mr. Speaker?

The SPEAKER. The gentleman is in order and may proceed.

Mr. GERLACH. Mr. Speaker, this amendment is critical on the issue of revenue neutrality in tax reform. Governor Casey has made it very clear that he will not sign legislation this session if it is not revenue neutral. The 95-percent offset provisions in the legislation do go to the issue of revenue neutrality but are not strong enough to prevent a windfall in certain circumstances if a taxing district decides to implement certain personal income tax or sales tax options. As a result, the Nyce amendment is being introduced to strengthen the revenue neutrality provisions of this legislation, and based on the response by the maker of the amendment as to what his intent is, it is my opinion and I would ask the members of the House to concur that this is an important piece of legislation that adds and strengthens this legislation significantly and will not cause the problems in that first year of implementation if the front-end voter referendum is opted for by that local municipality.

I urge your support and adoption of this amendment.

The SPEAKER. The Chair thanks the gentleman.

Mr. Blaum, for the second or third time?

Mr. BLAUM. Second time.

The SPEAKER. Second time.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I cannot believe what I am hearing. If the Senate never takes up this bill, which I believe will be the case, the members of the House are being asked to vote for an amendment—

The SPEAKER. The gentleman, Mr. Blaum, will yield.

The gentleman is speaking for the third time, and unless the gentleman asks for unanimous consent, the gentleman is out of order.

Mr. BLAUM. I thought the first time was an interrogation, but I would ask for unanimous consent, Mr. Speaker.

The SPEAKER. The gentleman may proceed, hearing no objections.

Mr. BLAUM. What you are being asked to vote on is an amendment that if you vote "yes," you are saying that any municipality that opts in after 1995, 1997, 1998, 1999, it would

be your policy decision that that municipality would not be bound by any revenue caps, as I understand it; the Senate will fix it. I do not believe the Senate will ever take this bill up. But regardless of whether they do or not, when a member casts his vote here on the floor of the House, they are expressing their position on certain policy, and a "yes" vote means that municipalities that opt in after 1995 will not be bound by any surplus caps, and I think we have to defeat the amendment.

The SPEAKER. Mr. Serafini on the Nyce amendment.

Mr. SERAFINI. I have a question for the maker of the amendment.

Just a brief description of what the rate of inflation is based on, if it is a consumer price index or a gross national product, implicit price deflator, or what he is going to use as the basis of inflation.

Mr. NYCE. The intent is to use the consumer price index.

Mr. SERAFINI. Thank you.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS-96

Adolph	Druce	Leh	Sather
Allen	Egolf	Lynch	Saylor
Argall	Fairchild	Maitland	Scheetz
Armstrong	Fargo	Marsico	Schuler
Baker	Fichter	Masland	Semmel
Barley	Fleagle	Merry	Smith, B.
Battisto	Flick	Micozzie	Smith, S. H.
Birmelin	Gannon	Miller	Snyder, D. W.
Boyes	Geist	Nailor	Stairs
Brown	Gerlach	Nyce	Steil
Bunt	Godshall	O'Brien	Stern
Carone	Gruppo	Pesci	Strittmatter
Cawley	Harley	Pettit	Taylor, E. Z.
Cessar	Hennessey	Phillips	Taylor, J.
Chadwick	Herman	Piccola	Tomlinson
Civera	Hershey	Pitts	True
Clark	Hess	Platts	Tulli
Clymer	Hutchinson	Raymond	Uliana
Cohen, L. I.	Jadlowiec	Reber	Vance
Conti	Kenney	Reinard	Vitali
Cornell	King	Robinson	Waugh
Curry	Laub	Rohrer	Wogan
Dempsey	Lawless	Rublely	Wright, M. N.
Dent	Lee	Ryan	Zug

NAYS-98

Acosta	George	Manderino	Scrimenti
Bebko-Jones	Gigliotti	Markosek	Serafini
Belardi	Gladeck	Mayernik	Staback
Belfanti	Gordner	McCall	Steelman
Bishop	Gruitza	McGeehan	Steighner
Blaum	Haluska	McNally	Stetler
Buxton	Hasay	Melio	Stish
Caltagirone	Hughes	Michlovic	Sturla
Cappabianca	Itkin	Mihalich	Surra
Carn	James	Mundy	Tangretti
Cohen, M.	Jarolin	Olasz	Thomas
Colafella	Josephs	Oliver	Tigue
Colaizzo	Kaiser	Petrarca	Trello
Corrigan	Kasunic	Petrone	Trich
Cowell	Keller	Pistella	Van Horne
Coy	Kirkland	Preston	Veon

Daley	Krebs	Richardson	Washington
DeLuca	Kukovich	Rieger	Williams
Dermody	LaGrotta	Ritter	Wozniak
Donatucci	Laughlin	Roberts	Wright, D. R.
Evans	Lederer	Roebuck	Yandrisevits
Fajt	Lescovitz	Rooney	Yewcic
Fee	Levdansky	Rudy	
Freeman	Lloyd	Santoni	DeWeese,
Gamble	Lucyk	Saurman	Speaker

NOT VOTING-2

Farmer	Hanna
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EXCUSED-5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. NYCE offered the following amendment No. A0459:

Amend Sec. 303, page 84, line 13, by striking out "EITHER OF"

Amend Sec. 303, page 84, line 14, by striking out "OR (C)"

Amend Sec. 303, page 84, lines 15 through 22, by striking out all of said lines

Amend Sec. 303, page 84, line 23, by striking out "(C)" and inserting

(b)

Amend Sec. 303, page 84, line 25, by striking out "MAY" and inserting

shall

Amend Sec. 303, page 84, line 30; page 85, lines 1 through 3, by striking out "ANY GOVERNING" in line 30, page 84 and all of lines 1 through 3, page 85

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman is recognized.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, the purpose of the amendment clearly is to provide an option for the local municipalities, counties, and school districts as to whether or not they want the State to collect the tax revenues if they in fact opt into this new tax package. There is a concern at the local level that the delay in receiving the funds may be significant and may have a tremendous impact on the local funding of programs.

POINT OF ORDER

The SPEAKER. On the Nyce amendment, Mr. Coy from Franklin.

Mr. COY. Mr. Speaker, a point of order.

Amendment 459 is on the board, and I am not certain that is what the gentleman referred to in his remarks.

Mr. NYCE. I am sorry. Would you repeat the question, please?

The SPEAKER. The gentleman from Franklin indicated that the amendment A0459 is the amendment on the board, and he was questioning whether the gentleman referred to that amendment in his debate.

Mr. NYCE. Mr. Speaker, I apologize. I thought A461 was up, and I did not comment on A459. Let me repeat my comments in the correct fashion.

The SPEAKER. The gentleman may proceed.

Mr. NYCE. Amendment 459 is a requirement that either opting in or future rate increases would require a referendum. There would be no optional choice to opt in under an ordinance, and the requirement for choosing this option would be put before the voters for both the initial option and also future rate increases.

The SPEAKER. The gentleman from Westmoreland, Mr. Kukovich.

Mr. KUKOVICH. I am asking for a "no" vote, Mr. Speaker.

When this package was crafted and then when the Finance Committee recrafted it into one bill, they tried to have referenda in a way that was as reasonable as possible without hamstringing local government. This is reducing that option. This is putting referenda at both front and back ends. I think it is a major mistake, and I would ask for a "no" vote. This will really drag the bill down. I think if we are going to move ahead, we have to move ahead quickly.

Again, vote "no" on this amendment and let us get on to the last few.

The SPEAKER. On the Nyce amendment, Mr. Trello.

Mr. TRELLO. Mr. Speaker, by offering a referendum, what we are saying here in Harrisburg is we do not trust our local elected officials.

As a former local elected official myself and the many of you in this room who were local elected officials, I am sure you acted very responsibly back in your district, and to say that everything has to be by referendum is saying we do not need local elected officials; just put everything on the ballot.

With all due respect to the gentleman, Mr. Nyce, I think that most of us here trust our local elected officials, and I ask for a "no" vote on the amendment.

The SPEAKER. The Chair thanks the gentleman.

On the Nyce amendment, Mr. Nyce for the second time.

Mr. NYCE. Mr. Speaker, for those of us who have been actively involved in this process over the last several months, one of the key elements that was agreed upon at various times by members of both the tax reform caucus and members of this House was the fact that we would need a referendum in order to convince the voters back home that this was the right thing to do, and when you keep in mind that this package of tax menu or tax reform or whatever you want to call it is optional. The whole basis for this reform is to give the voters a chance to pick and choose how they want to pay government for the services they receive and understand what is being put before them, and the requirement of a referendum will certainly take that to the degree it needs to go so that the people know what they are voting for.

As a matter of fact, I happen to trust all of the elected officials, but the concern the last time that tax reform was put up in 1989, the people voted because they did not understand; they killed the tax reform. A referendum will require the officials at the local level — the school districts and the counties — to explain and gain consent and support from the voters and the taxpayers before implementing these new tax packages.

So I urge the members to support a referendum for opting in and also future tax rate increases.

The SPEAKER. Mr. Coy.

Mr. COY. Thank you, Mr. Speaker.

Mr. Speaker, during the course of the day, I had some telephone calls from folks in my district, some of them teachers, saying to me that they were opposed to this bill. Upon clarification, I found what they were really opposed to was this amendment, this amendment, which would require referendums at both the front end and the back end, going into it, opting in, and raising rates. This is really one of the crux issues of this debate, whether or not a referendum is required at every point in the process.

And the question of whether a referendum is required is to be decided by the legislature, certainly, but the question of whether or not you entrust local officials to opt into a program and become part of this program without a referendum, or require a referendum at the beginning and then be able to do certain tax increases later without referendum, is the crux of the issue.

I submit this was not in the original bill when it was first drafted. It is new language. It goes further. It eliminates further options, and I ask for a negative vote on this amendment.

The SPEAKER. Does the gentleman, Mr. Colafella, seek recognition? The gentleman indicates he does. The man from Beaver is recognized.

Mr. COLAFELLA. Mr. Speaker, may I interrogate the maker of the amendment, please?

The SPEAKER. Mr. Nyce indicates he will respond.

Mr. COLAFELLA. Mr. Speaker, do you think that every time we want to increase spending that we ought to have a referendum in Pennsylvania?

Mr. NYCE. Certainly.

Mr. COLAFELLA. Mr. Speaker, let me ask you another question. Mr. Speaker—

Mr. NYCE. What is wrong with that, Mr. Speaker?

Mr. COLAFELLA. Mr. Speaker, with friends like I have behind me, who needs enemies, but anyway.

Mr. Speaker, that being the case, why would your people back home elect you if everything that came up was to be voted on back home? Why would they elect any of us?

Mr. NYCE. Mr. Speaker, the question you asked me was whether or not I would support a referendum at the State level for tax increases. You did not ask me if I would support a referendum on every issue.

Mr. COLAFELLA. I never mentioned tax increases. I never mentioned tax increases.

Mr. Speaker, my question is, anytime we are going to increase spending for everything, and you maintain that there ought to be a referendum, my question to you is, why would anyone want to elect us? Why would they want us to vote for them?

Mr. NYCE. Mr. Speaker, I cannot speak for the other members; I can only speak for myself, and it sounds like a rhetorical question.

Let me tell you—

The SPEAKER. The gentleman, Mr. Nyce, did indicate that he would submit to interrogation. The gentleman obviously does not have to proceed.

Mr. NYCE. Would he please restate the question.

Mr. COLAFELLA. My question to you is, every time we are going to vote for any kind of a spending increase, my question to you is, if we are going to do everything by referendum in this State, my question to you is, why would the people of your district vote for you when you are never going to put up a vote and you are going to ask them all the time to vote for you?

Mr. NYCE. Mr. Speaker, the people vote for me because they think I represent their interests, and this issue has nothing to do with all of the other issues outside the tax arena. This has to do with tax increases. I have proposed a referendum on tax increases, and if we would have one at the State level, I would support that as well.

Now, whether or not the speaker, the gentleman speaking now, can support that is an issue I cannot address. I am speaking for myself. I support referenda for tax increases here, and I support referenda for tax increases at home. It makes no difference to me. I will support a referendum in either case.

Mr. COLAFELLA. Mr. Speaker, let me just respond by saying that if we would adhere to what the speaker just said, we would never get a budget passed. By the time anything was sent for referendum, we would be here for years, maybe 2 years, to vote on the budget. Thank you, Mr. Speaker.

Mr. NYCE. May I respond?

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—83

Armstrong	Gannon	Leh	Sather
Baker	Geist	Lynch	Scheetz
Barley	George	Maitland	Schuler
Birmelin	Gerlach	Marsico	Semmel
Blaum	Gladeck	Masland	Serafini
Boyes	Godshall	Mayernik	Smith, S. H.
Brown	Gruppo	Melio	Stairs
Cawley	Harley	Merry	Stern
Chadwick	Hasay	Mundy	Strittmatter
Clark	Hennessey	Nailor	Taylor, E. Z.
Clymer	Herman	Nyce	Taylor, J.
Cornell	Hershey	O'Brien	Tomlinson
DeLuca	Hess	Pettit	True
Dent	Hutchinson	Phillips	Uliana
Dermody	Jadlowiec	Piccola	Vance

Egolf	Jarolin	Pitts	Waugh
Fairchild	Kaiser	Platts	Wogan
Fargo	Kenney	Raymond	Wright, D. R.
Farmer	King	Reinard	Wright, M. N.
Fichter	Laub	Roberts	Zug
Flick	Lawless	Rohrer	

NAYS—110

Acosta	Druce	Manderino	Saylor
Adolph	Evans	Markosek	Scrimenti
Allen	Fajt	McCall	Smith, B.
Battisto	Fee	McGeehan	Snyder, D. W.
Bebko-Jones	Fleagle	McNally	Steelman
Belardi	Freeman	Michlovic	Steighner
Belfanti	Gamble	Micozzie	Steil
Bishop	Gigliotti	Mihalich	Stetler
Bunt	Gordner	Miller	Stish
Buxton	Gruitza	Olasz	Sturla
Caltagirone	Haluska	Oliver	Surra
Cappabianca	Hanna	Pesci	Tangretti
Cam	Hughes	Petrarca	Thomas
Carone	Itkin	Petrone	Tigue
Cessar	James	Pistella	Trello
Civera	Josephs	Preston	Trich
Cohen, L. I.	Kasunic	Reber	Tulli
Cohen, M.	Keller	Richardson	Van Home
Colafella	Kirkland	Rieger	Veon
Colaizzo	Krebs	Ritter	Vitali
Conti	Kukovich	Robinson	Washington
Corrigan	LaGrotta	Roebuck	Williams
Cowell	Laughlin	Rooney	Wozniak
Coy	Lederer	Rubley	Yandrisevits
Curry	Lee	Rudy	Yewcic
Daley	Lescovitz	Ryan	
Dempsey	Levdansky	Santoni	DeWeese,
Donatucci	Lloyd	Saurman	Speaker

NOT VOTING—3

Argall	Lucyk	Staback
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EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. NYCE offered the following amendment No. A0461:

Amend Sec. 323, page 94, lines 26 and 27, by striking out all of said lines and inserting

(a) General rule.—The department shall be responsible for the collection of any tax imposed by a county under section 322(c).

(b) Municipalities and school districts.—Any municipality or school district imposing a tax under section 322(a) or (b) shall have the option and may:

(1) enter into an agreement with the department to collect the taxes as provided in this subchapter; or

(2) designate the tax officer who is appointed under section 12 or 13 of the Local Tax Enabling Act, or otherwise by law, as the collector of the municipality or school district personal income tax. In the performance of the tax collection duties under this subchapter, the designated tax officer shall have all the same powers, rights, responsibilities and duties

for the collection of the taxes which may be imposed under the *Local Tax Enabling Act*, or otherwise by law.

On the question,  
Will the House agree to the amendment?

The SPEAKER. On A0461, the gentleman from Northampton is recognized.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, this amendment provides an option for the local municipalities and school districts to choose whether or not they want the Department of Revenue to collect their optional taxes. I believe this is primarily driven by the fact that there is concern over the time delays that may ensue and the reconciliation that would be required between the amounts actually collected for their municipalities and school districts as opposed to the time, effort, and distribution of those funds by the Department of Revenue.

All it does is provide an option. If you can reach an agreement with the Department of Revenue and you are willing to do that at the local level, that is fine. If you opt to collect those taxes on your own and use them in the local treasury, that is your choice.

The SPEAKER. On the Nyce amendment, Mr. Coy.

Mr. COY. Thank you, Mr. Speaker.

One simple question for the gentleman.

The SPEAKER. Mr. Nyce is ready to respond.

Mr. COY. Mr. Speaker, just to clarify, this is completely optional then. A municipality may enter into an agreement with the Department of Revenue or may maintain a local tax collector. Is that correct?

Mr. NYCE. That is correct.

Mr. COY. Thank you, Mr. Speaker.

On the amendment.

The SPEAKER. On the amendment, Mr. Coy.

Mr. COY. The question is rather straightforward. It is whether you want to maintain local tax collectors or whether you want the option to have the State Department of Revenue collect these taxes, and members should decide their votes on the issue. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—177

Adolph	Fee	Maitland	Scheetz
Allen	Fichter	Manderino	Schuler
Argall	Fleagle	Markosek	Scrimenti
Armstrong	Flick	Marsico	Semmel
Baker	Freeman	Masland	Serafini
Barley	Gannon	Mayernik	Smith, B.
Battisto	Geist	McCall	Smith, S. H.
Bebko-Jones	George	McGeehan	Snyder, D. W.
Belardi	Gerlach	McNally	Staback
Belfanti	Gigliotti	Merry	Stairs
Birmelin	Gladeck	Michlovic	Steelman
Blaum	Godshall	Micozzie	Steighner
Boyes	Gordner	Mihalich	Steil

Brown	Gruitza	Miller	Stern
Bunt	Gruppo	Mundy	Stetler
Buxton	Harley	Nailor	Stish
Caltagirone	Hasay	Nyce	Strittmatter
Cappabianca	Hennessey	O'Brien	Sturla
Cam	Herman	Olasz	Surra
Carone	Hershey	Pesci	Tangretti
Cawley	Hess	Petrarca	Taylor, E. Z.
Cessar	Hutchinson	Petrone	Taylor, J.
Chadwick	Itkin	Pettit	Tigue
Civera	Jadlowiec	Phillips	Tomlinson
Clark	James	Piccola	Trelio
Clymer	Jarolin	Pistella	Trich
Cohen, L. I.	Josephs	Pitts	True
Cohen, M.	Kaiser	Platts	Tulli
Colafella	Kasunic	Raymond	Ufiana
Conti	Kenney	Reber	Vance
Cornell	King	Reinard	Van Horne
Coy	Kirkland	Rieger	Veon
Curry	Krebs	Ritter	Vitali
Daley	Kukovich	Roberts	Waugh
DeLuca	LaGrotta	Robinson	Williams
Dempsey	Laub	Roebuck	Wogan
Dent	Laughlin	Rohrer	Wozniak
Dermody	Lawless	Rooney	Wright, D. R.
Donatucci	Lee	Rubley	Wright, M. N.
Druce	Leh	Rudy	Yewcic
Egolf	Lescovitz	Ryan	Zug
Fairchild	Levdansky	Santoni	
Fajt	Lloyd	Sather	DeWeese, Speaker
Fargo	Lucyk	Saurman	
Farmer	Lynch	Saylor	

NAYS—18

Bishop	Gamble	Lederer	Richardson
Colaizzo	Haluska	Melio	Thomas
Corrigan	Hanna	Oliver	Washington
Cowell	Hughes	Preston	Yandrisevits
Evans	Keller		

NOT VOTING—1

Acosta

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

The SPEAKER. Does the gentleman, Mr. Nyce, want to reconsider one of his amendments? The gentleman, Mr. Nyce, indicates that that will not be— Will the gentleman, Mr. Nyce, please take the microphone.

The gentleman is recognized for a point of clarification.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, the earlier amendment, amendment No., I believe, 453, there has been an agreement, I believe, to redraft it and correct language and reconsider it when time permits.

The SPEAKER. The Chair thanks the gentleman and understands the explanation.

Mr. NYCE. Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. NAILOR offered the following amendment No. A0456:

Amend Sec. 312, page 87, lines 22 and 23, by striking out all of said lines

Amend Sec. 320.1, page 92, line 30; page 93, lines 1 through 29, by striking out all of said lines on said pages

Amend Sec. 322, page 94, line 22, by striking out "EXCEPT AS PROVIDED IN SECTION 320.1, ANY" and inserting  
Any

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman from Cumberland County is recognized, Mr. Nailor.

Mr. NAILOR. Thank you, Mr. Speaker.

Mr. Speaker, this amendment would repeal the provisions that permit local municipalities to mandate the county to impose the 1-percent sales tax. This provision was never included in the original bill and was put in at the last minute and, quite frankly, was not considered as far as it should have been. It is another form of mandate from one government to another. It eliminates the county's option. Why? Because if they choose the one-half-percent PIT over the 1-percent sales tax, municipalities can still mandate the imposition of the 1-percent sales tax at the county level.

Already there are editorials, there are letters to the editor in newspapers throughout the State saying that this is a tax increase, not tax reform. Well, we know better. It is not revenue neutral. There are currently no safeguards or restrictions on tax dollars received by municipalities in excess of those needed to eliminate nuisance and real estate property taxes involving this 1-percent sales tax.

Let me give you an example. If in fact a municipality imposes the 1-percent PIT and that eliminates their nuisance taxes and 80 percent of their real estate taxes, they then choose to pass the ordinance and impose the 1-percent sales tax on the county. If they need \$120,000 to offset that last 20 percent of the real estate tax and they get back \$200,000, they have an \$80,000 windfall. It is a tax increase of \$80,000, and there is nothing in the bill that tells them they have to do anything with that.

On top of that, we already have unrestricted funds coming in with a \$10 municipal service tax. There are no restrictions placed on that either. This is what people are talking about with a tax increase. The bill is not going to fly with this unrestricted windfall in place.

We should keep in mind that municipal governments have other types of taxes in place as well. They are going to receive the real estate transfer tax. They have the \$10 municipal service tax, and again, that has no restrictions on it for a dollar-for-dollar decrease.

Mr. Speaker, I move the adoption of this amendment.

The SPEAKER. The gentleman, Mr. Kukovich, is recognized on the Nailor amendment.

Mr. KUKOVICH. Mr. Speaker, I think there is a difference of interpretation here, but to expedite the process, if Mr. Nailor will agree to work, whenever we get probably some future bites of this apple, with any problems that could be created for third-class cities if this option is released, I will say, let us vote for this amendment and move ahead.

The SPEAKER. The gentleman, Mr. Sturla, on the Nailor amendment.

Mr. STURLA. Mr. Speaker, I must apologize. I missed part of the discussion.

This would eliminate the option for municipalities to mandate the sales tax? Is that correct?

The SPEAKER. The gentleman, Mr. Kukovich, will respond.

Mr. KUKOVICH. That is correct.

Mr. STURLA. Did we not vote this proposition down earlier?

Mr. KUKOVICH. Not this particular part.

Mr. STURLA. Not this particular one, but—

Mr. KUKOVICH. The interpretation, according to the maker of the amendment, Mr. Nailor, was that it would be possible, if all of the various options were undertaken, that in some municipalities there could be a surplus. My interpretation is that implicit in the language under the existing bill, HB 2202, is that if a surplus would occur, that would go to reducing the income tax option. There is a disagreement on that. I am suggesting that— Again, to expedite things, I want to provide the protections that Mr. Nailor and some of our colleagues on this side need to pass this bill. If there is a problem, we are going to have probably two more chances to correct this later, and I think we should move ahead. It is only a matter of interpretation. It should not be a hardship.

Mr. STURLA. Mr. Speaker, will the gentleman, Mr. Kukovich, stand for interrogation?

The SPEAKER. The gentleman indicated he will.

Mr. STURLA. Mr. Speaker, would you be amenable to an amendment that would correct what is perhaps a technical oversight here so that we do not lose the potential for the mandated 1-percent sales tax by the municipalities, if that technical correction can be made?

Mr. KUKOVICH. We do not have time, I do not think, because we are very close to getting finished. I will put on the record as legislative intent—and I think in a discussion earlier with Mr. Nailor it was agreed that we wanted no surpluses—if surpluses occur because a municipality garnered benefits from all the various options, it would go to reducing the income tax. That is the intent. I think that is already implicit in the bill. That being the case, I do not think that there would be a problem with the language in the bill. That may not correct your problem, but I do not think we have time to correct both of those problems of interpretation tonight. I think it would be easy, if the Senate takes up action or in conference, to correct those problems.

That is the intent. It is on the record. I hope we could try to abide by that.

Mr. STURLA. Mr. Speaker, on the amendment.

The SPEAKER. On the amendment.

Mr. STURLA. If I could, Mr. Speaker, because I agree with Representative Kukovich that the legislative intent here is to insure that the tax would be reduced, whether it is the real estate property tax or whether it is the personal income tax that was already imposed, I intend to vote against this because I do not like the idea of removing that mandate, because I believe it is implicit in that legislation. Thank you.

The SPEAKER. Mr. Boyes.

Mr. BOYES. Thank you, Mr. Speaker.

I am just supporting the amendment. I think it is a good amendment because it is quite nebulous. When you read this section, there is no question about it. The ambiguity that does exist is on the question of surpluses imposed on the municipal governments because of the sales tax and not being able to reduce dollar for dollar property tax offsets, and they would be in a surplus situation. This needs to be addressed in the future consideration of this bill.

It is a good amendment, and I urge the support of the amendment.

The SPEAKER. The Chair thanks the gentleman, Mr. Boyes.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—179

Acosta	Fargo	Lee	Rubleby
Adolph	Farmer	Leh	Rudy
Allen	Fee	Lescovitz	Ryan
Argall	Fichter	Levdansky	Sather
Armstrong	Fleagle	Lloyd	Scheetz
Baker	Flick	Lucyk	Schuler
Barley	Freeman	Lynch	Scrimenti
Battisto	Gamble	Maitland	Semmel
Bebko-Jones	Gannon	Manderino	Serafini
Belardi	Geist	Markosek	Smith, B.
Belfanti	George	Marsico	Smith, S. H.
Birmelin	Gerlach	Masland	Snyder, D. W.
Bishop	Gigliotti	Mayermik	Staback
Blaum	Gladeck	McCall	Stairs
Boyes	Godshall	McGeehan	Steelman
Brown	Gordner	McNally	Steighner
Bunt	Gruitza	Melio	Steil
Buxton	Gruppo	Merry	Stern
Caltagirone	Haluska	Micozzie	Stish
Carn	Harley	Miller	Stritmatter
Carone	Hasay	Mundy	Surra
Cawley	Hennessey	Nailor	Tangretti
Chadwick	Herman	Nyce	Taylor, E. Z.
Civera	Hershey	O'Brien	Taylor, J.
Clark	Hess	Olasz	Thomas
Clymer	Hughes	Oliver	Tigue
Cohen, L. I.	Hutchinson	Petrarca	Tomlinson
Cohen, M.	Itkin	Petrone	Trello
Colafella	Jadlowiec	Pettit	True
Colaizzo	James	Phillips	Tulli
Conti	Jarolin	Piccola	Uliana
Cornell	Josephs	Pistella	Vance

Corrigan	Kaiser	Pitts	Vitali
Coy	Kasunic	Preston	Washington
Curry	Keller	Raymond	Waugh
Daley	Kenney	Reber	Williams
DeLuca	King	Reinard	Wogan
Dempsey	Kirkland	Richardson	Wozniak
Dent	Krebs	Rieger	Wright, M. N.
Dermody	Kukovich	Ritter	Yandrisevits
Donatucci	LaGrotta	Roberts	Yewcic
Druce	Laub	Robinson	Zug
Egolf	Laughlin	Roebuck	
Evans	Lawless	Rohrer	DeWeese,
Fairchild	Lederer	Rooney	Speaker
Fajt			

NAYS—16

Cappabianca	Michlovic	Santoni	Trich
Cessar	Mihalich	Saylor	Van Home
Cowell	Pesci	Stetler	Veon
Hanna	Platts	Sturla	Wright, D. R.

NOT VOTING—1

Saurman

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. SAYLOR offered the following amendment No. A0511:

- Amend Sec. 315, page 88, line 10, by striking out "(A)"
- Amend Sec. 315, page 88, lines 15 through 29, by striking out all of said lines
- Amend Sec. 324, page 94, line 29, by striking out "(A)"
- Amend Sec. 324, page 95, lines 2 through 18, by striking out all of said lines

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the Chair recognizes the gentleman, Mr. Saylor.

Mr. SAYLOR. Mr. Speaker, could I have the majority chairman of the Finance Committee please stand for interrogation a minute?

The SPEAKER. Will Mr. Trello please stand for interrogation? The gentleman is requested to stand for interrogation by the gentleman, Mr. Saylor, on the Saylor amendment.

Mr. SAYLOR. Mr. Speaker, a point of clarification on the bill as it now stands. Am I correct in the understanding that all interest earned by the Commonwealth of Pennsylvania, if they are the collection agency for local municipalities, will be turned back to those municipalities?

Mr. TRELLO. The answer is yes.

Mr. SAYLOR. The answer is yes.

Mr. Speaker, thank you.

## AMENDMENT WITHDRAWN

Mr. SAYLOR. Mr. Speaker, I would like to withdraw my amendment based upon Mr. Trello's comments.

The SPEAKER. The Chair thanks the gentleman; the Chair thanks the gentleman very much.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. ARMSTRONG offered the following amendment No. A0539:

Amend Title, page 2, line 17, by striking out "AND" where it appears the second time

Amend Title, page 2, line 19, by removing the period after "TREASURER" and inserting

; and providing for limitations on spending by counties, municipalities and school districts.

Amend Bill, page 103, line 17, by striking out all of said line and inserting

## CHAPTER 11

## LIMITATIONS ON SPENDING

Section 1101. Limitations on spending by counties, municipalities and school districts.

(a) General rule.—No county, municipality or school district shall be required to spend funds, or to take an action requiring the expenditure of funds, unless:

(1) funds have been appropriated that have been estimated by an independent legislative agency at the time of the enactment of the law or promulgation of the regulation requiring the expenditure to be sufficient to fund the expenditure;

(2) the General Assembly authorizes or has authorized the county, municipality or school district to enact a funding source not available for the county, municipality or school district prior to the effective date of the law or regulation that can be used to generate the amount of funds estimated to be sufficient to fund such expenditure;

(3) the expenditure is required to comply with a law that applies to all persons similarly situated, including State and local governments; or

(4) the law is either required to comply with a Federal requirement, or required for eligibility for a Federal entitlement, which Federal requirement specifically contemplates actions by political subdivisions for compliance.

(b) Exceptions.—Laws exempt from the requirements of subsection (a) include:

(1) laws that amend funding formulas existing on the effective date of this section;

(2) laws adopted to require funding of pension benefits existing on the effective date of this section;

(3) laws relating to the enforcement of criminal laws but not the execution of judicial sentences;

(4) election laws;

(5) general appropriation acts; and

(6) special appropriation acts.

## CHAPTER 13

Amend Sec. 1101, page 103, line 19, by striking out "1101" and inserting

1301

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, Mr. Armstrong is recognized.

Mr. ARMSTRONG. Thank you, Mr. Speaker.

Mr. Speaker, this amendment basically says that if there are any future mandates that we are to pass out of the House here on to local governments, municipalities, townships, school districts, or counties, if we do not fund them, then they would not be held responsible for implementing those new mandates. This just has to do with new mandates, not anything that is in back of us.

So I would highly recommend we all vote in favor of this. I believe, if not all of us, most of us have heard from our local officials that one of the things that upsets them most is mandates that are passed down and they have to carry the brunt of raising taxes to cover that. I am trying to provide some relief for them here and would appreciate your support. Thank you.

## GERMANENESS QUESTIONED

The SPEAKER. Mr. Kukovich.

Mr. KUKOVICH. Thank you, Mr. Speaker.

I understand the gentleman's intention. I think we have been patient. I think we have agreed to various limitations on spending. I am even a little unhappy that maybe we have gone too far on that, but we are doing something now that does not pertain directly to the tax provisions in this bill but deals with various spending limitations in the future.

I sincerely do not think that this is germane to HB 2202, and obviously, what I am trying to do here is get this done as fast as possible. I am going to move that this amendment is not germane and ask for your support so we can finish this bill up.

The SPEAKER. Under rule 27 of the House rules, the question of germaneness will be decided by the House. A vote of the chamber will be forthcoming. On the issue of germaneness, all those who vote "aye" will contend that the amendment is germane; those who vote "no" will assert that the amendment is nongermane.

On the question,

Will the House sustain the germaneness of the amendment?

The SPEAKER. On the question of germaneness, the gentleman, Mr. Armstrong, is recognized.

Mr. ARMSTRONG. I would argue that this is very much germane. We are dealing with the essence of why we have to tax people to render the services that we feel are very important in our communities, so it is very germane. It gets right to the essence of why taxes are there. It is to provide services for our community. If we believe that a certain service is important for our community, then we should be paying for it. It is very germane.

I ask that you vote for germaneness.

The SPEAKER. Does Mr. Coy seek recognition?

Mr. COY. Mr. Speaker, with all due respect, the matter is not germane. The bill deals with taxes. The amendment deals with expenditures.

I ask the House to vote that the amendment is not germane.

The SPEAKER. Mr. Ryan.



Mr. RYAN. You know, that is crazy. Yes, the bill deals with taxes, and taxes are necessary because of expenditures, and if we would learn that simple lesson here in government, it would be a worthwhile lesson to learn. If we could control our expenses, it would automatically cause us to control our taxes, so it is probably the most germane thing that we have done here tonight, the consideration of a limitation of expenses. That does not mean that I am going to vote for it or against it, but you cannot say it is not germane. I mean, boy, I do not want to read that headline.

The SPEAKER. Mr. Druce.

Mr. DRUCE. Mr. Speaker, very quickly, just for the members who may not have been part of the bipartisan committee, there was a provision in there that excluded referendum if State mandates so imposed on a municipality forced them some additional expenditures, so at that point in the process, it was certainly germane. When it went to the Finance Committee, it was stripped out for various reasons, but I do not believe germaneness was one of them. So when this bipartisan group, Republicans and Democrats, worked on it initially, there was language in there about mandates to local governments.

I think Mr. Armstrong's amendment is most germane.

The SPEAKER. On germaneness, all those in the perspective that this is germane will vote "aye"; those who believe it is not germane will vote "no."

On the question recurring,

Will the House sustain the germaneness of the amendment?

The following roll call was recorded:

YEAS—113

Adolph	Fichter	Levdansky	Scheetz
Allen	Fleagle	Lynch	Schuler
Argall	Flick	Maitland	Scrimenti
Armstrong	Gannon	Marsico	Semmel
Baker	Geist	Masland	Serafini
Barley	George	McCall	Smith, B.
Battisto	Gerlach	Merry	Smith, S. H.
Birmelin	Gigliotti	Micozzie	Snyder, D. W.
Boyes	Gladeck	Miller	Stairs
Brown	Godshall	Nailor	Steil
Bunt	Gruppo	Nyce	Stern
Carone	Harley	O'Brien	Stish
Cawley	Hasay	Pesci	Strittmatter
Cessar	Hennessey	Petrone	Taylor, E. Z.
Chadwick	Herman	Pettit	Taylor, J.
Civera	Hershey	Phillips	Tigue
Clark	Hess	Piccola	Tomlinson
Clymer	Hutchinson	Pitts	True
Cohen, L. I.	Jadlowiec	Platts	Tulli
Conti	Kasunic	Raymond	Uliana
Cornell	Kenney	Reber	Vance
DeLuca	King	Reinard	Waugh
Dempsey	Krebs	Roberts	Wogan
Dent	LaGrotta	Rohrer	Wozniak
Druce	Laub	Ryan	Wright, D. R.
Egolf	Lawless	Sather	Wright, M. N.
Fairchild	Lee	Saurman	Yewcic
Fargo	Leh	Saylor	Zug
Farmer			

NAYS—82

Acosta	Fajt	Lucyk	Rudy
Bebko-Jones	Fee	Manderino	Santoni
Belardi	Freeman	Markosek	Staback
Belfanti	Gamble	Mayernik	Steelman
Bishop	Gordner	McGeehan	Steighner
Blaum	Gruitza	McNally	Stetler
Buxton	Haluska	Melio	Sturla
Caltagirone	Hanna	Michlovic	Surra
Cappabianca	Hughes	Mihalich	Tangretti
Carn	Itkin	Mundy	Thomas
Cohen, M.	James	Olasz	Trello
Colafella	Jarolin	Oliver	Trich
Colaizzo	Josephs	Petrarca	Van Horne
Corrigan	Kaiser	Pistella	Veon
Cowell	Keller	Preston	Vitali
Coy	Kirkland	Richardson	Washington
Curry	Kukovich	Rieger	Williams
Daley	Laughlin	Ritter	Yandrisevits
Dermody	Lederer	Robinson	
Donatucci	Lescovitz	Roebuck	DeWeese,
Evans	Lloyd	Rooney	Speaker

NOT VOTING—1

Rubley

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was declared germane.

On the question recurring,

Will the House agree to the amendment?

The SPEAKER. Mr. Armstrong is recognized again.

Mr. ARMSTRONG. I would ask for an affirmative vote on this amendment, please.

The SPEAKER. The Chair thanks the gentleman.

Mr. Belfanti is recognized.

Mr. BELFANTI. Thank you, Mr. Speaker.

Would the gentleman please stand for a brief interrogation?

Mr. Speaker, does your amendment also provide for Federal mandates, unfunded mandates, that are passed on to the States that also, in many instances, must then be passed on to local government?

Mr. ARMSTRONG. Unfortunately, we have no say over Federal mandates, so Federal mandates are excluded out of this amendment.

Mr. BELFANTI. But we are sometimes put into a position where we will lose Federal funding — whether it be highway funding, funding for the Clean Air and Water Act, funding for many other programs — for failure to comply with the Federal mandate. We are also, in many instances, forced by the Federal Government to pass those mandates on to local government, so we are also in the same position, very often, that you say our local governments are.

I sympathize with what you are trying to do, but I suggest that the adoption of your amendment may cause such woeful

holes in the budgets not only of State government but of our local governments that it does not make sense to include it in this particular bill. If we were to include it, I think we would need to put some exclusion in there for any State mandate that is a result of a Federal mandate, and that is my point, Mr. Speaker.

I would ask for a "no" vote on the Armstrong amendment, and there are some other reasons as well, but I do not want to belabor the debate.

The SPEAKER. The gentleman, Mr. Lloyd, is recognized on the Armstrong amendment.

Mr. LLOYD. Mr. Speaker, would the sponsor of the amendment consent to interrogation?

The SPEAKER. The gentleman indicates in the affirmative.

Mr. LLOYD. Mr. Speaker, is it your intention that the exception clause — (b)(1), (2), (3), (4), (5), and (6) — that the various kinds of laws covered by those exceptions would be exempt from the requirement that we fund the mandates?

Mr. ARMSTRONG. Exactly; those would be exempt, and getting back to Representative Belfanti's comment, Federal mandates would be passed through. We would not be able to exempt municipalities from those Federal mandates. We would still have to implement them.

Mr. LLOYD. Mr. Speaker, on the amendment.

The SPEAKER. On the amendment, Mr. Lloyd.

Mr. LLOYD. Mr. Speaker, it seems to me what we have here is a set of exceptions which are going to swallow the rule if you can figure out what exactly it is that they except.

The first thing that is excepted, exempted, from the requirement that we fund it is any law which changes a funding formula as long as the funding formula existed on the effective date of this section. That means, if we change the school subsidy formula in a way which denies us money or denies money to some districts or holds some districts where they are and raises for others, that somehow that is exempt and that that is okay, even though that clearly is going to impose some burden financially on the districts that get nothing at all.

Second, the third category, laws relating to the enforcement of criminal laws are exempt, and I guess that means that we can say, you have got to send a policeman out there to pick somebody up. But the execution of the judicial sentence itself is not exempt, so I guess that says if we impose a requirement that you put the guy in jail after you convict him, we cannot do that unless we give you the money to build the jail. I guess that is what it means.

Number (5), general appropriations acts. It seems to me that what that means is that whatever is in the State budget bill, if that means that somebody got shortchanged, that is okay; that is exempt.

I do not think that is what is intended here, but I mean, I think that what we have got at this late hour is a set of exceptions which just are inconsistent internally, are unclear, and will swallow the rule. I think we ought to vote this amendment down and deal with this issue when we are able to reflect on it a little better and get a little better language.

The SPEAKER. The Chair thanks the gentleman from Somerset.

On the Armstrong amendment, the gentleman, Mr. Armstrong, seeks recognition for the second time. The gentleman is recognized.

Mr. ARMSTRONG. Unfortunately, at this late hour, I believe a lot of us are becoming a little confused, and that is very unfortunate, because it is late and we are trying to do this very quickly.

I would like to say that this amendment is identical to SB 4, which Senator Furno had introduced into the—

The SPEAKER. The Chair interrupts the gentleman. According to our stenographer, this is the third time. Without unanimous consent, the gentleman will have to cease.

Does the gentleman receive unanimous consent from the chamber? He does. The gentleman may proceed.

Mr. ARMSTRONG. I thought I was being interrogated before.

The SPEAKER. The Chair ascertained that that was not the case, because the Chair was under the same misapprehension.

Mr. ARMSTRONG. Okay. All right. Thank you.

I appreciate the opportunity here. I will not be long.

I would appreciate your effort to support this amendment because I believe it gets right to the heart of many new amendments that we will be faced with in years to come when we hear our local borough officials or county officials come to us and say, you passed down another mandate that you did not fund.

I ask for your support on this very important amendment. Thank you.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—115

Adolph	Fargo	Leh	Saurman
Allen	Farmer	Levdansky	Saylor
Argall	Fichter	Lynch	Scheetz
Armstrong	Fleagle	Maitland	Schuler
Baker	Flick	Markosek	Semmel
Barley	Gamble	Marsico	Serafini
Battisto	Gannon	Masland	Smith, B.
Birmelin	Geist	Mayernik	Smith, S. H.
Blaum	Gerlach	Merry	Snyder, D. W.
Brown	Gladeck	Micozzie	Stairs
Bunt	Godshall	Miller	Steil
Carone	Gruppo	Nailor	Stern
Cawley	Hanna	Nyce	Stish
Cessar	Harley	O'Brien	Strittmatter
Chadwick	Hasay	Pesci	Surra
Civera	Hennessey	Petrone	Taylor, E. Z.
Clark	Herman	Pettit	Taylor, J.
Clymer	Hershey	Phillips	Tomlinson
Cohen, L. I.	Hess	Piccola	True
Conti	Hutchinson	Pitts	Tulli
Cornell	Jadlowiec	Platts	Uliana
Corrigan	Kaiser	Raymond	Vance
Daley	Kasunic	Reber	Waugh
DeLuca	Kenney	Reinard	Wogan
Dempsey	King	Roberts	Wozniak
Dent	Krebs	Rohrer	Wright, D. R.

Druce	LaGrotta	Rubley	Wright, M. N.
Egolf	Laub	Ryan	Zug
Fairchild	Lawless	Sather	
NAYS—81			
Acosta	Freeman	McCall	Staback
Bebko-Jones	George	McGeehan	Stelman
Belardi	Gigliotti	McNally	Steighner
Belfanti	Gordner	Melio	Stetler
Bishop	Gruitza	Michlovic	Sturla
Boyes	Haluska	Mihalich	Tangretti
Buxton	Hughes	Mundy	Thomas
Caltagirone	Itkin	Olasz	Tigue
Cappabianca	James	Oliver	Trello
Carn	Jarolin	Petrarca	Trich
Cohen, M.	Josephs	Pistella	Van Horne
Colaella	Keller	Preston	Veon
Colaizzo	Kirkland	Richardson	Vitali
Cowell	Kukovich	Rieger	Washington
Coy	Laughlin	Ritter	Williams
Curry	Lederer	Robinson	Yandrisevits
Dermody	Lee	Roebuck	Yewcic
Donatucci	Lescovitz	Rooney	
Evans	Lloyd	Rudy	DeWeese, Speaker
Fajt	Lucyk	Santoni	
Fee	Manderino	Scrimenti	
NOT VOTING—0			
EXCUSED—5			
Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

**AMENDMENT A0562 RECONSIDERED**

The SPEAKER. The gentleman, Mr. Gannon, has a reconsideration motion. The gentleman moves that amendment 562, which was defeated to HB 2202, PN 3141, on the 8th day of February, be reconsidered.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—190			
Acosta	Farmer	Lynch	Saylor
Adolph	Fee	Maitland	Scheetz
Allen	Fichter	Manderino	Schuler
Argall	Fleagle	Markosek	Scrimenti
Armstrong	Flick	Marsico	Semmel
Baker	Freeman	Masland	Serafini
Barley	Gamble	Mayermik	Smith, B.
Battisto	Gannon	McCall	Smith, S. H.
Bebko-Jones	Geist	McGeehan	Snyder, D. W.
Belardi	George	McNally	Staback
Belfanti	Gerlach	Melio	Stairs
Birmelin	Gigliotti	Merry	Stelman
Bishop	Gladeck	Michlovic	Steighner

Blaum	Godshall	Micozzie	Steil
Boyes	Gordner	Mihalich	Stern
Brown	Gruitza	Miller	Stetler
Bunt	Gruppo	Mundy	Stish
Buxton	Hanna	Nailor	Strittmatter
Cappabianca	Harley	Nyce	Sturla
Carone	Hasay	O'Brien	Surra
Cawley	Hennessey	Olasz	Tangretti
Cessar	Herman	Oliver	Taylor, E. Z.
Chadwick	Hershey	Pesci	Taylor, J.
Civera	Hess	Petrarca	Thomas
Clark	Hughes	Petrone	Tigue
Clymer	Hutchinson	Pettit	Tomlinson
Cohen, L. I.	Itkin	Phillips	Trello
Cohen, M.	Jadlowiec	Piccola	Trich
Colaella	James	Pistella	True
Colaizzo	Jarolin	Pitts	Tulli
Conti	Kaiser	Platts	Uliana
Cornell	Kasunic	Preston	Vance
Corrigan	Kenney	Raymond	Van Horne
Cowell	King	Reber	Veon
Coy	Kirkland	Reinard	Vitali
Curry	Krebs	Rieger	Washington
Daley	Kukovich	Ritter	Waugh
DeLuca	LaGrotta	Roberts	Williams
Dempsey	Laub	Robinson	Wogan
Dent	Laughlin	Roebuck	Wozniak
Dermody	Lawless	Rohrer	Wright, D. R.
Donatucci	Lederer	Rooney	Wright, M. N.
Druce	Lee	Rubley	Yandrisevits
Egolf	Leh	Rudy	Yewcic
Evans	Lescovitz	Ryan	Zug
Fairchild	Levdansky	Santoni	
Fajt	Lloyd	Sather	DeWeese, Speaker
Fargo	Lucyk	Saurman	
NAYS—2			
Caltagirone	Keller		
NOT VOTING—4			
Carn	Haluska	Josephs	Richardson
EXCUSED—5			
Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,  
Will the House agree to the amendment?

The clerk read the following amendment No. A0562:

Amend Title, page 2, line 11, by striking out "SALES AND USE OR"

Amend Title, page 2, line 12, by striking out "OR IN CERTAIN CIRCUMSTANCES A COMBINATION OF BOTH"

Amend Title, page 2, lines 14 and 15, by striking out "EMPOWERING MUNICIPALITIES TO REQUIRE COUNTY SALES AND USE TAXES;"

Amend Subchapter B, page 86, lines 10 through 30; pages 87 through 92, lines 1 through 30; page 93, lines 1 through 29, by striking out all of said lines on said pages and inserting  
(Reserved)

Amend Sec. 701, page 99, lines 23 through 30; page 100, lines 1 through 11, by striking out all of said lines on said pages and inserting  
Section 701. (Reserved).

Amend Sec. 703, page 101, line 2, by striking out "SECTIONS 701 AND

section

Amend Sec. 902, page 102, line 2, by striking out "SALES AND USE,"

Amend Sec. 902, page 102, lines 7 and 8, by striking out "MUNICIPAL SERVICE TAX OR SALES AND USE TAX" and inserting

or municipal service tax

On the question recurring,  
Will the House agree to the amendment?

The SPEAKER. On the Dent amendment, the gentleman from Allentown is recognized.

Mr. DENT. Mr. Speaker, my amendment removes the sales tax from this piece of legislation. As was pointed out earlier, the counties could effectively impose both an income tax and a sales tax. I will restate my reasons why I believe we need to remove this sales tax from this legislation.

As most of you know, a sales tax will hurt many of your small employers and their ability to create jobs in their districts. Many of us, particularly those of us in urban areas where we have seen a deterioration of our retail base, know this all too well. By raising the sales tax from 6 to 7 percent—that is a 16-percent increase—we will provide another reason for those retail shops in our communities to shut their doors and to lay off their workers. We cannot stand that any longer.

For those of us who live in the border counties next to other States, we will have effectively a higher sales tax than, for example, New Jersey, if Northampton County were to impose a sales tax.

The cost of collection to the retailer is prohibitive, and just that cost alone to the retailer, of course, will help lay off more workers. The retailer keeps 1 percent of the total sales tax collected. That rate that the retailer could keep does not increase in any way, shape, or form.

My amendment is supported by the National Federation of Independent Business and the Pennsylvania Retailers. They strongly support my legislation.

I will also state one more point. The sales tax, as we know, is a regressive tax. It is not based on one's ability to pay.

Again, I would urge that all members of the House strongly support my amendment. Thank you.

The SPEAKER. The gentleman, Mr. Kukovich, on the Dent amendment.

Mr. KUKOVICH. Mr. Speaker, we voted this down once before. In the intervening time period, the Nailor amendment went in which rendered this, although not entirely moot, certainly inappropriate. I would ask even more so that this amendment be defeated. We have already dealt with that to a certain extent, and I would again ask for a "no" vote.

The SPEAKER. The gentleman from Luzerne, Mr. Tigue, on the Dent amendment.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, I would ask to defeat the Dent amendment. As the previous speaker said, after Representative Nailor's

amendment, no longer will the counties have the option of doing both. They will do one or the other.

In addition, the National Federation of Independent Business and retailers are receiving a tax reduction by the elimination of the mercantile tax. Therefore, they do not pay this sales tax.

Once again, we are talking about allowing local jurisdictions an option of doing things. The question still remains, do we want to rely heavily on the real estate tax? I think my constituents at least and I believe most of your constituents would say, I would rather pay a sales tax of 1 percent which does not tax my necessities, such as clothing, food, and medicine, instead of paying a real estate which is definitely not based on my needs or my ability to pay.

I would ask you to defeat this and allow the counties and the municipalities the right to opt for this if they would like. Thank you.

The SPEAKER. The Chair thanks Mr. Tigue and recognizes Mr. Trello on the Dent amendment.

Mr. TRELLO. Mr. Speaker, you have got to understand, this is not a mandate. We are not mandating anything. We are just giving options.

One hundred and twenty-two members of this General Assembly thought this tax was good for Allegheny County, and I say if it is good enough for Allegheny County, it should be an option for the other counties. It is not making any mandates at all. I think it is very, very clear what our county commissioners and our local elected officials want. They want this option.

As Mr. Tigue indicated, the mercantile tax will be removed. It is a mandate if they decide on that option. I do not think the businessman has anything to fear about this. I think they have everything to gain by this tax.

But again, let me remind you, it is not a mandate like Allegheny County; it is an option, and I think we should leave those two options for our elected officials to decide on.

I ask for a negative vote on the amendment.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—94

Adolph	Farmer	Lawless	Sather
Allen	Fichter	Lee	Saurman
Argall	Fleagle	Leh	Scheetz
Armstrong	Flick	Lucyk	Schuler
Baker	Gannon	Lynch	Semmel
Barley	Geist	Maitland	Serafini
Birmelin	Gerlach	Markosek	Snyder, D. W.
Blaum	Gladeck	Marsico	Stairs
Boyes	Godshall	Mayernik	Steil
Brown	Gruppo	Merry	Stern
Bunt	Harley	Micozzie	Strittmatter
Carone	Hasay	Miller	Taylor, E. Z.
Chadwick	Hennessey	Mundy	Taylor, J.
Civera	Herman	O'Brien	Tomlinson
Clark	Hershey	Pettit	True

Clymer	Hess	Pitts	Tulli
Cohen, L. I.	Hutchinson	Raymond	Uliana
Conti	Jadlowiec	Reber	Waugh
Cornell	Kaiser	Reinard	Wogan
Dempsey	Kenney	Rohrer	Wright, D. R.
Dent	King	Rooney	Wright, M. N.
Druce	Krebs	Rublely	Yewcic
Egolf	LaGrotta	Ryan	Zug
Fargo	Laub		

NAYS—96

Acosta	Fee	McGeehan	Scrimenti
Battisto	Freeman	McNally	Smith, B.
Bebko-Jones	Gamble	Michlovic	Staback
Belardi	George	Mihalich	Steelman
Bishop	Gigliotti	Nailor	Steighner
Buxton	Gordner	Nyce	Stetler
Caltagirone	Gruitza	Olasz	Stish
Cappabianca	Haluska	Oliver	Sturla
Carn	Hanna	Pesci	Surra
Cawley	Hughes	Petrarca	Tangretti
Cessar	Itkin	Petrone	Thomas
Cohen, M.	James	Phillips	Tigue
Colafella	Josephs	Pistella	Trello
Colaizzo	Kasunic	Platts	Trich
Corrigan	Keller	Preston	Vance
Cowell	Kirkland	Richardson	Van Horne
Coy	Kukovich	Rieger	Veon
Curry	Laughlin	Ritter	Vitali
Daley	Lederer	Roberts	Williams
DeLuca	Lescovitz	Robinson	Wozniak
Dermody	Levdansky	Roebuck	Yandrisevits
Donatucci	Lloyd	Rudy	
Evans	Manderino	Santoni	DeWeese,
Fairchild	Masland	Saylor	Speaker
Fajt	McCall		

NOT VOTING—6

Belfanti	Melio	Smith, S. H.	Washington
Jarolin	Piccola		

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. ARMSTRONG offered the following amendment No. A0541:

Amend Title, page 2, line 17, by striking out "AND" where it appears the second time

Amend Title, page 2, line 19, by removing the period after "TREASURER" and inserting

; and providing for limitations on spending by counties, municipalities and school districts.

Amend Bill, page 103, line 17, by striking out all of said line and inserting

CHAPTER 11

LIMITATIONS ON SPENDING

Section 1101. Spending limit for counties, municipalities and school districts.

(a) General rule.—Except as provided in subsections (c) and (d), total spending by counties, municipalities and school districts shall not exceed the spending limit in any fiscal year.

(b) Determination of spending limit.—The spending limit for any fiscal year shall be equal to the county's, municipality's or school district's total spending during the immediately preceding fiscal year, increased by the percentage change in the Consumer Price Index, as computed and reported by the United States Bureau of Labor Statistics, for the 12 months prior to the adoption of the budget.

(c) Voter approval for spending increase.—Any spending increase in excess of the county's, municipality's or school district's spending limit shall require voter approval at a public referendum conducted consistent with the provisions of section 304(a).

(d) Emergencies or disasters.—The spending limit of counties, municipalities and school districts may be exceeded in any fiscal year for expenditures required by emergencies or disasters declared by the President of the United States or the Governor. The excess spending authorized by exceeding the limit in this manner shall not be included in the computation base of the spending limit for any subsequent fiscal year.

(e) Funding of future liabilities.—Future liabilities resulting from the adoption of or contracting for new or improved deferred compensation, benefits or pensions on or after the effective date of this section shall in each instance be fully funded in accordance with an accepted, advance-funding actuarial method using actuarial assumptions and asset valuation methods.

(f) Calculation of total spending.—Total spending by a county, municipality or school district means all appropriations and authorizations from all current funds and funds created after the effective date of this section, but shall not include refunds, servicing of bonded indebtedness incurred prior to the effective date of this section, voter-approved bonded indebtedness and expenditures for funding unfunded pension liabilities existing on the effective date of this section.

(g) Enforcement.—Individual or class action suits may be filed to enforce the provisions of this section and shall have the highest civil priority of resolution. Successful plaintiffs shall be allowed costs and reasonable attorney fees, but counties, municipalities and school districts shall not, unless a suit against a county, municipality or school district be ruled frivolous. Revenue collected, kept or spent unlawfully during the four full fiscal years before a suit is filed shall be refunded with 10% annual simple interest from the initial unlawful expenditure. Subject to judicial review, the counties, municipalities and school districts may use any reasonable method to provide for refunds under this section, including temporary tax credits or rate reductions.

(h) Refund of excess revenue.—If revenue from sources not excluded from fiscal year spending exceeds the limits in dollars prescribed by this section for a fiscal year, the excess shall be refunded in the next fiscal year unless voters approved a revenue change as an offset.

CHAPTER 13

Amend Sec. 1101, page 103, line 19, by striking out "1101" and inserting

1301

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman is recognized.

Mr. ARMSTRONG. Thank you, Mr. Speaker.

Mr. Speaker, this amendment deals with future spending caps. It allows for the local government authorities to be able to continue to raise revenues and expenses on their own as long as they stay within the CPI (consumer price index). If they go over the consumer price index, then they would need a voter referendum.

This is a measure that has been approved in States like Colorado, Washington, and I think recently Georgia. So we have a number of States that are taking this measure very seriously, and I would like to see Pennsylvania follow in those steps to protect taxpayers in the future so they have a knowledge, an awareness, and a surety that there is not going to be a tax increase over and above the CPI unless they give approval for it.

I appreciate your support for this. Thank you.

The SPEAKER. On the amendment, Mr. Coy.

Mr. COY. Would the gentleman stand for interrogation?

The SPEAKER. Mr. Armstrong to be interrogated.

Mr. ARMSTRONG. Yes, sir.

Mr. COY. In other words, Mr. Speaker, your amendment would discount any possibility for growth in a municipality or a school district?

Mr. ARMSTRONG. It allows for spending increases, revenue increases, expenditures as long as it all stays within the CPI. If the consumer price index last year was 5 percent, as long as you stay within that 5 percent.

Mr. COY. Thank you, Mr. Speaker.

Earlier we heard from a speaker concerned about the growth of school districts and an extraordinary growth of a municipality. That would be discounted in your amendment. In other words, if a school district grew extraordinarily and the budget needed to grow to cover the cost of extra students, it would not matter if that was above the consumer price index. Is that correct?

Mr. ARMSTRONG. Yes; right.

It would have to go before a referendum. But also, if my memory serves me well, that amendment was withdrawn. I do not think that was dealt with.

Mr. COY. So, Mr. Speaker, the only thing that matters is a flat rate, which is the CPI, and there is no accounting for growth or any other increase, any other factor.

Mr. ARMSTRONG. I think, as the bill stands right now, that you can have the same rate per se without any problems with referenda, but if you want to increase that rate, as the bill stands now, you have to have a voter referendum.

I am basically staying within the confines of that whole philosophy.

Mr. COY. Thank you, Mr. Speaker.

On the amendment.

The SPEAKER. On the amendment.

Mr. COY. Mr. Speaker, I oppose the amendment.

The bill, once again—and I heard what the minority leader had to say about it—once again, the bill deals with taxation. This is a spending limit. While we attempted to raise the issue of germaneness a while ago, I will resist doing that.

The plain and simple matter is, this bill deals with an optional tax plan for municipalities and this amendment talks about a spending limitation. It should be obvious to the members of the House we are talking about two entirely different subjects.

I ask for a negative vote on this amendment.

The SPEAKER. The Chair thanks the gentleman and recognizes Mr. Kukovich.

Mr. KUKOVICH. Thank you, Mr. Speaker.

Very briefly, to add to what Representative Coy said.

We have already put a number of citizen protections, referenda, caps, and limits on here. Now we are getting into an area of overkill which is bordering on the ridiculous.

I also am concerned about tying this into the CPI which does not reflect reality for municipalities, school boards, or counties, especially in light of the other caps.

I think this is bad policy. I think this is a bad amendment. I think we should vote "no."

The SPEAKER. The gentleman, Mr. Cowell, is recognized on the Armstrong amendment.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, would the maker of the amendment consent to interrogation, please?

The SPEAKER. The gentleman indicates he will.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, I understand that the purpose of the amendment is to limit the growth in spending for a county, a municipality, or a school district from year to year. Is that correct?

Mr. ARMSTRONG. That is correct.

Mr. COWELL. Mr. Speaker, what would the impact be on a school district in circumstances where the school district receives from year one to year two an extraordinary amount of State money as a result of our efforts, for instance, last year and as proposed by the Governor earlier today, to bring that school district's expenditures per pupil up to a more adequate sum? In some cases from year to year, last year or under the Governor's proposal for the next fiscal year, there would be a significant amount of State money, new State money, provided to the school district specifically for the purpose of dramatically increasing the expenditures per student in that district so that a more adequate education would be available. What would be the impact of your amendment on that effort of this General Assembly last year and I hope this coming year to help those districts?

Mr. ARMSTRONG. Generally, I was looking forward in this amendment, and I would admit that there is a shortfall in the amendment, that it does not deal with the situation that you are raising.

The essence of the amendment was to deal with the municipality or local government's own spending, what they have raised spending to cover for their expenses. I recognize that fault. We passed some other measures here tonight that I believe we recognize we are going to have to deal with in the Senate.

I would ask in that same kind of flavor we would act on this amendment also.

Mr. COWELL. Mr. Speaker, on the amendment, please.

The SPEAKER. On the amendment.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, for the reason I have just suggested in the interrogation, I would strongly urge that we defeat this amendment.

We are passing too many things this evening hoping that somebody else is going to clean it up. We stand here and acknowledge that, well, the amendment does not say quite what we intended it to say or that in one way or another we acknowledge some deficiency.

This amendment in its current form, as we are being asked to vote on it, is a major problem and has a major problem. It would in effect get in the way of one of the other public policies that this General Assembly is trying to pursue, and that is to help, particularly our poorer school districts, dramatically increase their expenditures per year so that kids in those poorer districts will have a more equal opportunity to a quality education program. So out of one side of our mouth we are saying last year and I hope this year that we want to help with extraordinary State dollars those poorer districts, so there will be dramatic increases in the revenues available and then subsequently the expenditures made for education purposes in those districts, and in this breath, as proposed in this amendment, we are saying to those districts, but, no, you really cannot spend the dollars we are going to give you until you go through this extraordinary referendum program or referendum process. It just does not make sense.

Now, we have got to get more consistent, and we ought to, even as we try to deal with this tax reform measure, and we should, and even as we try to deal with reasonable spending controls, as is reasonable to do, we cannot create these inconsistencies, these glaring inconsistencies, in terms of public policy. We ought to continue on the track that we got onto last year, and that is to help the poorer districts in this State dramatically increase their expenditures per child. If we do not do it, some court is going to order us to do it anyway, and I think we are taking a reasonable approach. But let us not then, today or tomorrow or through this piece of legislation, do things that are contrary to the public policy that we are already pursuing to create a more adequate and more equal education opportunity for kids throughout this State.

I respect the purpose of the amendment, but the purpose of the amendment is not really reflected in the words of the amendment. For that reason I would urge that we defeat the amendment. Thank you, Mr. Speaker.

#### AMENDMENT WITHDRAWN

The SPEAKER. Mr. Armstrong.

Mr. ARMSTRONG. The points presented by Representative Cowell were very well put.

I would like to withdraw the amendment at this point, and if for some lucky reason we have the Senate taking a look at this, I will bring this matter up with my Senator.

I do think it is a good concept. It is a concept, I think, that we can all work together with agreement on, find a common ground on.

For that reason I will save everybody's vote at this point and withdraw the amendment. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. ROHRER offered the following amendment No. A0528:

Amend Bill, page 2, lines 11 through 39; page 3, lines 1 through 30; page 4, lines 1 through 7, by striking out all of said lines on said pages and inserting  
 Authorizing school districts to impose taxes on personal income; and providing for the levying, assessment and collection of such taxes and for the powers and duties of the Department of Community Affairs, the Department of Revenue and the State Treasurer.

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Section 906. Effect of chapter on liability of taxpayer.

Chapter 11. Miscellaneous Provisions

Section 1101. Effective date.

Amend Bill, page 79, lines 4 through 30; pages 80 through 102, lines 1 through 30; page 103, lines 1 through 20, by striking out all of said lines on said pages and inserting

#### CHAPTER 1

##### GENERAL PROVISIONS

Section 101. Short title.

This act shall be known and may be cited as the Optional School District Tax Enabling Act.

Section 102. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Classes of income." The classes of income set forth in section 303 of the Tax Reform Code.

"Compensation." As defined in section 301 of the Tax Reform Code.

"Current year." The calendar year or fiscal year for which the tax is levied.

"Department." The Department of Revenue of the Commonwealth.

"Domicile." As defined in section 13 of the Local Tax Enabling Act.

"Employer." As defined in section 301 of the Tax Reform Code.

"Governing body." A board of school directors of a school district.

"Individual." As defined in section 301 of the Tax Reform Code.

"Local Tax Enabling Act." The act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act.

"Nonresident." An individual domiciled outside the municipality.

"Ordinance." Includes a resolution.

"Personal income." The classes of income enumerated in section 303 of the Tax Reform Code and upon which is imposed a personal income tax by the Commonwealth.

"Preceding year." The calendar year or fiscal year before the current year.

"Register." The register provided for in Chapter 9.

"Resident individual." An individual who is domiciled in a school district.

"School district." A school district of the first class A, second class, third class or fourth class, including any independent school district.

"Succeeding year." The calendar year or fiscal year following the current year.

"Tax officer." The person, public employee or private agency designated by a governing body to collect and administer the municipal service tax imposed under this act.

"Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

"Taxpayer." An individual required under this act to file a tax return or to pay a tax.

Section 103. Scope.

(a) General rule.—Except as provided in subsection (b), it is the intent of this act to confer upon each school district the power to levy, assess and collect taxes upon the subjects of taxation set forth in this act.

(b) Real estate transfer taxes.—This act does not affect the powers of a school district to levy, assess and collect a real estate transfer tax.

Section 104. Preemption.

No act of the General Assembly heretofore or hereinafter enacted shall vacate or preempt any ordinance passed or adopted under the authority of this act, or any other act, providing authority for the imposition of a tax by a school district unless the act of the General Assembly expressly vacates or preempts the authority to pass or adopt such ordinances.

#### CHAPTER 3

#### SUBJECTS OF TAXATION

#### SUBCHAPTER A

#### TAX AUTHORIZATION

Section 301. General tax authorization.

(a) General rule.—Subject to sections 303 and 304 and except as provided in subsection (b), each school district shall have the power and may by ordinance levy, assess and collect or provide for the levying, assessment and collection of such taxes on the subjects specified in this chapter for general revenue purposes as it shall determine on any or all of the subjects of taxation set forth in this act within the geographical limits of the school district.

(b) Exclusions.—No school district which levies a tax authorized by this act shall have any power or authority to levy, assess or collect:

(1) A tax based upon a flat rate or on a millage rate on an assessed valuation of a particular trade, occupation or profession, commonly known as an occupation tax.

(2) A tax at a set or flat rate upon persons employed within the taxing district, commonly known as an occupational privilege tax.

(3) A per capita, poll, residence or similar head tax.

(4) The earned income and net profits tax levied under the Local Tax Enabling Act.

(5) Any other tax authorized or permitted under the Local Tax Enabling Act.

Section 302. Continuity of tax.

Every tax levied under the provisions of this act shall continue in force on a calendar or fiscal year basis, as the case may be, without annual reenactment unless the rate of tax is increased or the tax is subsequently repealed.

Section 303. Election to participate under act.

(a) General rule.—Any governing body which desires to participate under the provisions of this act shall make that determination by using either of the procedures set forth in subsection (b) or (c).

(b) Adoption of ordinance.—Subject to the requirements of section 325(a), a governing body may elect to participate under this act by adopting an ordinance to that effect. The ordinance must set forth the initial rate of the tax to be imposed. Any governing body which uses the procedures under this subsection shall submit all future tax rate increases to public referendum as provided in section 304.

(c) Public referendum.—Subject to the notice and public hearing requirements of section 325(a), a governing body may elect to participate under this act by obtaining the approval of the electorate of the affected school district in a public referendum at only the November election preceding the calendar year when the taxes will be initially imposed. The referendum question must state the initial rate of the proposed tax. Any governing body which uses the procedures under this section shall not be subject to the provisions of section 304 for any future tax rate increases.

Section 304. Public referendum.

(a) General rule.—Except as provided in subsection (c), a governing body may not increase the rate of any tax imposed under this act or any other act without first obtaining the approval of the electorate of the affected school district in a public referendum at the primary election for the calendar year of the proposed tax increase.

(b) Disapproval.—Whenever the electorate fails to approve the proposed referendum question increasing the rates of tax, the governing body shall be limited to the tax rate in effect prior to the referendum.

(c) Referendum exceptions.—The provisions of subsection (a) shall not apply to any necessary tax increases in the following cases:

(1) If an increase in local expenditures is necessary to respond to or recover from an emergency or disaster declared by the Governor.

(2) If the school district is required to implement a court decision.

(3) To pay interest and principal on any indebtedness incurred under the act of July 12, 1972 (P.L.781, No.185), known as the Local Government Unit Debt Act.

(4) To pay increases in pension fund requirements which are in excess of the annual average increase over the immediately preceding five fiscal years.

(5) To increase revenues when actual revenues decline from the immediate preceding year but only to the extent of the revenue decline.

#### SUBCHAPTER B

#### PERSONAL INCOME TAX

Section 321. Construction.

The tax imposed by the governing body of a school district under this subchapter shall be in addition to any tax imposed by the Commonwealth under Article III of the Tax Reform Code. Except for the differing provisions under sections 501, 502 and 503, the provisions of Article III of the Tax Reform Code shall apply to the tax.

Section 322. Personal income tax.

Each school district shall have the power to levy, assess and collect a tax on personal income of resident individuals of the school district up to a maximum rate of 2%, in increments of 0.25 of 1%.

Section 323. Collections.

The department shall be responsible for collection of any tax imposed under section 322.



Section 324. Rules and regulations; collection costs.

(a) Regulations.—Rules and regulations shall be applicable to the taxes imposed under section 322 in the same manner as is provided for in Article III of the Tax Reform Code.

(b) Administrative costs.—The department, to cover its costs of administration, shall be entitled to retain a sum equal to costs of collection and shall inform each school district in writing monthly of the sum retained and the costs of collection reimbursed. To provide a timely forecast and assure consideration of the sum retained, the department shall estimate its costs of collection for the next succeeding fiscal year and provide the estimate, with all supporting detail, to each school district. When the annual operating budget for the department is submitted to the General Assembly, the department shall also submit to the chairman and minority chairman of the Appropriations Committee of the Senate and to the chairman and minority chairman of the Appropriations Committee of the House of Representatives the actual sums retained for costs of collection in the preceding fiscal year, together with all supporting details.

Section 325. Procedure and administration.

(a) Ordinance.—The governing body of the school district, in order to impose the tax authorized by section 322, shall adopt an ordinance which shall refer to this subchapter. Prior to adopting an ordinance imposing the tax authorized by section 322, the governing body shall give public notice of its intent to adopt the ordinance in the manner provided by section 4 of the Local Tax Enabling Act, and shall conduct at least one public hearing regarding the proposed adoption of the ordinance.

(b) Delivery.—A certified copy of the ordinance imposing the tax shall be delivered to the department no later than 90 days prior to the effective date of the ordinance.

(c) Delivery of repeal ordinance.—A certified copy of a repeal ordinance shall be delivered to the department at least 30 days prior to the effective date of the repeal.

Section 326. Local personal income tax funds.

There is hereby created for each school district levying the tax under section 322 the (proper name) Personal Income Tax Fund. The State Treasurer shall be custodian of the funds which shall be subject to the provisions of law applicable to funds listed in section 302 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code. Taxes imposed under section 322 shall be received by the department and paid to the State Treasurer and, along with interest and penalties, less any collection costs allowed under this subchapter and any refunds and credits paid, shall be credited to the funds not less frequently than every two weeks. During any period prior to the credit of moneys to the funds, interest earned on moneys received by the department and paid to the State Treasurer under this subchapter shall be deposited into the funds. All moneys in the funds, including, but not limited to, moneys credited to the funds under this section, prior year encumbrances and the interest earned thereon, shall not lapse or be transferred to any other fund, but shall remain in the funds. Pending their disbursement, moneys received on behalf of or deposited into the funds shall be invested or reinvested as are other moneys in the custody of the State Treasurer in the manner provided by law. All earnings received from the investment or reinvestment of the moneys shall be credited to the respective funds.

Section 327. Disbursements.

On or before the April 10, July 10, October 10 and the next succeeding January 10, the State Treasurer shall make the disbursements to each school district imposing the tax out of the moneys which are, as of the last day of the previous month, contained in the respective personal income tax funds.

#### CHAPTER 5

##### CREDITS AND EXEMPTIONS

Section 501. Credits.

The provisions of section 14 of the Local Tax Enabling Act shall be used to determine any credits under the provisions of this act for any taxes imposed under section 322.

Section 502. Low-income tax provisions.

The provisions of section 304 of the Tax Reform Code shall be applied by any school district which levies a tax under section 322 to any qualified individual under 65 years of age.

Section 503. Senior citizen tax provisions.

Each individual 65 years of age or older shall be entitled to receive the first \$6,250 of any personal income free of any school district tax imposed under section 322. Any personal income in excess of \$6,250 per individual shall be subject to any tax levied under section 322.

Section 504. Regulations.

Each school district may adopt regulations for the processing of claims under Chapter 5.

#### CHAPTER 7

##### DISPOSITION OF TAX REVENUES

Section 701. Personal income tax revenues.

Ninety-five percent of any additional revenues from the personal income tax shall be used to offset the lost revenues from the taxes prohibited under section 301(b) and then to reduce the school district real property tax by means of the universal exemption or a uniform reduction in the millage rate or any combination thereof.

Section 702. Revenue limitation exceptions.

The limitations in section 701 may be waived, but only to the degree necessary, in the following cases:

(1) If an increase in local expenditures is necessary to respond to or recover from an emergency or disaster declared by the Governor.

(2) If the school district is required to implement a court decision.

(3) To pay interest and principal on any indebtedness incurred under the act of July 12, 1972 (P.L.781, No.185), known as the Local Government Unit Debt Act.

(4) To pay increases in pension fund requirements which are in excess of the annual average increase over the immediately preceding five fiscal years.

(5) To increase revenues when actual revenues decline from the immediate preceding year but only to the extent of the revenue decline.

#### CHAPTER 9

##### REGISTER FOR CERTAIN TAXES

Section 901. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Department." The Department of Community Affairs of the Commonwealth.

Section 902. Register for taxes under this act.

(a) General rule.—It shall be the duty of the department to have available an official continuing register supplemented annually of all personal income taxes levied under this act.

(b) Contents of register.—The register and its supplements shall list:

(1) The school districts levying personal income tax.

(2) The rate of tax as stated in the ordinance levying the tax.

(3) The rate on taxpayers.

(4) The name and address of the tax officer responsible for administering the collection of the tax and from whom information, forms for reporting and copies of rules and regulations are available.

Section 903. Information for register.

Information for the register shall be furnished by the school district to the department in such manner and on such forms as the department may prescribe. The information must be received by the department by certified mail no later than May 31 of each year to show new tax enactments, repeals and changes. Failure to comply with this date for filing may result in the omission of the tax levy from the register for that year. Failure of the department to receive information of taxes continued without change may be construed by the department to mean that the information contained in the previous register remains in force.

Section 904. Availability and effective period of register.

The department shall have the register, with such annual supplements as may be required by new tax enactments, repeals or changes, available upon request no later than July 1 of each year. The effective period for each register shall be from July 1 of the year in which it is issued to June 30 of the following year. Section 905. Effect of nonfiling.

Employers shall not be required by any ordinance to withhold from the compensation of their employees any personal income tax imposed under the provisions of this act which is not listed in the register or to make reports of compensation in connection with taxes not so listed. If the register is not available by July 1, the register of the previous year shall continue temporarily in effect for an additional period of not more than one year. Section 906. Effect of chapter on liability of taxpayer.

The provisions of this chapter shall not affect the liability of any taxpayer for taxes lawfully imposed under this act.

#### CHAPTER 11

#### MISCELLANEOUS PROVISIONS

Section 1101. Effective date.

This act shall take effect January 1, 1995.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, Representative Rohrer is recognized.

Mr. ROHRER. Thank you, Mr. Speaker.

My amendment is simple. It was intended to be simple, it was intended to be focused, and I think it is. If we would have considered this amendment earlier on tonight, I think we would have been out at 8 o'clock and we would have been very successful, because my amendment focuses on the issue that has driven the whole issue of property tax reform from the first place, and that is school districts.

This amendment takes the bill as we have been discussing it and focuses it 100 percent on the school districts. It allows us to put our attention exactly where our taxpayers have a problem. They do not have a problem with our county taxes. They do not have a problem with our municipal taxes. They have a problem with our school tax and our property tax for that purpose. If we would stay focused on this issue, we could cover it quickly. The provisions that are in this bill I think are good, but we could get it in and we could get it out, and we could go back home and say we have treated the major part of the problem.

The other thing is this: I do not want to walk away from here having to vote for a potential tax increase, and that is in the bill with the municipality and the county provisions. It still remains there right now. I do not think anybody wants to walk away from here saying that we are voting for a tax increase, and yet that is what that portion of this thing will be. I do not think that we need to do that.

There were two reasons why the 1989 tax reform proposal did not pass. It had a tax increase as perceived, and I think it was; and number two, it was so complicated that people could not understand it, because their issue was property tax for schools.

Let us learn from what happened in 1989, focus on the issue, and be on with it. Thank you, Mr. Speaker.

The SPEAKER. The gentleman, Mr. Kukovich, on the Rohrer amendment.

Mr. KUKOVICH. Thank you, Mr. Speaker.

This is bordering on the ludicrous now. I mean, this would undo most of the work that has been done today. It not only eliminates municipalities and counties, from my quick reading it eliminates the Rubley tax study commission in those areas; it eliminates Sheila Miller's senior real estate deferral; it eliminates the breakdown that Representative Lloyd put in the amendment that most of us agreed to, and I think it eliminates some other things. It appears it was drafted in such a way that it probably does not even hit the pages of the amendment he wants to hit.

Let us vote "no" and get on with this bill.

The SPEAKER. Mr. Lloyd.

Mr. LLOYD. Mr. Speaker, I have some sympathy with saying that we should focus solely on school districts. The problem is, if we are not going to have a differential millage rate, we are going to give a tax break to second homeowners in school districts—two that come readily to my mind in my county—and we are going to go then with everybody who pays the PIT, whether that is an individual wage earner, whether that is a small business person who is operating as a sole proprietorship, whether that is a small business person operating as a partnership, or whether that is a small business operating as a subchapter S corporation which paid the personal income tax, and we are going to go to them and ask them to make up the taxes that we are losing by cutting the property taxes of people who are homeowners or property owners but who do not live in the school district. That is going to have the effect of in fact raising taxes for many, many, many of the people who live in those school districts and who are our constituents.

Mr. Speaker, we need the options. We need the sales tax option; it was in the bill before. We need to give the options to the counties and the other units of government. We ought not try to restrict this in the way that the amendment proposes, and we ought to reject the amendment.

The SPEAKER. The gentleman from York, Mr. Stetler.

Mr. STETLER. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to this amendment, and I do so for several reasons.

The first is, by accepting this amendment, we are rejecting the hard work of many people, many of our colleagues. The bipartisan tax group that met for the last year and their hard work would be passed aside.

I also take exception to the one comment of the maker of the amendment. While I agree that many of our school districts and our taxpayers in our school districts are concerned about that one area, in my district, people are concerned about the municipal taxes. Third-class cities are finding it increasingly difficult to raise the revenues to pay the bills that need to be paid, and for us now to turn away from this at this late hour I believe does a disservice to all our constituents, and I would recommend a "no" vote.

The SPEAKER. From Lancaster, Mr. Sturla.

Mr. STURLA. Mr. Speaker, I rise in opposition to the amendment.

The maker of the amendment alluded to the idea that people are only concerned about school taxes and they do not have a concern about their county taxes or their municipal taxes. I think that assumption is false.

We heard earlier about people concerned about second-class townships that are at their taxing limit. There are a host of third-class cities throughout the State that are at their taxing limit and, in order to increase police protection, need to go to court and get permission from the court to increase their taxes for police protection.

Without addressing those issues in local tax reform, we have not really accomplished anything. So again, I rise in opposition to the amendment.

The SPEAKER. Mr. Rohrer for the second time.

Mr. ROHRER. Again I say that the purpose that this whole discussion arose from was the issue of our school property taxes. I am not saying that there is not a desire from our municipalities or our counties. They have a desire, and their desire primarily is to increase revenue.

If we would stop and think about it, the taxpayer's dollar is only so big. We have our municipalities, we have our counties, and we have our schools all vying for the same dollar. If we seriously address the issue of the school, it would take the pressure off the county and it would take the pressure off the township.

In our discussion tonight we have not talked about those measures that we could employ to reduce those costs, but we are talking about a mechanism to change the funding from property to income. That has been the discussion as far as I have heard and as far as I have seen all along. I think this does do it and it does not put to waste everything that we have discussed tonight; it frankly puts it, I think, right where it should go.

I would appreciate a positive vote on this amendment.

The SPEAKER. On the Rohrer amendment, Ms. Steelman from Indiana.

Ms. STEELMAN. Thank you, Mr. Speaker.

I rise to say that in my area, at least in Indiana County, I must have had 25 complaints in the last year about 2 taxes imposed by the county — the occupation tax, which was recently evaluated by Indiana County to the great discomfort and indeed anguish of many of my constituents, and the intangible personal property tax, which Indiana County has recently begun to make a serious effort to collect. In both of those cases, people have called my office frequently asking to get relief from those county taxes, and in the process they may say that, oh yeah, the school district's property tax is something that they would like to see reduced, but what they really want the legislature to move on is this whole range of nuisance taxes that are driving them wild.

Philosophically, I think it is a very bad idea for us to try to address one set of local taxes levied by school districts and fail to address the taxes that are levied by the counties and the other municipalities. But also on a purely practical level, I have to say that in my area, it is the county taxes, not the school taxes, that are the problem, and I would be happier with

an amendment that would leave the school districts alone and address the county taxes.

I rise in opposition to this amendment, and I hope that a majority of the members will consider that we need to do local tax reform as a coherent package, not as a jigsaw puzzle.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—21

Adolph	Dent	Leh	Raymond
Armstrong	Flick	Marsico	Rohrer
Birmelin	Gannon	Micozzie	True
Bunt	Hershey	Piccola	Waugh
Civera	Lawless	Pitts	Zug
Clymer			

NAYS—172

Acosta	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Scheetz
Argall	Fleagle	Manderino	Schuler
Baker	Freeman	Markosek	Scrimenti
Barley	Gamble	Masland	Semmel
Battisto	Geist	Mayernik	Serafini
Bebko-Jones	George	McCall	Smith, B.
Belardi	Gerlach	McGeehan	Smith, S. H.
Belfanti	Gigliotti	McNally	Snyder, D. W.
Bishop	Gladeck	Melio	Staback
Blaum	Godshall	Merry	Stairs
Boyes	Gordner	Michlovic	Steelman
Brown	Gruitz	Mihalich	Steighner
Buxton	Gruppo	Miller	Steil
Caltagirone	Haluska	Mundy	Stern
Cappabianca	Hanna	Nailor	Stetler
Carn	Harley	Nyce	Stish
Carone	Hasay	O'Brien	Sturla
Cawley	Hennessey	Olasz	Surra
Cessar	Herman	Oliver	Tangretti
Chadwick	Hess	Pesci	Taylor, E. Z.
Clark	Hughes	Petrarca	Taylor, J.
Cohen, L. I.	Hutchinson	Petrone	Thomas
Cohen, M.	Itkin	Pettit	Tigue
Colafella	Jadlowiec	Phillips	Tomlinson
Colaizzo	Jarolin	Pistella	Trello
Conti	Josephs	Platts	Trich
Cornell	Kaiser	Preston	Tulli
Corrigan	Kasunic	Reber	Uliana
Cowell	Keller	Reinard	Vance
Coy	Kenney	Richardson	Van Horne
Curry	King	Rieger	Veon
Daley	Kirkland	Ritter	Vitali
DeLuca	Krebs	Roberts	Washington
Dempsey	Kukovich	Robinson	Williams
Dermody	LaGrotta	Roebuck	Wogan
Donatucci	Laub	Rooney	Wozniak
Druce	Laughlin	Rubley	Wright, D. R.
Egolf	Lederer	Rudy	Yandrisevits
Evans	Lee	Ryan	Yewcic
Fairchild	Lescovitz	Santoni	
Fajt	Levdanskyy	Sather	DeWeese,
Fargo	Lloyd	Saurman	Speaker
Farmer	Lucyk		

NOT VOTING—3

James	Strittmatter	Wright, M. N.
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## EXCUSED—5

Bush                      Durham                      Nickol                      Perzel  
Butkovitz

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

The SPEAKER. Earlier today we postponed consideration of Mr. Curry's amendment A0532. The chamber will now return to consideration of Mr. Curry's amendment A0532.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. CURRY offered the following amendment No. A0532, which had been read previously by the clerk:

Amend Sec. 501, page 98, line 28, by inserting before "THE" where it appears the first time

(a) General rule.—

Amend Sec. 501, page 98, by inserting after line 30

(b) Other credits.—Any tax paid under section 322 may be taken as a credit against any tax paid under section 359 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

On the question recurring,

Will the House agree to the amendment?

The SPEAKER. Mr. Curry is recognized on the amendment.

Mr. CURRY. Mr. Speaker, we had discussed this amendment earlier. Let me just emphasize that this is not directed against any municipality; it is an amendment for reform. It says first that residents meet their tax obligations to the communities where they live, then—

### PARLIAMENTARY INQUIRY

Mr. COY. Mr. Speaker, a point of parliamentary inquiry.

The SPEAKER. The gentleman, Mr. Coy, is recognized for a point of parliamentary inquiry.

Mr. COY. Or whatever. But I think we have the wrong number on the board. There was a new draft of the amendment, and I am not sure we are dealing with the correct number. A675, I think.

The SPEAKER. If that is the case, the gentleman will have to submit his new draft to the clerk.

Mr. COY. And it has been circulated, I am informed, Mr. Speaker. A0675, Mr. Speaker.

The SPEAKER. The gentleman will please send his amendment to the clerk.

Mr. CURRY. They already have that.

### AMENDMENT WITHDRAWN

The SPEAKER. Without objection, amendment A0532 is withdrawn.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. CURRY offered the following amendment No. A0675:

Amend Sec. 501, page 98, line 28, by inserting before "THE" where it appears the first time

(a) General rule.—

Amend Sec. 501, page 98, by inserting after line 30

(b) Other credits.—Any tax paid under section 322 may be taken as a credit against any tax paid under the act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act, and section 359 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, Mr. Curry.

Mr. CURRY. This amendment says that residents meet their tax obligations to the communities where they live; then they can meet the obligations to the municipality where they work. Without this amendment there is no tax reform, and what so many have worked so hard for in the end is only a farce.

Thirty-five percent of the eligible taxpayers in my district do not contribute to the support of their communities because their taxes go elsewhere. That is not tax reform. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman from Montgomery.

On the Curry amendment, the gentleman, Mr. Kukovich, from Westmoreland.

Mr. KUKOVICH. Thank you, Mr. Speaker.

We discussed this issue earlier today. There was a drafting problem. It was redrafted, so it is at least drafted correctly. However, the basic issue remains.

I understand the efficacy of what Mr. Curry and some of our colleagues from that part of the State need to do. I sympathize with that. I would like to help them accomplish some reform in that area. But it is time for a reality check, and whenever we get this late in the evening, and it is a little bit different language but the same argument that went to Mr. Tomlinson, I understand and I empathize with what he wants to do and I know how you have to vote, but to everybody else in here who wants tax reform, if you vote for this amendment, the reality is, we are down the tubes again. Too bad, but that is what it is.

I am suggesting that we vote "no" on this amendment and move ahead with what we have crafted for the rest of the State, and then and only then will we be able to come back and visit this next step of the issue. But if we do not do that, this fails, that fails, everything fails. We need a "no" vote.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—77

Adolph	Fairchild	Krebs	Ryan
Armstrong	Fargo	Laub	Saurman
Baker	Farmer	Lawless	Scheetz
Barley	Fichter	Leh	Schuler
Birmelin	Fleagle	Lynch	Smith, S. H.
Boyes	Flick	Marsico	Snyder, D. W.
Brown	Gannon	Melio	Stairs
Bunt	Gladeck	Micozzie	Stern
Carone	Godshall	Miller	Strittmatter
Chadwick	Gruppo	Nailor	Taylor, E. Z.
Civera	Haluska	Nyce	Tomlinson
Clymer	Harley	Pettit	True
Cohen, L. I.	Hennessey	Phillips	Uliana
Conti	Herman	Piccola	Vance
Cornell	Hess	Pitts	Vitali
Corrigan	Hutchinson	Raymond	Waugh
Curry	Jadlowiec	Reinard	Wozniak
Dent	King	Rohrer	Wright, M. N.
Druce	Kirkland	Rubley	Zug
Egolf			

NAYS—117

Acosta	Gamble	Markosek	Scrimenti
Allen	Geist	Masland	Semmel
Argall	George	Mayernik	Serafini
Battisto	Gerlach	McCall	Smith, B.
Bebko-Jones	Gigliotti	McGeehan	Staback
Belardi	Gordner	McNally	Steelman
Belfanti	Gruitza	Merry	Steighner
Bishop	Hanna	Michlovic	Stel
Blaum	Hasay	Mihalich	Stetler
Buxton	Hershey	Mundy	Stish
Caltagirone	Hughes	O'Brien	Sturla
Cappabianca	Itkin	Olasz	Surra
Carn	James	Oliver	Tangretti
Cawley	Jarolin	Pesci	Taylor, J.
Cessar	Josephs	Petrarca	Thomas
Clark	Kaiser	Petrone	Tigue
Cohen, M.	Kasunic	Pistella	Trello
Colafella	Keller	Platts	Trich
Colaizzo	Kenney	Preston	Van Horne
Cowell	Kukovich	Reber	Veon
Coy	LaGrotta	Richardson	Washington
Daley	Laughlin	Ritter	Williams
DeLuca	Lederer	Roberts	Wogan
Dempsey	Lee	Robinson	Wright, D. R.
Dermody	Lescovitz	Roebuck	Yandrisevits
Donatucci	Levdansky	Rooney	Yewcic
Evans	Lloyd	Rudy	
Fajt	Lucyk	Santoni	DeWeese,
Fee	Maitland	Sather	Speaker
Freeman	Manderino	Saylor	

NOT VOTING—2

Rieger	Tulli
--------	-------

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

The SPEAKER. We are making progress. We only have a handful of amendments left.

The gentleman, Mr. Vitali. The gentleman indicates that he does not submit the amendment.

I can only think of one subject which would give you a bigger round of applause.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. STRITTMATTER offered the following amendment No. A0512:

Amend Bill, page 2, lines 11 through 39; page 3, lines 1 through 30; page 4, lines 1 through 7, by striking out all of said lines on said pages and inserting

Amending the act of December 31, 1965 (P.L.1257, No.511), entitled "An act empowering cities of the second class, cities of the second class A, cities of the third class, boroughs, towns, townships of the first class, townships of the second class, school districts of the second class, school districts of the third class and school districts of the fourth class including independent school districts, to levy, assess, collect or to provide for the levying, assessment and collection of certain taxes subject to maximum limitations for general revenue purposes; authorizing the establishment of bureaus and the appointment and compensation of officers, agencies and employes to assess and collect such taxes; providing for joint collection of certain taxes, prescribing certain definitions and other provisions for taxes levied and assessed upon earned income, providing for annual audits and for collection of delinquent taxes, and permitting and requiring penalties to be imposed and enforced, including penalties for disclosure of confidential information, providing an appeal from the ordinance or resolution levying such taxes to the court of quarter sessions and to the Supreme Court and Superior Court," authorizing school districts to impose an additional tax on earned income tax; and requiring school districts that impose the additional tax to reduce the rate of or eliminate certain taxes.

Amend Bill, page 79, lines 4 through 30; pages 80 through 102, lines 1 through 30; page 103, lines 1 through 20, by striking out all of said lines on said pages and inserting

Section 1. Section 8 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended October 11, 1984 (P.L.885, No.172) and July 9, 1987 (P.L.203, No.30), is amended to read:

Section 8. Limitations on Rates of Specific Taxes.—(a) No taxes levied under the provisions of this act shall be levied by any political subdivision on the following subjects exceeding the rates specified in this section:

(1) Per capita, poll or other similar head taxes, ten dollars (\$10).

(2) On each dollar of the whole volume of business transacted by wholesale dealers in goods, wares and merchandise, one mill, by retail dealers in goods, wares and merchandise and by proprietors of restaurants or other places where food, drink and refreshments are served, one and one-half mills; except in cities of the second class, where rates shall not exceed one mill on wholesale dealers and two mills on retail dealers and proprietors. No such tax shall be levied on the dollar volume of business transacted by wholesale and retail dealers derived from the resale of goods, wares and merchandise, taken by any dealer as a trade-in or as part payment for other goods, wares and merchandise,

except to the extent that the resale price exceeds the trade-in allowance.

(3) On wages, salaries, commissions and other earned income of individuals, one percent [.] except that school districts, subject to the provisions of section 8.1 of this act, may levy an additional tax of two and one-half percent on wages, salaries, commissions and other earned income. Revenues from the additional tax shall, notwithstanding any other provision of this act, be collected and used exclusively by the school district that levies the additional tax.

(4) On retail sales involving the transfer of title or possession of tangible personal property, two percent.

(5) On the transfer of real property, one percent.

(6) On admissions to places of amusement, athletic events and the like, and on motion picture theatres in cities of the second class, ten percent.

(7) Flat rate occupation taxes not using a millage or percentage as a basis, ten dollars (\$10).

(8) Occupational privilege taxes, ten dollars (\$10).

(9) On admissions to ski facilities, ten percent. The tax base upon which the tax shall be levied shall not exceed forty percent of the cost of the lift ticket. The lift ticket shall include all costs of admissions to the ski facility.

(10) On admissions to golf courses, ten percent. The tax base upon which the tax shall be levied shall not exceed forty percent of the greens fee. The greens fee shall include all costs of admissions to the golf course.

(11) On admissions to bowling alleys or bowling lanes, ten percent. The tax base upon which the tax shall be levied shall not exceed forty percent of the charge imposed upon a patron for the sale of admission to or the privilege of admission to a bowling alley or bowling lane to engage in one or more games of bowling.

(b) (1) Except as otherwise provided in this act, at any time two political subdivisions shall impose any one of the above taxes on the same person, subject, business, transaction or privilege, located within both such political subdivisions, during the same year or part of the same year, under the authority of this act then the tax levied by a political subdivision under the authority of this act shall, during the time such duplication of the tax exists, except as hereinafter otherwise provided, be one-half of the rate, as above limited, and such one-half rate shall become effective by virtue of the requirements of this act from the day such duplication becomes effective without any action on the part of the political subdivision imposing the tax under the authority of this act. When any one of the above taxes has been levied under the provisions of this act by one political subdivision and a subsequent levy is made either for the first time or is revived after a lapse of time by another political subdivision on the same person, subject, business, transaction or privilege at a rate that would make the combined levies exceed the limit allowed by this subdivision, the tax of the second political subdivision shall not become effective until the end of the fiscal year for which the prior tax was levied, unless:

[(1)] (i) Notice indicating its intention to make such levy is given to the first taxing body by the second taxing body as follows:

[(i)] (A) when the notice is given to a school district it shall be given at least forty-five days prior to the last day fixed by law for the levy of its school taxes;

[(ii)] (B) when given to any other political subdivision it shall be prior to the first day of January immediately preceding, or if a last day for the adoption of the budget is fixed by law, at least forty-five days prior to such last day; or

[(2)] (ii) Unless the first taxing body shall indicate by appropriate resolution its desire to waive notice requirements in which case the levy of the second taxing body shall become effective on such date as may be agreed upon by the two taxing bodies.

(2) It is the intent and purpose of this provision to limit rates of taxes referred to in this section so that the entire burden of one tax on a person, subject, business, transaction or privilege shall not exceed the limitations prescribed in this section: Provided, however, That any two political subdivisions which

impose any one of the above taxes, on the same person, subject, business, transaction or privilege during the same year or part of the same year may agree among themselves that, instead of limiting their respective rates to one-half of the maximum rate herein provided, they will impose respectively different rates, the total of which shall not exceed the maximum rate as above permitted.

(c) Notwithstanding the provisions of this section, any city of the second class A may enact a tax upon wages, salaries, commissions and other earned income of individuals resident therein, not exceeding one percent, even though a school district levies a similar tax on the same person provided that the aggregate of both taxes does not exceed two percent.

Section 2. The act is amended by adding a section to read:

Section 8.1. Additional Tax on Earned Income.—(a) Any school district that is subject to the provisions of this act shall have the authority to levy, assess and collect an additional tax upon earned income, pursuant to section 13 of this act, at a rate of up to two and one-half percent.

(b) Revenues derived from the additional tax shall be used to effect a dollar-for-dollar reduction in revenues derived from the per capita tax, the occupational privilege tax or the tax on occupation (flat rate or millage basis) or revenues derived from a tax on real property levied by the school district.

(c) (1) If a school district uses the revenues from the additional tax to abolish its levy of the per capita tax, the occupational privilege tax or the tax on occupation, the school district shall not thereafter levy the tax that has been abolished.

(2) If a school district uses the revenues from the additional tax to reduce the rate of the per capita tax, the occupational privilege tax or the tax on occupation, the school district shall not thereafter increase the rate of the tax that was reduced.

(d) If a school district uses the revenues from the additional tax to reduce the revenues derived from a real property tax levied by it, the reduction shall be accomplished by subtracting a fixed amount from the assessed valuation of all taxable properties. The amount, which shall be established by each school district, shall not exceed twenty-five thousand dollars (\$25,000).

(e) If a school district levies the additional tax on earned income, for a period of four years from the effective date of the additional tax the total tax revenue increase shall not exceed the average annual increase in tax revenues during the immediately preceding three fiscal years.

Section 3. This act shall take effect immediately.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, Mr. Strittmatter.

Mr. STRITTMATTER. Thank you, Mr. Speaker.

If you refer to the analysis, this A512 will give us an opportunity to vote for an earned income tax rather than the personal income tax. This would permit school districts to levy an additional 2 1/2-percent tax, and there would be taxpayer protections included in this amendment such that the revenue limits would be based upon the last 3 years of spending, and that would be going out over the next 4 years, in effect, to assure our taxpayers that this is property tax reform and not a tax increase.

I would ask for your support. Thank you.

The SPEAKER. The Chair thanks the gentleman and recognizes Mr. Kukovich.

Mr. KUKOVICH. Thank you, Mr. Speaker.

This guts the bill; I mean, literally takes everything out and replaces it with the maker's own type of tax authorization for school districts. All the language we put in — again, the Miller amendment, the Lloyd amendment, the Rubley amendment, the

things that in a bipartisan fashion we agreed on - it is all gutted. Everything we have done today, all these hours, are taken out and replaced with this new plan. It is not going to be workable. It destroys what we have tried to do. It is in some ways similar to the Rohrer amendment which got 21 votes.

I ask for a negative vote. We are almost home.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—36

Armstrong	Flick	Leh	Stern
Barley	Gannon	Marsico	Strittmatter
Birmelin	Geist	Piccola	Taylor, E. Z.
Boyes	Gladeck	Pitts	True
Bunt	Godshall	Reber	Tulli
Clymer	Harley	Rohrer	Vance
Cornell	Hershey	Sather	Waugh
Dent	Hess	Schoetz	Wogan
Fargo	Kenney	Schuler	Zug

NAYS—160

Acosta	Farmer	Lynch	Ryan
Adolph	Fee	Maitland	Santoni
Allen	Fichter	Manderino	Saurman
Argall	Fleagle	Markosek	Saylor
Baker	Freeman	Masland	Scrimenti
Battisto	Gamble	Mayernik	Semmel
Bebko-Jones	George	McCall	Serafini
Belardi	Gerlach	McGeehan	Smith, B.
Belfanti	Gigliotti	McNally	Smith, S. H.
Bishop	Gordner	Melio	Snyder, D. W.
Blaum	Gruitza	Merry	Staback
Brown	Gruppo	Michlovic	Stairs
Buxton	Haluska	Micozzie	Steelman
Caltagirone	Hanna	Mihalich	Steighner
Cappabianca	Hasay	Miller	Steil
Carn	Hennessey	Mundy	Stetler
Carone	Herman	Nailor	Stish
Cawley	Hughes	Nyce	Sturla
Cessar	Hutchinson	O'Brien	Surra
Chadwick	Itkin	Olasz	Tangretti
Civera	Jadlowiec	Oliver	Taylor, J.
Clark	James	Pesci	Thomas
Cohen, L. I.	Jarolin	Petrarca	Tigue
Cohen, M.	Josephs	Petrone	Tomlinson
Colafiglia	Kaiser	Pettit	Treffo
Colaizzo	Kasunic	Phillips	Trich
Conti	Keller	Pistella	Uliana
Corrigan	King	Platts	Van Horne
Cowell	Kirkland	Preston	Veon
Coy	Krebs	Raymond	Vitali
Curry	Kukovich	Reinard	Washington
Daley	LaGrotta	Richardson	Williams
DeLuca	Laub	Rieger	Wozniak
Dempsey	Laughlin	Ritter	Wright, D. R.
Dermody	Lawless	Roberts	Wright, M. N.
Donatucci	Lederer	Robinson	Yandrisevits
Druce	Lee	Roebuck	Yewcic
Egolf	Lescovitz	Rooney	
Evans	Levdansky	Rubley	DeWeese,
Fairchild	Lloyd	Rudy	Speaker
Fajt	Lueyk		

NOT VOTING—0

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. GANNON offered the following amendment No. A0509:

Amend Title, page 2, line 17, by striking out "AND" where it appears the second time

Amend Title, page 2, line 19, by removing the period after "TREASURER" and inserting

; empowering cities of the first class to levy, assess and collect, or to provide for the levying, assessment and collection of, certain additional taxes for general revenue purposes; authorizing the establishment of bureaus and the appointment and compensation of officers and employees to assess and collect such taxes; permitting penalties to be imposed and enforced; authorizing cities of the first class to impose a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection at the option of cities of the first class; conferring and imposing powers and duties on cities of the first class and the collector of city taxes in such cities; prescribing penalties; and making repeals.

Amend Table of Contents, page 2, by inserting between lines 20 and 21

PART I. OPTIONAL LOCAL TAX ENABLING PROVISIONS

Amend Table of Contents, page 2, line 31, by striking out "ACT" and inserting

part

Amend Table of Contents, page 4, line 1, by striking out "THIS ACT" and inserting

part

Amend Table of Contents, page 4, by inserting between lines 5 and 6

PART II. FIRST CLASS CITY TAX ENABLING PROVISIONS

Chapter 21. Preliminary Provisions

Section 2101. Short title.

Chapter 23. First Class City Tax Enabling Act

Section 2301. Tax authorization.

Section 2302. State Treasurer.

Section 2303. Prohibition on nonresident taxes.

Section 2304. Bureaus, collections, etc.

Section 2305. Penalties.

Chapter 25. First Class City Business Tax Reform

Section 2501. Short title.

Section 2502. Definitions.

Section 2503. Authority to levy and collect tax; use of tax.

Section 2504. Imposition and rate of tax.

Section 2505. Period used in computation of tax.

Section 2506. Returns.

Section 2507. Payment at time of filing return.

Section 2508. Collection of tax.

Section 2509. Penalties.

Section 2510. Savings provisions.

Section 2511. Other receipts taxes.

Section 2512. Severability.

Section 2513. Applicability.

PARTS III THROUGH VIII (RESERVED)

PART IX. MISCELLANEOUS PROVISIONS

Chapter 91. Miscellaneous Provisions

Section 9101. Repeals.

Section 9102. Effective date.  
 Amend Bill, page 4, by inserting between lines 9 and 10  
 PART I  
 OPTIONAL LOCAL TAX ENABLING PROVISIONS  
 Amend Sec. 101, page 79, line 7, by striking out "ACT" and  
 inserting  
 part  
 Amend Sec. 102, page 79, line 10, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 102, page 82, line 8, by striking out "ACT" and  
 inserting  
 part  
 Amend Sec. 102, page 82, line 11, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 103, page 82, line 15, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 103, page 82, line 18, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 103, page 82, line 19, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 104, page 82, line 25, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 301, page 83, line 15, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 301, page 83, line 19, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 302, page 84, line 6, by striking out "ACT" and  
 inserting  
 part  
 Amend Sec. 303, page 84, line 10, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 303, page 84, line 12, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 303, page 84, line 17, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 303, page 84, line 26, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 304, page 85, line 7, by striking out "ACT" and  
 inserting  
 part  
 Amend Sec. 320, page 92, line 17, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 331, page 97, line 15, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 501, page 98, line 30, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 701, page 100, line 8, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 902, page 101, line 29, by striking out "THIS  
 ACT" and inserting  
 part  
 Amend Sec. 902, page 102, line 3, by striking out "ACT"  
 and inserting  
 part  
 Amend Sec. 905, page 103, line 9, by striking out "ACT"  
 and inserting  
 part

Amend Sec. 906, page 103, line 16, by striking out "ACT"  
 and inserting  
 part  
 Amend Bill, page 103, lines 17 through 20, by striking out  
 all of said lines and inserting  
 PART II  
 FIRST CLASS CITY  
 TAX ENABLING PROVISIONS  
 CHAPTER 21  
 PRELIMINARY PROVISIONS  
 Section 2101. Short title.  
 This part shall be known and may be cited as the First Class  
 City Tax Enabling Act.  
 CHAPTER 23  
 FIRST CLASS CITY TAX ENABLING ACT  
 Section 2301. Tax authorization.  
 From and after the effective date of this chapter, the council  
 of any city of the first class shall have the authority by ordinance,  
 for general revenue purposes, to levy, assess and collect, or  
 provide for the levying, assessment and collection of, such taxes  
 on persons, transactions, occupations, privileges, subjects and  
 personal property, within the limits of such city of the first class,  
 as it shall determine, except that such council shall not have  
 authority to levy, assess and collect, or provide for the levying,  
 assessment and collection of, any tax on a privilege, transaction,  
 subject or occupation, or on personal property, which is now or  
 may hereafter become subject to a State tax or license fee. If,  
 subsequent to the passage of any ordinance under the authority of  
 this chapter, the General Assembly shall impose a tax or license  
 fee on any privilege, transaction, subject or occupation, or on  
 personal property, taxed by any city of the first class hereunder,  
 the act of the General Assembly imposing the State tax thereon  
 shall automatically vacate the city ordinance passed under the  
 authority of this chapter as to all taxes accruing subsequent to the  
 effective date of the chapter imposing the State tax or license fee.  
 It is the intention of this section to confer upon cities of the first  
 class the power to levy, assess and collect taxes upon any and all  
 subjects of taxation which the Commonwealth has power to tax  
 but which it does not now tax or license, subject only to the  
 foregoing provisions that any tax upon a subject which the  
 Commonwealth may hereafter tax or license shall automatically  
 terminate upon the effective date of the State act imposing the  
 new tax or license fee.  
 Section 2302. State Treasurer.  
 (a) Duties.—It shall be the duty of the State Treasurer or  
 other appropriate State official at the time of payment of the  
 salary, wage or other compensation to any officer or employee of  
 this Commonwealth, with the exception of elected officials,  
 domiciled or rendering services within any first class city, to  
 deduct any tax imposed by such city on the salary, wage or other  
 compensation paid by the Commonwealth to any officer or  
 employee thereof.  
 (b) Return.—The State Treasurer or other appropriate State  
 official shall, on or before April 30, July 31, October 31 and  
 January 31 of each year, make a return on a form furnished by or  
 obtainable from the revenue commissioner of such city and remit  
 to the revenue commissioner the amount of tax so deducted for  
 the three-month period ending on the last day of the month  
 preceding.  
 Section 2303. Prohibition on nonresident taxes.  
 Notwithstanding any other provision of this chapter or any  
 other act of the General Assembly to the contrary, a city of the  
 first class shall not impose a tax on earned income, salaries,  
 wages, commissions or other compensation of nonresident  
 taxpayers.  
 Section 2304. Bureaus, collections, etc.  
 Cities of the first class are hereby authorized to provide by  
 ordinance for the creation of such bureaus, or the appointment and  
 compensation of such officers, clerks, collectors and other  
 assistants and employees, either under existing departments or  
 otherwise, as may be deemed necessary for the assessment and  
 collection of taxes imposed under authority of this chapter.  
 Section 2305. Penalties.



The council of cities of the first class shall have power to prescribe and enforce penalties for the nonpayment, within the time fixed for their payment, of taxes imposed under authority of this chapter and for the violation of the provisions of ordinances passed under authority of this chapter.

#### CHAPTER 25

#### FIRST CLASS CITY BUSINESS TAX REFORM

Section 2501. Short title.

This chapter shall be known and may be cited as the First Class City Business Tax Reform Act.

Section 2502. Definitions.

The following words phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Affiliated group.” One or more chains of corporations connected through stock ownership with a common parent corporation if:

(1) Stock possessing at least 80% of the voting power of all classes of stock and at least 80% of each class of the nonvoting stock of each corporation, except the common parent corporation, is owned directly by one or more of the other corporations.

(2) The common parent corporation owns directly stock possessing at least 80% of the voting power of all classes of stock and at least 80% of each class of the nonvoting stock of at least one of the other corporations.

As used in this definition, the term “stock” does not include nonvoting stock which is limited and preferred as to dividends.

“Business.” Carrying on or exercising, for gain or profit, within a city of the first class, any trade, business, including financial business as defined in this section, profession, vocation or commercial activity or making sales to persons within such city of the first class. The term does not include the following:

(1) Any business conducted by a nonprofit corporation or association organized for religious, charitable or educational purposes, the business of any political subdivision or of any authority created and organized under and pursuant to laws of this Commonwealth.

(2) The specific business conducted by any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission or conducted by a business subject to the jurisdiction of the Interstate Commerce Commission of furnishing or supplying service or services at the rates specified in its tariffs.

(3) The business of any insurance company, association or exchange, or any fraternal, benefit or beneficial society of any other state under the laws of which insurance companies, associations or exchanges or fraternal, benefit or beneficial societies of this Commonwealth doing business in such other state are subjected, by reason of the tax imposed by this chapter, to additional or further taxes, fines, penalties or license fees by such other state.

(4) Any employment for a wage or salary.

(5) Services performed within a city of the first class by a person, an affiliated group, partnership, financial business, corporation or other business entity whose place of business is physically located outside the city of the first class.

(6) Sales made to customers within the city of the first class, if both the decision to accept the customer's order and shipment of the goods is made at a location outside the city of the first class.

“Collector.” The receiver of taxes in cities of the first class.

“Cost of goods.” In the case of a retailer or wholesaler, the cost of goods, wares, commodities and merchandise purchased by the retailer or wholesaler and resold by him, such cost to include all freight-in charges.

“Cost of labor.” In the case of a retailer or wholesaler, the cost of the labor of his employees used in receiving, storing, shipping and delivering the goods, wares, commodities or merchandise purchased for resale and the cost of the salaries or commissions paid to his employees for making the actual sales of the goods, wares, commodities or merchandise.

“Dividends.” Any distribution made by a corporation to its shareholders in respect of its stock, whether ordinary, extraordinary or in liquidation.

“Financial business.” Other than the business of any regulated industry, the services and transactions of private banks and bankers; building and loan associations; savings and loan associations; credit unions; savings banks; banks; bank and trust companies; trust companies; investment companies registered as such with the Federal Securities and Exchange Commission; holding companies; persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, including traders; dealers and brokers in money, credits, commercial paper, bonds, notes, securities and stocks and monetary metals; and factors and commission merchants.

“Manufacturer.” A person whose business is the sale of goods, commodities, wares or merchandise of its own manufacture, growth or production.

“Net income”:

(1) The term shall mean, at the option of the taxpayer, which option shall not be revocable by the taxpayer, any one of the following:

(i) The taxable income from any business activity as returned to and ascertained by the Federal Government prior to giving effect to the exclusion for dividends received and net operating loss, subject to the following adjustments:

(A) A deduction for dividends, interest and royalty income and other receipts excluded from the definition of “receipts” under paragraphs (5) and (7) of that definition, but only to the extent that such dividends, interest, royalty and other receipts are included in taxable income as returned to and ascertained by the Federal Government as heretofore defined.

(B) A deduction for net income attributable to receipts that are excluded under paragraph (6) of the definition of “receipts.”

(C) A deduction for income received from all obligations of the United States, including stocks, bonds and Treasury notes and other obligations of the United States.

(D) An increase for interest expense attributable to these stocks, bonds and Treasury notes and other obligations of the United States or any of its political subdivisions which is exempt from taxation of income under the laws of the United States or of this Commonwealth. The increase shall not exceed the deduction claimed in clause (C).

(E) A deduction for net income of persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, other than the net income attributable to commissions and similar charges on account of transactions effected for persons residing or having their principal place of business within a city of the first class.

(ii) As defined by the council of any city of the first class.

(2) In the case of a corporation participating in the filing of a consolidated corporate return to the Federal Government, the term shall mean the income from any business activity which would have been returned to and ascertained by the Federal Government, if separate returns had been made to the Federal Government, subject, however to any correction thereof for fraud, evasion or error as finally ascertained by the Federal Government. Notwithstanding any other provision of this chapter, no taxpayer shall be required or permitted to participate in the filing of a consolidated or combined tax return under this chapter.

(3) The collector shall establish rules and regulations and methods of apportionment and allocation and evaluation so that only that part of such net income or net operating loss which is properly attributable and allocable to the doing of business in the city of the first class levying the tax shall be taxed hereunder. The collector may make an apportionment and allocation, with due regard to the nature of the business concerned, on the basis of mileage, the ratio of the taxable receipts of the taxpayer from within the city to the total receipts of the taxpayer, the ratio of the value of the tangible personal and real property of the taxpayer owned or leased and situated in the city levying the tax to the total tangible personal and real property of the taxpayer wherever owned and situated, the ratio of the wages, salaries, commissions and other compensation paid by the taxpayer within the city levying the tax to the total wages, salaries, commissions and other compensation paid by the taxpayer, and any other method or methods of apportionment and allocation, other than the foregoing, calculated to effect a fair and proper apportionment and allocation. The net income of a person which is described as being subject to a tax pursuant to Article VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall be allocated and apportioned to a city of the first class in accordance with a fraction of which the numerator shall be "receipts" as defined and limited in this section and the denominator shall be receipts regardless of whether received in or apportionable to the city of the first class.

(4) After apportioning and allocating net income, apportioned and allocated net operating losses carried forward shall be deducted.

"Net operating loss":

(1) In the case of a person conducting its entire business within a city of the first class, any net losses incurred from the operation of its business as returned to and ascertained by the Federal Government prior to giving effect to the exclusion for dividends received and net operating loss subject to the same adjustments made applicable to net income in this section. In the case of a person conducting his business both in and outside of a city of the first class, any net operating loss incurred which is carried forward to another tax year shall be allocated and apportioned in the same manner as net income prior to its being deducted from apportioned and allocated net income in the subsequent tax year. Apportionment and allocation of net operating loss shall be based upon allocation and apportionment factors applicable to the year in which the net operating loss was incurred.

(2) Net operating losses incurred in another tax period may be carried over for three tax years following the year in which it was incurred. The earliest net loss shall be carried over to the earliest taxable year to which it may be carried.

"Person." Any individual, partnership, limited partnership, association, corporation, estate or trust. Whenever used in any provision prescribing or imposing a penalty, the term, as applied to associations, shall mean the partners or members thereof and, as applied to corporations, the officers thereof.

"Receipts." Cash, credits, property of any kind or nature, received from conducting any business or by reason of any sale made, including resales of goods, wares or merchandise taken by a dealer as a trade in or as part payment for other goods, wares or merchandise or services rendered or commercial or business transactions, without deduction therefrom on account of the cost of property sold, materials used, labor, service or other cost, interest or discount paid or any other expense. For the purpose of determining receipts from the business of insurance, such receipts shall mean those from premiums received from risks within the city of the first class, whether by mutual or stock companies, domestic or foreign, without any deductions therefrom for any cost or expenses whatsoever; except, premiums shall not include return premiums, dividends paid or credited to policyholders if

such dividends are in the nature of an adjustment of the premiums charged, and premiums received for reinsurance. Receipts from a person engaged in the business of insurance shall also include receipts from rental real estate situated in cities of the first class but shall not include interest, dividend and capital gain receipts. Nothing in this definition shall preclude the taxation of other nonpremium business receipts of persons engaged in the business of insurance. Receipts of any business shall exclude:

(1) The amount of any allowance made for goods, wares or merchandise taken by a dealer as a trade in or as part payment for other goods, wares and merchandise in the usual and ordinary course of his business.

(2) In the case of a financial business or a person which is described as being subject to a tax imposed pursuant to Article VII, VIII or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, the cost of securities and other property sold, exchanged, paid at maturity or redeemed; moneys or credits received in repayment of the principal amount of deposits, advances, credits, loans and other obligations; interest received on account of deposits, advances, credits, loans and other obligations made to persons resident or having their principal place of business outside such city; interest received on account of other deposits, advances, credits, loans and other obligations but only to the extent of interest expense attributable to such deposits, advances, credits, loans and other obligations and shall also exclude payments received on account of shares purchased by shareholders.

(3) In the case of a broker, any commissions paid by him to another broker on account of a purchase or sales contract initiated, executed or cleared in conjunction with such other broker, except where either is an employee of the other.

(4) Receipts by dealers from sales to other dealers in the same line, where the dealer transfers title or possession at the same price for which he acquired the goods, wares or merchandise.

(5) Dividends, interest and royalties received by one corporation from:

(i) a corporation of the same affiliated group; or

(ii) a corporation of which the receiving corporation owns at least 20% of the voting power of all classes of stock and at least 20% of each class of nonvoting stock.

(6) Receipts from the specific business conducted by any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission or conducted by a business subject to the jurisdiction of the Interstate Commerce Commission of furnishing or supplying service or services at the rates specified in its tariffs.

(7) Receipts by a corporation which is a member of an affiliated group from other members of the same affiliated group.

(8) Commissions and similar charges received by persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, on account of transactions effected for persons resident and having their principal place of business outside the city of the first class.

(9) All or a portion of such other allowances, costs, moneys or credits as are specifically excluded by a city council of a city of the first class and which would otherwise be includable within this definition.

"Regulated industry." A person subject to a tax pursuant to Article VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, or any public utility operating under the laws, rules and regulations administered by the Pennsylvania Public Utility Commission, all or a portion of the activities of which is to furnish or supply service or services at the rates specified in its tariffs.

"Retailer." A person whose business is the sale of goods, commodities, wares or merchandise to persons who are not dealers or vendors of those goods, commodities, wares or merchandise.

"Sale." Transfer of title to goods, wares, commodities or merchandise, regardless of where accomplished, the delivery of which is made by the seller within a city of the first class. The term does not include any intracompany transfers.

"Taxable receipts":

(1) Receipts, as defined and limited in this section, within the limits of a city of the first class.

(2) The term excludes the following:

(i) Receipts or portion of receipts attributable to any sale involving the bona fide delivery of goods, commodities, wares or merchandise to a location regularly maintained by the other party to the transaction outside the limits of a city of the first class and not for the purpose of evading or avoiding payment of the tax, or any portion thereof, imposed under this chapter.

(ii) Receipts or portion of receipts received for any services actually performed outside the limits of a city of the first class and not for the purpose of evading or avoiding payment of the tax, or any portion of it imposed, under this chapter.

(3) Taxable receipts of persons making sales or rendering services both inside and outside a city of the first class, or both, are to be segregated.

(4) In the event, and only in the event, taxable receipts as defined in this definition are incapable of segregation, the collector shall establish rules and regulations and methods of allocation and apportionment and evaluation so that only that part of such taxable receipts which is properly attributable to the doing of business within a city of the first class levying this tax shall be taxed hereunder.

"Tax year." A 12-month period from January 1 to December 31.

"Wholesaler." A person whose business is the sale of goods, commodities, wares or merchandise to dealers or vendors of those goods, commodities, wares or merchandise.

Section 2503. Authority to levy and collect tax; use of tax.

For the tax year 1985, and annually thereafter, if authorized by the city council of a city of the first class, every city of the first class shall levy and collect an annual tax as provided in this chapter. This tax shall be in addition to any other tax a city of the first class is empowered to levy and collect under any existing law. The taxes and penalties collected under the provisions of this chapter shall be used by the city for general revenue purposes of the city.

Section 2504. Imposition and rate of tax.

(a) Rate of tax.—Notwithstanding a contrary provision of law of the Commonwealth, including, but not limited to, this part and, unless otherwise exempted or excluded from the payment of tax by an ordinance of the city council of a city of the first class taking advantage of this authorization to tax, every person engaging in any business in a city of the first class, beginning with the tax year 1985, and annually thereafter, shall pay an annual tax at the rate or rates specified by the city council of the city of the first class. The rate or rates determined for regulated industries shall be based upon taxable receipts, provided that the amount payable shall not exceed a percentage of net income established by the city council, and provided further, that any rates of tax set by the city council for regulated industries based on receipts or net income shall be set at the same millage or net income rates set for other businesses. All other businesses other than regulated industries shall pay at rates determined by the city council which shall be applicable to taxable receipts, net income or any combination of the two, provided that, if a city of the first class imposing the tax as provided in this chapter already imposes or hereafter imposes a tax based on or measured by net profit or gain, after provision for all allowable costs and expenses incurred and as either paid or accrued in accordance with the accounting system used, without deduction of taxes based on income, from

the operation of a business, profession or enterprise carried on by any individual, copartnership, fiduciary or association, as owner or proprietor, either individually or in association with some other individual, copartnership, fiduciary or association, a credit in an amount of 60% of the tax liability based upon net income under this chapter shall be granted to and applied against the tax based on net profit or gain as provided therein except that the city council of the city of the first class may provide for a credit in excess of the 60% provided herein, and provided further, that the tax authorized by this chapter and imposed by a city of the first class on persons registered under the act of December 5, 1972 (P.L.1280, No.284), known as the Pennsylvania Securities Act of 1972, shall in no event be less than the sum of 4.6 mills on the person's taxable receipts determined in accordance with this authorization without regard to the exclusion from receipts as defined in paragraph (8) of the definition of "receipts" in section 2502 plus the lesser of:

(1) 2.3 mills on the person's taxable receipts determined in accordance with this authorization without regard to the exclusion from receipts as defined in paragraph (8) of the definition of "receipts" in section 2502; or

(2) 2.3% of the person's net income determined in accordance with this authorization without regard to the deduction as defined in paragraph (1)(i)(E) of the definition of "net income" in section 2502.

(b) Alternative tax rate.—Alternatively, a manufacturer, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on manufacturing sales, at the rate established by the council of the said city of the first class, on receipts from manufacturing sales after deducting cost of goods sold as determined under the rules prescribed by the Internal Revenue Code of 1954 (68A Stat. 3, 26 U.S.C. § 1 et seq.).

(c) Wholesaler alternative.—Alternatively, a wholesaler, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on wholesale sales, at the rate established by the council of said city of the first class, on receipts from wholesale sales after deducting the applicable cost of goods and the applicable cost of labor.

(d) Retailer alternative.—Alternatively, a retailer, other than a regulated industry, subject to the tax on receipts, shall, at his option, be permitted to compute the tax on receipts on retail sales, at the rate established by the council of a city of the first class, on receipts from retail sales after deducting the applicable cost of goods and the applicable cost of labor.

Section 2505. Period used in computation of tax.

(a) Computation.—Every person subject to the payment of the tax hereby imposed who has commenced his business at least one full year prior to the beginning of any tax year shall compute his annual receipts upon the actual receipts received by him during the preceding calendar year.

(b) Current year computation.—Every person subject to the payment of the tax imposed hereunder, who has commenced his business subsequent to the beginning of any tax year, shall compute his annual receipts for such tax year upon the actual receipts received by him during the part of such tax year remaining.

(c) Partial computation.—Every person subject to the payment of the tax imposed hereunder, who has commenced his business less than one full year prior to the beginning of any tax year, shall compute his annual receipts for such tax year upon the actual receipts received by him during his first 365 days in business.

(d) Temporary computation.—Every person subject to the payment of the tax hereby imposed, who engages in a business, temporary, seasonal or itinerant by its nature, shall compute his annual receipts upon the actual receipts received by him during such license year.

Section 2506. Returns.

(a) Forms.—Every return shall be made upon a form furnished by the collector. Every person making a return shall certify the correctness thereof.

(b) Time.—Every person subject to the tax imposed and authorized by this chapter shall file a return at such time or times and in such manner as provided for by the city council of a city of the first class. Such provisions may permit reasonable extensions of time for filing returns, provided an estimated return is filed on or before the due date and is filed in the manner and paid in the amount prescribed by the collector. No penalties shall be imposed for underestimates of tax owed, provided the estimated payments are made as prescribed by the collector.

Section 2507. Payment at time of filing return.

The person making the return shall pay the amount of tax shown as due to the collector.

Section 2508. Collection of tax.

The ordinance authorizing the tax shall provide for its collection. The taxes shall be collected in accordance with all provisions, restrictions, limitations, rights of notice and appeal as are applicable to other taxes imposed for city purposes.

Section 2509. Penalties.

In addition to any other penalties or enforcement proceedings provided for by ordinance of the city council of cities of the first class for the collection and enforcement of taxes:

(1) Whoever willfully makes any false or untrue statement on his return commits a misdemeanor of the second degree and shall, upon conviction, be sentenced to pay a fine of not more than \$2,000 or to imprisonment for not more than two years, or both.

(2) Whoever willfully fails or refuses to appear before the collector in person with his books, records or accounts for examination when required under the provisions of this chapter or ordinance of a city of the first class to do so, or who willfully refuses to permit inspection of the books, records or accounts of any business in his custody or control when the right to make such inspection by the collector is requested, commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not more than \$500 or to imprisonment for not more than six months, or both.

(3) Whoever willfully fails or refuses to file a return required by this chapter commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 or to imprisonment for not more than one year, or both.

Section 2510. Savings provisions.

(a) Validity.—The validity of any ordinance or part of any ordinance providing for or relating to the imposition, levy or collection of any tax passed by the council of a city of the first class, and any amendments or supplements thereto, shall not be affected or impaired by anything contained in this chapter.

(b) Limitations.—Nothing contained in this chapter shall be construed to empower a city of the first class to levy and collect the taxes hereby imposed not within the taxing power of this Commonwealth under the Constitution of the United States.

Section 2511. Other receipts taxes.

Notwithstanding anything contained in any law to the contrary, and except when specifically authorized by the General Assembly, no city council of a city of the first class may levy, assess or collect, for city purposes, any tax, based on or measured by gross receipts, for the privilege of doing business in the city if the city already provides for the imposition, levy and collection of the tax imposed and authorized by this chapter.

Section 2512. Severability.

In the event that all or any part of the provisions of this chapter are declared by a court to be unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions. It is hereby declared as the legislative intent that the remainder of this part would have been adopted had such unconstitutional provision or part of such provision not been included herein.

Section 2513. Applicability.

(a) General rule.—At its option, a city of the first class may elect to impose and collect taxes under this chapter or under the act of May 23, 1949 (P.L.1669, No.508), entitled, as reenacted and amended, "An act to provide revenue for school districts of

the first class by imposing a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection; conferring and imposing powers and duties on the Board of Public Education, receiver of school taxes and school treasurer in such districts; and prescribing penalties," but not under both.

(b) Effect on other receipts taxes.—Section 2511 shall take effect with respect to any tax year after tax year 1984 to fund the fiscal year of a city of the first class commencing July 1, 1984, and for subsequent fiscal years.

PARTS III THROUGH VIII

(RESERVED)

PART IX

MISCELLANEOUS PROVISIONS

CHAPTER 91

MISCELLANEOUS PROVISIONS

Section 9101. Repeals.

(a) Absolute.—The following acts and parts of acts are repealed:

Act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

Act of May 30, 1984 (P.L.345, No.69), known as the First Class City Business Tax Reform Act.

(b) Other.—The following acts and parts of acts are repealed to the extent specified:

Section 8(6) of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, insofar as it is inconsistent with Part II of this act.

Section 14 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, insofar as it is inconsistent with the provisions of section 2502 of this act.

(c) General.—All other acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 9102. Effective date.

This act shall take effect as follows:

(1) Part I of this act shall take effect January 1, 1995.

(2) Section 2303 of this act shall take effect January 1, 1994.

(3) The remainder of this act shall take effect immediately.

On the question,

Will the House agree to the amendment?

AMENDMENT WITHDRAWN

The SPEAKER. Mr. Gannon is recognized.

Mr. GANNON. Mr. Speaker, A509, I am withdrawing that, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman from Delaware County.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

RULES SUSPENDED

The SPEAKER. The Chair recognizes the majority leader.

Mr. ITKIN. Mr. Speaker, I move that the House temporarily suspend its rules for the consideration of two amendments — one from Mr. Snyder, one from Mr. Nyce.

On the question,

Will the House agree to the motion?

The following roll call was recorded:

YEAS—164

Acosta	Egolf	Leh	Saurman
Adolph	Evans	Lescovitz	Saylor
Allen	Fairchild	Lloyd	Schuler
Argall	Fajt	Manderino	Scrimenti
Armstrong	Fargo	Marsico	Semmel
Baker	Farmer	Masland	Serafini
Barley	Fee	McCall	Smith, B.
Battisto	Fichter	McGeehan	Smith, S. H.
Belardi	Fleagle	McNally	Staback
Belfanti	Flick	Melio	Stairs
Birmelin	Gamble	Merry	Steighner
Bishop	Gannon	Michlovic	Steil
Blaum	Geist	Micozzie	Stern
Boyes	George	Mihalich	Stetler
Brown	Gigliotti	Miller	Stish
Bunt	Gladeck	Mundy	Strittmatter
Buxton	Godshall	Nailor	Sturla
Caltagirone	Gordner	Nyce	Surra
Cappabianca	Gruitza	Oliver	Tangretti
Cawley	Gruppo	Pesci	Taylor, E. Z.
Cessar	Harley	Petrarca	Taylor, J.
Chadwick	Hasay	Petrone	Thomas
Civera	Herman	Pettit	Tigue
Clark	Hershey	Phillips	Tomlinson
Clymer	Hess	Piccola	Trello
Cohen, L. I.	Hughes	Pitts	True
Cohen, M.	Itkin	Preston	Tulli
Colafrella	Jadlowiec	Raymond	Uliana
Colaizzo	James	Reber	Vance
Conti	Jarolin	Reinard	Veon
Cornell	Josephs	Richardson	Vitali
Corrigan	Kaiser	Rieger	Waugh
Cowell	Kasunic	Roberts	Williams
Coy	Kenney	Robinson	Wogan
Curry	King	Rohrer	Wright, D. R.
Daley	Kirkland	Rooney	Wright, M. N.
DeLuca	Kukovich	Rublely	Yandrisevits
Dempsey	LaGrotta	Rudy	Zug
Dent	Laub	Ryan	
Dermody	Laughlin	Santoni	DeWeese,
Donatucci	Lawless	Sather	Speaker
Druce	Lederer		

NAYS—22

Bebko-Jones	Krebs	Markosek	Scheetz
Carone	Lee	Mayernik	Trich
Freeman	Levdansky	Olasz	Van Horne
Hanna	Lucyk	Platts	Wozniak
Hutchinson	Lynch	Ritter	Yewcic
Keller	Maitland		

NOT VOTING—10

Carn	Hennessey	Roebuck	Steelman
Gerlach	O'Brien	Snyder, D. W.	Washington
Haluska	Pistella		

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

A majority of the members elected to the House having voted in the affirmative, the question was determined in the affirmative and the motion was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. SNYDER offered the following amendment No. A0669:

Amend Sec. 304, page 85, line 6, by inserting after "BODY" which elects to participate under this act pursuant to section 303

On the question,  
Will the House agree to the amendment?

The SPEAKER. On the amendment, the gentleman, Mr. Snyder, is recognized.

Mr. SNYDER. Thank you, Mr. Speaker.

May I first interrogate the gentleman from Allegheny County, Representative Trello?

The SPEAKER. Mr. Trello indicates he will stand for interrogation.

Mr. SNYDER. Mr. Speaker, I reference you to page 85 of the bill, section 304, the general rule.

Is it your intention that the general rule set forth there that states that "...A GOVERNING BODY MAY NOT INCREASE THE RATE OF ANY TAX IMPOSED UNDER THIS ACT OR ANY OTHER ACT WITHOUT FIRST OBTAINING THE APPROVAL OF THE ELECTORATE OF THE AFFECTED COUNTY, MUNICIPALITY OR SCHOOL DISTRICT IN A PUBLIC REFERENDUM..." only applies to governing bodies that opt to participate under the act that we are considering today; that is, the Local Tax Enabling Act?

Mr. TRELLO. The answer is yes.

Mr. SNYDER. Thank you, Mr. Speaker.

Mr. Speaker, if I may speak on the amendment.

The SPEAKER. On the amendment.

Mr. SNYDER. Mr. Speaker, this amendment is a technical amendment in order to clarify the intention of the previous speaker.

Currently as it is read, the bill could be interpreted to mean that any municipality, whether they opt into this optional tax program or not, would have to have a referendum for any tax increase in the future. This would clarify it to say that it is only for municipalities that participate under this new optional program.

Mr. COY. Mr. Speaker?

The SPEAKER. For what purpose does the gentleman rise?

Mr. COY. Will the gentleman stand for interrogation?

The SPEAKER. The gentleman, Mr. Snyder?

Mr. COY. Yes.

The SPEAKER. The gentleman indicates in the affirmative.

Mr. COY. Mr. Speaker, is the language that you present in this amendment changed appreciably from the language before? This is only a technical correction. Is that your indication?

Mr. SNYDER. That is correct, Mr. Speaker.

Mr. COY. Thank you, Mr. Speaker.

On the amendment.

The SPEAKER. On the amendment.

Mr. COY. Mr. Speaker, I would agree to the amendment and encourage the members to support it.

The SPEAKER. Does Mr. Trello seek recognition?

Mr. TRELLO. Mr. Speaker, I agree with the amendment and urge everybody to support it.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—193

Acosta	Farmer	Lloyd	Saylor
Adolph	Fee	Lynch	Scheetz
Allen	Fichter	Maitland	Schuler
Argall	Fleagle	Manderino	Scrimenti
Armstrong	Flick	Markosek	Semmel
Baker	Freeman	Marsico	Serafini
Barley	Gamble	Masland	Smith, B.
Battisto	Gannon	Mayernik	Smyth, S. H.
Bebko-Jones	Geist	McCall	Snyder, D. W.
Belardi	George	McNally	Staback
Belfanti	Gerlach	Melio	Stairs
Birmelin	Gigliotti	Merry	Steelman
Bishop	Gladeck	Michlovic	Steighner
Blaum	Godshall	Micozzie	Steil
Boyes	Gordner	Mihalich	Stern
Brown	Gruitza	Miller	Stetler
Bunt	Gruppo	Mundy	Stish
Buxton	Haluska	Nailor	Strittmatter
Caltagirone	Hanna	Nyce	Sturla
Cappabianca	Harley	O'Brien	Surra
Carn	Hasay	Olasz	Tangretti
Carone	Hennessey	Oliver	Taylor, E. Z.
Cawley	Herman	Pesci	Taylor, J.
Cessar	Hershey	Petrarca	Thomas
Chadwick	Hess	Petrone	Tigue
Civera	Hughes	Pettit	Tomlinson
Clymer	Hutchinson	Phillips	Trello
Cohen, L. I.	Itkin	Piccola	Trich
Cohen, M.	Jadlowiec	Pistella	True
Colafella	James	Pitts	Tulli
Colaizzo	Jarolin	Platts	Uliana
Conti	Josephs	Preston	Vance
Cornell	Kaiser	Raymond	Van Horne
Corrigan	Kasunic	Reber	Veon
Cowell	Keller	Reinard	Vitali
Coy	Kenney	Richardson	Washington
Curry	King	Rieger	Waugh
Daley	Kirkland	Ritter	Williams
DeLuca	Krebs	Roberts	Wogan
Dempsey	Kukovich	Robinson	Wozniak
Dent	LaGrotta	Roebuck	Wright, D. R.
Dermody	Laub	Rohrer	Wright, M. N.
Donatucci	Laughlin	Rooney	Yandrisevits
Druce	Lawless	Rubleby	Yewcic
Egolf	Lederer	Rudy	Zug
Evans	Lee	Ryan	
Fairchild	Leh	Santoni	DeWeese,
Fajt	Lescovitz	Sather	Speaker
Fargo	Levdansky	Saurman	

NAYS—0

NOT VOTING—3

Clark	Lucyk	McGeehan
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EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

Mr. NYCE offered the following amendment No. A0682:

Amend Sec. 701, page 99, line 24, by striking out "NINETY-FIVE PERCENT OF ANY" and inserting

Any

Amend Sec. 701, page 99, line 25, by inserting after "TAX" in excess of 105% of revenue for the fiscal year immediately preceding the year of implementation

Amend Sec. 702, page 100, line 13, by striking out "NINETY-FIVE PERCENT OF ANY" and inserting

Any

Amend Sec. 702, page 100, line 14, by inserting after "TAX"

in excess of 105% of revenue for the fiscal year immediately preceding the year of implementation

Amend Sec. 702, page 100, line 19, by striking out "NINETY-FIVE PERCENT OF ANY" and inserting

Any

Amend Sec. 702, page 100, line 20, by inserting after "TAX"

in excess of 105% of revenue for the fiscal year immediately preceding the year of implementation

Amend Sec. 702, page 100, line 25, by striking out "NINETY-FIVE PERCENT OF ANY" and inserting

Any

Amend Sec. 702, page 100, line 26, by inserting after "TAX"

in excess of 105% of revenue for the fiscal year immediately preceding the year of implementation

On the question,  
Will the House agree to the amendment?

Mr. TRELLO. Mr. Speaker?

The SPEAKER. For what purpose does the gentleman rise?

Mr. TRELLO. In the essence of time, before Mr. Nyce talks on his amendment, I would like the House to know that we agree to it.

The SPEAKER. The Chair thanks the gentleman from Allegheny.

Mr. Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

I do not think much more needs to be said. I urge all the members to support the amendment.

It does in fact place a limitation in the bill on increases in revenue. Thank you.

The SPEAKER. The Chair thought he noted that Mr. Colafella wanted to interrogate you, but I guess he has desisted.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—195

Acosta	Farmer	Lucyk	Saurman
Adolph	Fee	Lynch	Saylor
Allen	Fichter	Maitland	Scheetz
Argall	Fleagle	Manderino	Schuler
Armstrong	Flick	Markosek	Scrimanti
Baker	Freeman	Marsico	Semmel
Barley	Gamble	Masland	Serafini
Battisto	Gannon	Mayernik	Smith, B.
Bebko-Jones	Geist	McCall	Smith, S. H.
Belardi	George	McGeehan	Snyder, D. W.
Belfanti	Gerlach	McNally	Staback
Birmelin	Gigliotti	Melio	Stairs
Bishop	Gladeck	Merry	Steelman
Blaum	Godshall	Michlovic	Steighner
Boyes	Gordner	Micozzie	Steil
Brown	Gruppo	Mihalich	Stern
Bunt	Haluska	Miller	Stetler
Buxton	Hanna	Mundy	Stish
Caltagirone	Harley	Nailor	Strittmatter
Cappabianca	Hasay	Nyce	Sturla
Carn	Hennessey	O'Brien	Surra
Carone	Herman	Olasz	Tangretti
Cawley	Hershey	Oliver	Taylor, E. Z.
Cessar	Hess	Pesci	Taylor, J.
Chadwick	Hughes	Petrarca	Thomas
Civera	Hutchinson	Petrone	Tigue
Clark	Itkin	Pettit	Tomlinson
Clymer	Jadlowiec	Phillips	Trello
Cohen, L. I.	James	Piccola	Trich
Cohen, M.	Jarolin	Pistella	True
Colafranca	Josephs	Pitts	Tulli
Colaizzo	Kaiser	Platts	Uliana
Conti	Kasunic	Preston	Vance
Cornell	Keller	Raymond	Van Horne
Corrigan	Kenney	Reber	Veon
Cowell	King	Reinard	Vitali
Coy	Kirkland	Richardson	Washington
Curry	Krebs	Rieger	Waugh
Daley	Kukovich	Ritter	Williams
DeLuca	LaGrotta	Roberts	Wogan
Dempsey	Laub	Robinson	Wozniak
Dent	Laughlin	Roebuck	Wright, D. R.
Dermody	Lawless	Rohrer	Wright, M. N.
Donatucci	Lederer	Rooney	Yandrisevits
Druce	Lee	Rublely	Yewcic
Egolf	Leh	Rudy	Zug
Evans	Lescovitz	Ryan	
Fairchild	Levdansky	Santoni	DeWeese,
Fajt	Lloyd	Sather	Speaker
Fargo			

NAYS—0

NOT VOTING—1

Gruitza

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Mr. GANNON offered the following amendment No. A0452:

Amend Bill, page 101, by inserting between lines 20 and 21 Section 704. Rates of Real Property Tax.

Notwithstanding any other provision of this act or any other law to the contrary, whenever the rate of any real property tax is reduced under this act, it shall remain at the reduced rate and not be subject to any future increase.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the amendment, Mr. Gannon.

Mr. GANNON. Thank you, Mr. Speaker.

Mr. Speaker, this is a relatively simple amendment.

This bill contains a promise of property tax reform. It contains a promise of property taxes going down, and this amendment says we are going to make a promise and now we are going to keep it. Basically what it says is that when those property taxes go down, they are going to stay down. They are not going to creep back up years down the road when the local governments and the local school districts have spent all the money that they are going to raise through this reform measure that we are looking at tonight.

I would urge a "yes" vote on this amendment. Thank you, Mr. Speaker.

The SPEAKER. On the Gannon amendment, Mr. Coy is recognized.

Mr. COY. Thank you, Mr. Speaker.

Mr. Speaker, I have to oppose the amendment, and I do so on the grounds that I think it may actually discourage larger property tax decreases by municipalities who may fear being able to decrease them to a level they think they can for fear that they will never be able to raise them again, as the amendment calls for. I think it may have that negative effect. And while that may seem positive from a time point of view, nonetheless I think in the long term may have a negative effect.

I would ask for a negative vote on the amendment.

The SPEAKER. On the amendment, the Chair recognizes the chairman of the Finance Committee, Mr. Trello.

Mr. TRELLO. Thank you, Mr. Speaker.

I think the gentleman that offered the amendment has very good intentions. I think we would all like to see taxes go down and stay down. But I think we have to provide for emergencies. For example, one of my school districts during the big snow had their roof fall in, and it cost an additional expenditure of \$1 million and, therefore, constituted a tax increase to pay for it.

I think we have to provide for those emergencies, and for that reason I ask for a "no" vote on the amendment.

The SPEAKER. Mr. Thomas is recognized.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I think there is a real question of reasonableness here and whether or not this body can bound, can bound a municipality beyond some futuristic point. Like the former speaker, I think that Mr. Gannon, the speaker's intentions are good, but to ask for support on a bill that would bound a municipality so far in the future until it becomes unreasonable I think is real problematic, and I would urge a "no" vote on the Gannon amendment.

The SPEAKER. On the Gannon amendment, all those in favor— Mr. Gannon will obviously be in favor, and he will be recognized.

Mr. GANNON. Thank you, Mr. Speaker.

Mr. Speaker, let me put this in the simplest of terms. This is a property tax freeze.

Now, you can go home to your district and you can dance on this all you want, but what you are going to have to say is, I voted against freezing your property taxes. And not only are you going to be saying that, but there are going to be a lot of other people out there saying that, too.

Now, somebody talked about the emergencies. This only deals with property taxes. It does not deal with increases in the personal income tax. If there is an emergency, that municipality or district can raise that personal income tax to get that emergency money. But this is the expectation that people have wanted; this is what they are asking for; this is our opportunity to deliver it. It is time to freeze property taxes and put an end to it.

The SPEAKER. The gentleman, Mr. DeLuca, is recognized on the Gannon amendment.

A tough act to follow.

Mr. DeLUCA. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support the Gannon amendment.

There was a lot of hard work that went into this tax reform measure; there are a lot of good things, but I think without the Gannon amendment, this bill will not pass and we will not be able to sell this to our taxpayers back home.

In 1989 the taxpayers sent us a message that they did not want this type of legislation without a permanent tax freeze. We had a 4-year tax freeze, and this bill does the same thing. It does nothing to freeze real estate taxes.

I ask for a vote for the Gannon amendment.

The SPEAKER. Mr. Sturla.

Mr. STURLA. Mr. Speaker, will the maker of the amendment rise for interrogation?

The SPEAKER. Mr. Gannon. Proceed.

Mr. STURLA. Mr. Speaker, I have a question. It is my understanding that under current property tax rates, businesses when they are assessed, part of that assessment that is taken into consideration is the viability of the business at the time the assessment is done. In essence, if I have a steel mill that used to be running at full capacity but I am down to 500 employees instead of 5,000 employees, that that is reflected in my assessment, the rate at which my assessment is made at that point in time. Is that correct?

Mr. GANNON. I do not know. You are saying it.

The SPEAKER. The gentleman, Mr. Gannon, did indicate his availability for interrogation. Does the gentleman want to amplify his response?

Mr. GANNON. No. I mean—

The SPEAKER. The gentleman, Mr. Sturla, is recognized on the Gannon amendment.

Mr. STURLA. It is my belief and I believe it is the truth that in fact that is the case, that taken into consideration when a business property is assessed is the viability and the stamina of the business at that given point in time.

What in effect this amendment does is to say that if in fact a business, currently, who normally had 5,000 employees is down to 500 employees and if in fact their rate that they now get assessed their property tax at gets frozen, so that when that steel mill comes back and has 5,000 employees, there is no ability for the local government to then say, you now have a more viable business, and your property value is worth a whole lot more as a result of this, and we in fact want to increase your rate.

For that reason I rise in opposition to the Gannon amendment. Thank you.

The SPEAKER. Mr. Kukovich on the Gannon amendment.

Mr. KUKOVICH. I really hate to follow that act, Mr. Speaker, but there are a couple problems.

One, this was partially dealt with because there was a Republican amendment—my memory is faded over who offered it—that still allows an opt-out in future years, number one, that deals to some extent with that problem.

The reality is, however, that if the entities decide to opt into this program and go to the full cap, they are locked in forever. I mean, that is not what we can do. I mean, nobody can do that.

So what will happen with this amendment is that you would create a permanent lock-in, and that means nobody is going to opt for any reform, so we will have no local tax reform in the Commonwealth, and the newspapers are going to say this was a joke. Just like we have been laughing at it, the media will laugh at it, our constituents will laugh at it.

This is the last amendment, I think, except for some reconsiderations. I am not real happy with this bill, but it is a bill at least I can vote for without feeling silly. We will feel silly if we put this amendment in and pass this bill.

I would ask for a negative vote.

The SPEAKER. The sage of Somerset County, Mr. Lloyd.

Mr. LLOYD. Mr. Speaker, it is all well and good to say that we want to vote to freeze property taxes forever, and each and every one of us here knows that that is simply a political gimmick.

Now, we have put into this bill tonight all kinds of spending limits. We have got referendum on future tax increases. You know, we have got so many different controls on here that we would not even begin to want to live under, as far as actions that we take up here in Harrisburg, and that is fine, and that will help it get passed.

If you put this into the bill and you have got any kind of an emergency situation, if you have got declining population,



you absolutely are frozen in place and you have got to come back to the General Assembly to get the law changed, and that becomes a political football, just like trying to raise the millage limits has been for years and years.

It is also well and good except that if you just bother to read the amendment, it starts by saying, "Notwithstanding any other provision of this act..." That means this section overrides everything else.

Earlier today or tonight, we voted for, I believe it was the Gerlach amendment, which says, if you opt into this system and after a certain number of years you decide you do not like it and you want out, you can get out, and presumably, if you get out, you go back under 511, and if you go back under 511, you can go back to the property taxes the way they were before, except not with this amendment you do not.

So this amendment is inconsistent with what we have done tonight, it is unnecessary in view of all the other limitations, it is unrealistic, and if we are really serious about passing a tax reform bill that anybody is going to take advantage of and if we are going to get any credit at all from our constituents for doing, we need to vote down this amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The gentleman, Mr. Tigie.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, once again we are falling into the trap of equating tax reform with tax reduction. Never has that been the goal of tax reform in the bipartisan caucus, in the Finance Committee, or here today on the floor, for those of us who are serious about tax reform. Tax reform is about changing a system that is not fair based on the ability to pay.

What we have currently is a bill which improves a system which is archaic and harmful to those who can least afford it. People who lose their jobs and senior citizens on fixed income cannot continue to pay real estate taxes and therefore will lose their homes if they have not already done so. The goal should be and it is, as we stand here right now, to shift that burden to those who have the ability to pay. I for one am willing to pay an additional personal income tax as an investment to the future for me keeping my home.

We also, under tax reform, it was said many times throughout the day today, we are giving local jurisdictions, local governing bodies, local elected officials, the authority to choose what is right for the mix of their jurisdiction. We have over 2,500 municipalities. We have 67 counties. We have 501 school districts. Each and every one of them is different, as we are different who represent those constituents. We have to give them the ability to do what they think is right and what is the best mixture of taxes for their jurisdiction.

Amendments like this may sound sexy today, but when you wake up in the morning, you are going to find out you slept with the wrong thing. Defeat the amendment.

I would ask that you would defeat this amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman for his perspective and for his metaphor.

The gentleman, Mr. Cowell.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, I, too, would urge that we defeat this amendment.

As we try to implement meaningful tax reform, local tax reform in this State, the one thing that we can reasonably do with respect to tax rates is make sure that during the transition period, from the current system to a reform system, there is no windfall benefit to local governments and taxpayers do not get ripped off under the cloud of or in the midst of reform and change, and this bill adequately deals with that. It makes sure that during this transition period local governments, whether it is a county or a school district or a municipality, are not going to experience windfall revenues to the detriment of taxpayers.

But this amendment would have us go far beyond that. It would have us do, in the new system, something that we really would never think of doing and have not thought of doing under the old law, and that is to say, once you have got tax rates, you can never increase those tax rates. We do not do it for ourselves. As State policymakers, we have never tried to do it for municipal, or county or school district officials. We have always given them the flexibility to meet their needs. So many people around this chamber give speeches about local control over so many of these issues, and that is generally what we have opted for.

However, if we adopt this amendment, we will effectively eliminate the ability of locally elected officials at the county, the municipal, and the school district level, in the future, once they get beyond this transition period, to ever respond to the kinds of changing conditions that Bill Lloyd spoke about: a decline in population, a decline in wage base, a decline in the assessed value of property in the community, a desire on the part of the community to invest more in their schools or in a police force or in any other kinds of activities that local officials and local voters think is appropriate. We cripple them, and because this amendment would cripple them, I would suggest that we will create a major disincentive for local officials to ever opt for the kinds of tax reforms that we are trying to encourage with this legislation.

So for those reasons, Mr. Speaker, I would urge that we defeat this amendment.

The SPEAKER. The Chair thanks the gentleman and recognizes Mr. Barley.

Mr. BARLEY. Thank you, Mr. Speaker.

I would just like to clarify a few points that were made earlier by the gentleman from Lancaster City.

First of all, we are dealing here strictly with the rates of real estate property tax. We are not dealing with the assessment. We are not freezing the assessment. Furthermore, the number of employees that a business has really has nothing to do with the amount of real estate tax they pay. If they physically expanded their facility so that they now have more square footage and they have a greater assessment, a real estate assessment, then naturally they would pay more real estate tax. I think it is important to understand that this amendment does not freeze assessment, and so therefore, as values of property

increase and reassessment takes place, your taxes from real estate could increase, because the value of the property would increase and that consequently would generate the increased revenue.

So again, I just wanted to clarify those points, that the number of employees does not have an impact on the real estate tax and also that we are not preventing the reassessment to take place under this amendment.

The SPEAKER. Does Mr. Sturla wish to make a comment for the second time on the Gannon amendment?

Mr. STURLA. Mr. Speaker, I agree with the gentleman from Lancaster County on his point about the assessment versus the rate. That was a misinterpretation on my part. I stand corrected on that. I understand the hour is late. However, there is one other point that does need to be made.

In some areas, if a reassessment is done, the property value goes down, because there are some areas of this State that have declining values, and so if in fact the rate cannot increase to correspond to the decreased value, what you have is a situation where the total taxes will only ever go down and the local municipality cannot even generate the same amount of revenue that it currently does, because the assessed value goes down and the rate would have to stay the same. Thank you.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—74

Adolph	Farmer	Leh	Schuler
Armstrong	Fleagle	Lynch	Sermmel
Baker	Flick	Maitland	Serafini
Barley	Gannon	Mayernik	Smith, S. H.
Birmelin	Geist	McGeehan	Snyder, D. W.
Blaum	Gladeck	Merry	Stairs
Boyes	Godshall	Micozzie	Stern
Brown	Gruppo	Miller	Stish
Bunt	Harley	Mundy	Strittmatter
Civera	Hasay	O'Brien	Taylor, E. Z.
Clark	Herman	Pettit	Taylor, J.
Cohen, L. I.	Hershey	Pitts	Tomlinson
Conti	Hutchinson	Raymond	True
Cornell	Jadlowiec	Reber	Uliana
DeLuca	Kaiser	Reinard	Wogan
Dent	Kenney	Roberts	Wright, D. R.
Druce	King	Rohrer	Wright, M. N.
Egolf	Laub	Ryan	Zug
Fargo	Lawless		

NAYS—122

Acosta	Fee	Manderino	Saurman
Allen	Fichter	Markosek	Saylor
Argall	Freeman	Marsico	Scheetz
Battisto	Gamble	Masland	Scrimenti
Bebko-Jones	George	McCall	Smith, B.
Belardi	Gerlach	McNally	Staback
Belfanti	Gigliotti	Melio	Steelman
Bishop	Gordner	Michlovic	Steighner
Buxton	Gruitza	Mihalich	Steil
Caltagirone	Haluska	Nailor	Stetler
Cappabianca	Hanna	Nyce	Sturla
Carn	Hennessey	Olasz	Surra
Carone	Hess	Oliver	Tangretti

Cawley	Hughes	Pesci	Thomas
Cessar	Itkin	Petrarca	Tigue
Chadwick	James	Petrone	Trello
Clymer	Jarolin	Phillips	Trich
Cohen, M.	Josephs	Piccola	Tulli
Colafella	Kasunic	Pistella	Vance
Colaizzo	Keller	Platts	Van Horne
Corrigan	Kirkland	Preston	Veon
Cowell	Krebs	Richardson	Vitali
Coy	Kukovich	Rieger	Washington
Curry	LaGrotta	Ritter	Waugh
Daley	Laughlin	Robinson	Williams
Dempsey	Lederer	Roebuck	Wozniak
Dermody	Lee	Rooney	Yandrisevits
Donatucci	Lescovitz	Rubley	Yewcic
Evans	Levdansky	Rudy	
Fairchild	Lloyd	Santoni	DeWeese,
Fajt	Lucyk	Sather	Speaker

NOT VOTING—0

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkowitz			

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,  
Will the House agree to the bill on third consideration as amended?

The SPEAKER. The Chair believes that is all of the amendments. We will check one more time.

Does the gentleman, Mr. Dent, insist upon the third reconsideration of his amendment?

Mr. DENT. Mr. Speaker?

The SPEAKER. Mr. Dent.

Mr. DENT. Thank you, Mr. Speaker.

This is the second reconsideration. I did not file the motion, but I am glad someone else did.

Again, I will not be long—

Mr. COY. Mr. Speaker, point of order.

The SPEAKER. The gentleman will state his point.

Mr. COY. The reconsideration motion has been filed by which member?

The SPEAKER. The gentleman, Mr. Flick, and the gentleman, Mr. Smith.

Mr. COY. Thank you, Mr. Speaker.

AMENDMENT A0562 RECONSIDERED

The SPEAKER. This will be, to the knowledge of the Chair, this will be the third time. The gentleman, Mr. Dent, is correct. The Dent amendment was offered initially, then it was reconsidered, and the request of the gentlemen and the members, Flick and Smith, is that it be considered a third time.

On the question,  
Will the House agree to the motion?

The following roll call was recorded:

YEAS—122

Adolph	Fargo	Marsico	Schuler
Allen	Farmer	Masland	Scrimenti
Argall	Fichter	Mayernik	Sermmel
Armstrong	Fieagle	McCall	Smith, B.
Baker	Flick	Melio	Smith, S. H.
Barley	Gannon	Michlovic	Snyder, D. W.
Belardi	Geist	Micozzie	Staback
Belfanti	George	Mihalich	Steighner
Birmelin	Gerlach	Miller	Steil
Blaum	Gladeck	Mundy	Stern
Boyes	Godshall	Nailor	Stish
Brown	Gruppo	O'Brien	Strittmatter
Bunt	Harley	Pesci	Taylor, E. Z.
Carone	Hasay	Pettit	Taylor, J.
Cawley	Hennessey	Phillips	Tigue
Cessar	Herman	Piccola	Tomlinson
Chadwick	Hershey	Pitts	True
Civera	Hess	Platts	Tulli
Clark	Hutchinson	Raymond	Uliana
Clymer	Jadlowiec	Reber	Vance
Cohen, L. I.	Kasunic	Reinard	Veon
Colafiglia	Kenney	Robinson	Waugh
Conti	King	Rohrer	Williams
Cornell	Krebs	Rooney	Wogan
Corrigan	Laub	Rubley	Wright, D. R.
Dempsey	Laughlin	Rudy	Wright, M. N.
Dent	Lawless	Ryan	Yewcic
Druce	Lee	Sather	Zug
Egolf	Leh	Saurman	
Evans	Lucyk	Saylor	DeWeese,
Fairchild	Lynch	Scheetz	Speaker

NAYS—70

Acosta	Fee	Lederer	Ritter
Battisto	Freeman	Lescovitz	Roberts
Bebko-Jones	Gamble	Levdansky	Roebuck
Bishop	Gigliotti	Lloyd	Santoni
Buxton	Gordner	Maitland	Steelman
Callagirono	Gruitza	Manderino	Stetler
Cappabianca	Haluska	Markosek	Sturla
Carn	Hanna	McGeehan	Surra
Cohen, M.	Hughes	Merry	Tangretti
Colaizzo	Itkin	Nyce	Thomas
Cowell	James	Olasz	Trello
Coy	Jarolin	Oliver	Trich
Curry	Josephs	Petrarca	Van Horne
Daley	Kaiser	Petrone	Vitali
DeLuca	Keller	Preston	Washington
Dermody	Kirkland	Richardson	Wozniak
Donatucci	Kukovich	Rieger	Yandrisevits
Fajt	LaGrotta		

NOT VOTING—4

McNally	Pistella	Serafini	Stairs
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EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the affirmative, and the motion was agreed to.

On the question recurring,  
Will the House agree to the amendment?

The clerk read the following amendment No. A0562:

Amend Title, page 2, line 11, by striking out "SALES AND USE OR"

Amend Title, page 2, line 12, by striking out "OR IN CERTAIN CIRCUMSTANCES A COMBINATION OF BOTH"

Amend Title, page 2, lines 14 and 15, by striking out "EMPOWERING MUNICIPALITIES TO REQUIRE COUNTY SALES AND USE TAXES;"

Amend Subchapter B, page 86, lines 10 through 30; pages 87 through 92, lines 1 through 30; page 93, lines 1 through 29, by striking out all of said lines on said pages and inserting

(Reserved)

Amend Sec. 701, page 99, lines 23 through 30; page 100, lines 1 through 11, by striking out all of said lines on said pages and inserting

Section 701. (Reserved).

Amend Sec. 703, page 101, line 2, by striking out "SECTIONS 701 AND

section

Amend Sec. 902, page 102, line 2, by striking out "SALES AND USE,"

Amend Sec. 902, page 102, lines 7 and 8, by striking out "MUNICIPAL SERVICE TAX OR SALES AND USE TAX" and inserting

or municipal service tax

On the question recurring,  
Will the House agree to the amendment?

The SPEAKER. The gentleman from Allentown is recognized.

Mr. DENT. Thank you, Mr. Speaker, and I appreciate the consideration of the members of the General Assembly.

Just once again, this is my amendment that will take the sales tax out of this bill once and for all. I have stated my reasons previously as to why I believe the sales tax should be taken out of the bill, and I will defer to Mr. Pitts. Thank you.

The SPEAKER. Mr. Kukovich on the Dent amendment.

Mr. KUKOVICH. Mr. Speaker, we have defeated this amendment twice before. We have talked about reducing the options that would be available to the counties. We have not talked in depth about how strapped those entities are which we continue to put mandates on for human services. It is too late. We have defeated this twice.

In the interest of fairness, in the interest of flexibility, in the interest of sound public policy, this is a "no" vote. I would ask my colleagues to please be consistent on this issue, continue to vote "no," and then we can move to final passage.

The SPEAKER. Mr. Pitts.

Mr. PITTS. Thank you, Mr. Speaker.

Mr. Speaker, some of us would like to vote for this bill, but without this amendment, we cannot.

This 1-percent sales tax at the county level is a killer for those of us around the borders of the State. Some of us border New Jersey, Delaware, Maryland, West Virginia, Ohio, New York. Those of us in the border areas, if this amendment goes in and we get a 1-percent sales tax added onto the 6 percent, we are going to lose jobs; we are going to have businesses leave; we are going to see our businessmen hurt.

Mr. Speaker, this is a very important amendment. The counties are getting the personal income tax. They do not need the windfall with an additional 1 percent. I know Mr. Trello

wants to share the pain, although he did not vote for that Allegheny tax. It is not good policy.

We ask that you support the Dent amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair is not certain what the Allegheny tax has to do with this debate, but in the interest of conviviality and flexibility, the Chair will overlook that remark.

Does the gentleman, Mr. Trello, seek recognition?

Mr. TRELLO. It is true that I did vote "no," and 122 other members also voted—I mean, 122 members voted "yes."

I can appreciate the remarks made by Representative Dent and Mr. Pitts, and I am very sincere about their concerns, but if we are going to have true tax reform, we have got to give options to our local governing bodies.

The personal income tax might be good for maybe some of our counties throughout the Commonwealth, and they have that option to adopt it. The sales tax might be even better for other counties, and they should have that option. If we are going to have true tax reform, we must have options.

The sales tax in Allegheny County, we did not have any option on that. You, members of the General Assembly, made that a mandate. So you are having a better advantage than we had in Allegheny County. At least your elected officials have an opportunity to say, no, we will adopt something else. We did not have that opportunity.

If we are going to have true tax reform, we must have a menu of options for our local elected officials to decide on, decide on what is best for their particular community.

I urge a "no" vote again on this amendment. Thank you.

The SPEAKER. Mr. Ryan.

Mr. RYAN. Mr. Speaker, I would like to approach this from two directions, really.

First, on a parochial basis, I represent Delaware County. My district comes right down and touches the State of Delaware. I watch, I can watch cars go down 202 into Delaware, come back with televisions, refrigerators, and every other thing you can imagine strapped to the trunks of their car and the roofs of their car, because they have no sales tax, and the people do it. I watch the ads in our local papers from merchants in Delaware emphasizing the fact that there is no sales tax. I listen to the merchants in my area complain about it. I watch the stores on 202 and at Painters Crossing, out on 202 and Route 1 in the Chadds Ford area, close up because they cannot compete with 2 miles, 3 or 4 miles down the road with the State of Delaware, where there is no sales tax. So from a purely parochial, selfish standpoint, I do not want anyone to have the option of increasing the sales tax, and that is purely speaking as a border Representative, if you will, and I think that would hold true with anybody from my county and, I suspect, Chester County or anybody where their people could, perhaps, shop in the State of Delaware, where they are beating our brains out because they have no sales tax.

I am not familiar, frankly, with what the sales tax is in Maryland or in the western part of the State. New York and New Jersey, I believe, are 5 percent now. But you know, there

is something else. It is not just the parochialism of a Delaware Countian. I think it is the wrong message.

We sat here and listened to the Governor, and we made speeches talking about the economy and what we wanted to do for the business community, and as we sit here talking about it, we, in the next breath, are encouraging people to increase—encouraging them, not mandating it—but encouraging them to increase the sales tax so that their goods become more expensive to sell in Pennsylvania. It is a short trip down 202 from a good bit of southeastern Pennsylvania to go into Delaware. It is a short trip from almost any place in Pennsylvania to get across the borderline to buy things a lot cheaper. It is a terrible message to send to Pennsylvania business people when we do this.

I encourage a positive vote on this amendment.

The SPEAKER. Mr. Belfanti.

Mr. BELFANTI. Thank you, Mr. Speaker.

While I sympathize with the people that live and border the State of Delaware, I strongly suggest that your elected officials maintain the 6-percent State sales tax and simply not impose, as a replacement for your 511 nuisance taxes, a 1-percent sales tax. But for those of us from central Pennsylvania and western Pennsylvania and northern Pennsylvania, we do not have the problem of the competition from Delaware. Some of us are close to New Jersey, which has a 6-percent sales tax now, and that includes clothing. New York has a 7-percent sales tax, and it is on many items not already taxed here in Pennsylvania.

Therefore, we are talking about a handful of counties in southeastern Pennsylvania that border Delaware, and we suggest that you leave your 511 taxes in place, but in our counties, we want to rid ourselves of the occupational assessment tax, the personal privilege taxes, the tax on out-of-State stock that our taxpayers are now getting bills for, like Sara Steelman mentioned. Our people want to get rid of those taxes and would prefer to pay a 1-percent sales tax. The mercantile taxes, and we can go on and on.

Those of you in the counties near Delaware, if you maintain the 6-percent tax, maybe my constituents will travel to your district and buy some items — their dishwasher, their television sets — down in Delaware County to save that 1 percent. I doubt it, but it might happen.

In any case, Mr. Speaker, what we are all about here today is to give our local elected officials a menu of taxes. Let us not give them a luncheon menu; let us give them a dinner menu. Let them pick the menu that is best for them, and let us reject, for the third time, the Dent amendment. Thank you.

The SPEAKER. The Chair recognizes Mr. Lloyd on the Dent amendment.

Mr. LLOYD. Thank you, Mr. Speaker.

Mr. Speaker, one size does not fit all. This is an option. If this is something which in some counties is going to be counterproductive, those counties presumably will not adopt it. It is important to remember that we adopted the Nailor amendment, which took away the ability of some of the municipalities in the county to get together and to force the county commissioners to implement the sales tax if they had

already implemented the income tax. As a result of that amendment, it is an either-or: You either go with the sales tax or you go with the income tax or you stay with 511. So if it does not fit in your area, do not do it.

Number two, it is an important amendment, but just as it is important in some of your counties that you not have a sales tax, it is important in some of our counties that that option be available. Do not deny that to us.

Number three, the concern about the impact on the business community. An awful lot of the businesses in Pennsylvania pay the personal income tax. If you count by number of businesses rather than by dollars, my guess is that the majority of businesses in Pennsylvania pay the personal income tax, because they are either sole proprietorships, partnerships, or sub-S corporations. So consequently, if we loaded up all on the income tax, we are in fact increasing the tax burden on those small businesses, and in some areas of the State, the business community might very well decide that it would be better served by a broad-based sales tax.

We ought to give them that option. We ought to reject this amendment. Thank you, Mr. Speaker.

The SPEAKER. Mr. Gannon.

Mr. GANNON. Thank you, Mr. Speaker.

Mr. Speaker, there is one, I think, overriding issue that should be brought to the attention of the members and we should keep in mind as we consider this amendment, and that is that the sales tax is not deductible for Federal income tax purposes but the income tax is.

Mr. Speaker, the concerns about this sales tax go beyond this room. They extend all the way to the Democrat county executive in Erie, Pennsylvania. He has expressed concern about this sales tax, and do not forget, Erie borders on New York and Ohio.

Mr. Speaker, when you look at that fact, that this deals with the income tax issue and also that this really is the imposition of a county sales tax—and by the way, it will be at 7 percent if this goes through— Mr. Speaker, for those reasons we should vote “yes” on the Dent amendment; take that sales tax out of this bill; leave the personal income tax in there; let the folks have their Federal income tax deduction. Thank you, Mr. Speaker.

The SPEAKER. Mr. Trello.

Mr. TRELLO. Mr. Speaker, there is no doubt in my mind that those elected officials in Delaware or Montgomery County that are close to the State of Delaware realize that this tax would be bad for that county. I have no doubt in my mind that they are going to make the right decision and not impose it.

For that reason I ask for a negative vote on the amendment.

The SPEAKER. Mr. Coy.

Mr. COY. Mr. Speaker, very briefly, if you review the handout that the Appropriations Committee prepared about the savings that different municipalities could realize by dropping other taxes if the sales tax were imposed, I think it is most remarkable to see how great many municipalities could lower the property tax and eliminate other nuisance taxes by sharing in this sales tax. It is optional. People driving down Route 202

might not like it, but there are other counties that would, and the county commissioners have the ability to look at the local economy, the bordering counties, the bordering States, and make intelligent decisions about it.

Keep it as an option. Vote “no” on the amendment. Thank you.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—97

Adolph	Fichter	Leh	Saurman
Allen	Fleagle	Lucyk	Scheetz
Argall	Flick	Lynch	Schuler
Armstrong	Gannon	Maitland	Semmel
Baker	Geist	Markosek	Serafini
Barley	Gerlach	Marsico	Smith, S. H.
Birmelin	Gladeck	Masland	Snyder, D. W.
Blaum	Godshall	Mayermik	Stairs
Boyes	Gruppo	Mery	Steil
Brown	Harley	Micozzie	Stern
Bunt	Hasay	Miller	Strittmatter
Carone	Hennessey	Nailor	Taylor, E. Z.
Chadwick	Herman	Nyce	Taylor, J.
Civera	Hershey	O'Brien	Tomlinson
Clark	Hess	Pettit	True
Clymer	Hutchinson	Piccola	Tulli
Cohen, L. I.	Jadlowiec	Pitts	Uliana
Conti	Kenney	Raymond	Vance
Cornell	King	Reinard	Waugh
Dempsey	Krebs	Rohrer	Wogan
Dent	LaGrotta	Rooney	Wright, D. R.
Druce	Laub	Rubley	Wright, M. N.
Egolf	Lawless	Ryan	Yewcic
Fargo	Lee	Sather	Zug
Farmer			

NAYS—98

Acosta	Fee	McCall	Saylor
Battisto	Freeman	McGeehan	Scrimenti
Bebko-Jones	Gamble	McNally	Smith, B.
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Michlovic	Steelman
Bishop	Gordner	Mihalich	Steighner
Buxton	Gruitza	Mundy	Stetler
Caltagirone	Haluska	Olasz	Stish
Cappabianca	Hanna	Oliver	Sturla
Cam	Hughes	Pesci	Surra
Cawley	Itkin	Petrarca	Tangretti
Cessar	James	Petrone	Thomas
Cohen, M.	Jarolin	Phillips	Tigue
Colafella	Josephs	Pistella	Trello
Colaizzo	Kaiser	Platts	Trich
Corrigan	Kasunic	Preston	Van Horne
Cowell	Keller	Reber	Veon
Coy	Kirkland	Richardson	Vitali
Daley	Kukovich	Rieger	Washington
DeLuca	Laughlin	Ritter	Williams
Dermody	Lederer	Roberts	Wozniak
Donatucci	Lescovitz	Robinson	Yandrisevits
Evans	Levdansky	Roebuck	
Fairchild	Lloyd	Rudy	DeWeese,
Fajt	Manderino	Santoni	Speaker

## NOT VOTING—1

Curry

## EXCUSED—5

Bush  
Butkovitz

Durham

Nickol

Perzel

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

Will the House agree to the bill on third consideration as amended?

Bill as amended was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

The SPEAKER. Mr. Blaum is recognized on final passage.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, we have before us a bill—it is late and I think we are all tired and I am losing my voice—but we have a bill before us that lowers property taxes in Pennsylvania on residences and businesses, replaces that with an income tax and a sales tax to replace that hole in the budgets. The resident who receives a cut in the property tax will receive an increase in the income tax, and that is basically a wash. That income tax will go higher as we make up for those who do not have an income that is going to be taxed. What I think is unfair is that that tax goes even higher to make up for the property tax cut that many businesses are going to receive in cities, third-class cities across Pennsylvania much the same as the city that I represent.

The proponents of this legislation say that that very significant problem is mitigated in two ways: one, because of a universal exemption, which I and many other people believe is unconstitutional and is contained in another piece of legislation, not this one, and the legislation that it is contained in is not mandatory; it is optional. Therefore, that increase in a brand-new income tax on working residents of our communities I think will be significant.

And because of what we did here tonight — we went through many, many amendments and considered many avenues and different proposals to this legislation — I think it is important, I think it is very important that we see this bill in its final form. I believe that it is important that the people of Pennsylvania see this bill in its final form before we cast a vote.

The two mitigating circumstances which are put forward by the proponents, the first being the universal exemption, the second being the referendum which will be held at the local level. It does not do us any service, I do not think, to call for a local referendum when in fact when you look at the proposals that are available to you and the significant increases in an income tax on the residents of a given city, that these referendums may never take place, that our school boards and our town councils may never, may never vote to put these before

the voters so that they may implement them in their locales, and what we will have is a proposal that really does not mean anything to the people of Pennsylvania.

### MOTION TO PLACE BILL ON FINAL PASSAGE POSTPONED CALENDAR

Mr. BLAUM. Therefore, Mr. Speaker, if I might, I would like to make a motion that we consider this bill in its final form, that we see this bill in its final form, and that we set a date certain—I would propose March 8—that we set a date certain in the future to vote on this bill on final passage. That way each of us gets to see exactly, exactly what is in this legislation; the people we represent get to see exactly what is in this legislation and whether or not they want us to vote for it, whether or not they want this proposal put before them which creates new taxes to replace cuts in others that we hope will be implemented. This may be workable, but I do not think we can sit here and in all confidence, in good confidence, pass this legislation without seeing it in its final form.

Mr. Speaker, if it is appropriate, I would ask—and you can advise me as to what the proper motion would be—that we get to see this bill in its final form and printed, and my motion would require that this House vote on final passage, because that is where the bill is right now; no additional amendments would be in order; and that we consider this bill on final passage, I would propose on Tuesday, March 8, so that the people of Pennsylvania can have a chance to look at it, to digest it, and that we get a chance to talk to them and find out their concerns or their interests in this legislation before adopting it. So, Mr. Speaker, I would so make that motion.

The SPEAKER. The gentleman moves that the bill, HB 2202, be placed on final passage postponed.

The motion is debatable.

On the question,

Will the House agree to the motion?

The SPEAKER. Mr. Coy.

Mr. COY. Mr. Speaker, I respectfully oppose the motion.

Very frankly, we all know the procedure. We went through a series of amendments. The amendments were before us; the amendments were exhaustively debated. This bill will go to the Senate. In all likelihood it will not be passed in the same form that it passed this House. It will come back here for a concurrence vote. The members of the House will certainly have another shot at it. It may even go to conference committee and there may be another shot at it.

This will not be the last time we see local tax reform. This will not be the last time that we are able to cast a vote on this measure. It is not unlike other matters that go through the same process, and we understand the process. The members of the House, the members of the local tax reform committee, and the members of the Finance Committee with its chairmen I think did a fine job on moving this legislation ahead. The House did a fine job on sticking to it tonight, and after 6, 7 hours or more of debate, to throw in the towel and say, well,

we just want to wait 3 more weeks to see if we can learn even more or come up with more amendments, I do not think serves the purpose.

In all honesty, Mr. Speaker, I think the time to pass this bill is now, and a motion to postpone, I think, is out of order, and I would ask for a negative vote.

The SPEAKER. The gentleman, Mr. Gerlach, on the motion to postpone.

Mr. GERLACH. Thank you, Mr. Speaker.

Would the majority leader stand for interrogation?

The SPEAKER. Mr. Itkin indicates that he will.

Mr. GERLACH. Mr. Speaker, on this motion that is presently before us, one of the critical issues that goes into whether or not to approve or disapprove of the motion is the issue of the business windfall situation involving the use of personal income tax with the reduction of the property tax. Is it the majority leader's intent that the remaining bills of this package that were reported out of the House Finance Committee, particularly I think HB 2205 dealing with universal exemption, will likewise be brought up on the calendar for future consideration when we return to session?

Mr. ITKIN. Mr. Speaker, I have a commitment from the chairman of the Appropriations Committee to release HB 2205. In fact, we are getting the fiscal note prepared, and I will make the commitment that as soon as we return and HB 2205 is released from the Appropriations Committee, I will schedule HB 2205 for an early vote.

I believe that when I talked about tax reform last month in terms of when Allegheny County was presenting its regional asset district legislation, I said at that time that the House was considerate of Philadelphia in granting its local tax needs. It then went ahead and at the time was helpful to Allegheny County, and I promised, I promised this House that in February I would bring this issue to the House to get this process started. I have been diligent in that endeavor. I commend the House tonight for hanging in here and doing what is required with all of these amendments. We have been here through all of the day and through the evening and through the early morning hours, and I would like to finish the task.

The majority caucus chairman is quite correct. We anticipate that the Senate will place its hand on the measure and make certain changes in it. It will come back to us in a different form. There will be a concurrence vote. There may be even a conference report. I think as this bill moves through the General Assembly, there will be ample opportunity to seek changes in the legislation, but we must get the project started now; we must get the legislation started now, and this is the first hurdle. Otherwise, as we all know in an election year, we will then lose this bill, and I do not think a majority of the members of this House want to leave here with the session expiring and not addressing local tax reform.

So I would urge the members of the House to defeat the motion to postpone, to come to the task of passing this bill tonight, and we will move the homestead exemption, HB 2205, immediately upon our return. Thank you.

Mr. GERLACH. On the motion, Mr. Speaker.

The SPEAKER. On the motion.

Mr. GERLACH. Thank you, Mr. Speaker.

Mr. Speaker, first of all, thank you very much to the majority leader for fulfilling his commitment that he made some time ago to bring this issue to the floor. It is very much appreciated by all those on both sides of the aisle that wanted to see local tax reform brought before us, and thank you very much for that opportunity.

I agree with the majority leader's comments on defeating this motion. What we have now before us for final passage is a bill that gets to the heart of the very specific need of local tax reform in Pennsylvania. We have provisions in a bill that eliminate nuisance taxes, that reduce reliance on property taxes through the application of an offset. We have a bill that provides revenue neutrality through that offset and through the enactment of the Nyce amendment providing for revenue limitations. We have a bill that provides for greater local flexibility through the option provisions of this legislation. We have a bill that contains significant taxpayer protection provisions, particularly through the application of voter referendum at the local level which has not before existed in the Commonwealth of Pennsylvania. That is significant. We also have had inserted in this legislation a clear and strong statement about unfunded mandates. We have a bill now that is in order to move through this process.

I urge the defeat of this motion and a "yes" vote on final passage. Thank you.

#### PARLIAMENTARY INQUIRY

The SPEAKER. The gentleman from Jefferson, Clearfield, and Indiana Counties, Mr. Smith.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state his point.

Mr. S. H. SMITH. Under the motion to postpone, will the bill be reprinted with the amendments that we have put into it so that it would reappear at a later date with a new printer's number and all of these amendments in it in the proper order?

The SPEAKER. The gentleman's query about the amendments being incorporated into the bill when we return should be answered in this way: It is not implicit in a motion to postpone that the House or the Speaker of the House would have the bill reprinted with all amendments incorporated. It is not, repeat, is not implicit within that motion.

Mr. S. H. SMITH. Mr. Speaker, may I interrogate the maker of the motion?

The SPEAKER. The gentleman is in order.

Mr. S. H. SMITH. Mr. Speaker, is it your intention that the bill would be reprinted, including all of the amendments that have been passed appropriately by the House tonight?

Mr. BLAUM. Thank you, Mr. Speaker.

I believe that was part of the motion, that we see this bill in its final form reprinted. If that was not clear, I seek to make it clear now.

I just think, after what we have gone through today—and I think everybody in this chamber did a terrific job—I just think we owe it to the people that we represent and to ourselves to see this in final form before casting a final “yes” or “no” vote on it. I believe it is that important. I made that motion and would ask that it be made clearer, more clear, that it be reprinted.

I also, Mr. Speaker, mentioned a date certain, that this bill be considered on final passage, no additional amendments, reprinted, so that we can come back here and cast an intelligent vote on this legislation.

Mr. S. H. SMITH. Thank you.

Mr. Speaker, on the motion.

The SPEAKER. On the motion.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

Mr. Speaker, given the conditions that the maker of the motion has given — that the bill would be reprinted with the amendments in it and that we would have a date certain to vote on it — I think that it is appropriate that we support this motion. This bill has come on fast—

The SPEAKER. The Chair interrupts the gentleman.

The gentleman’s motion was to put on the final passage postponed calendar. The gentleman adumbrated his motion by indicating he felt a vote on a date certain would be appropriate. He also indicated in his dialogue that he thought if all of the amendments were incorporated into the body of the bill, it would be advantageous, but it was not in his motion and it is not implicit in the making of that motion.

Mr. S. H. SMITH. Thank you, Mr. Speaker.

### PARLIAMENTARY INQUIRY

Mr. S. H. SMITH. A parliamentary inquiry.

The SPEAKER. The gentleman will state his point.

Mr. S. H. SMITH. Can his motion be amended or would it be more appropriate for him to withdraw this motion and restate a motion?

The SPEAKER. The gentleman will yield momentarily.

The motion cannot be amended, according to Mason’s Manual. It cannot be amended.

Mr. S. H. SMITH. Mr. Speaker, I would yield to the gentleman from Luzerne.

The SPEAKER. Chairman Blaum.

Mr. BLAUM. Mr. Speaker, I really do not mean to be difficult, Mr. Speaker. I think it is important. My motion, and perhaps I can— I hope I can restate it. If not, I will withdraw that motion and make a new one, sir. I do not want to be difficult. I think it is important; I think it is important that we and the people we represent get to see this bill in final form, and I would ask, Mr. Speaker, if it is your ruling, that I withdraw that motion. I thought I made it clear, perhaps I did not, that I make a motion—

### PARLIAMENTARY INQUIRY

Mr. COY. Mr. Speaker?

The SPEAKER. Mr. Coy. For what purpose does the gentleman rise?

Mr. COY. Parliamentary inquiry.

The SPEAKER. The gentleman will state his point.

Mr. COY. Mr. Speaker, earlier in the motion, a statement was made that the bill would be on the calendar on final passage postponed and not subject to amendment. Is that correct?

More appropriately, the question, Mr. Speaker, is, can the House limit the fact that no amendments would be allowed to the bill in the future?

I will take a smile if I cannot get a “yes.”

The SPEAKER. Final passage postponed would imply that final passage was imminent. The House would have within its jurisdiction the opportunity to change that motion or to alter that status upon our return, but without a vote of the House, when we came back the bill would be on final passage because it would have been in fact postponed.

Mr. COY. A further point, Mr. Speaker.

The SPEAKER. On the point.

Mr. COY. So a member of the House could make a motion to suspend the rules and amend the bill at a later date.

The SPEAKER. That is correct.

Mr. COY. So the bill could be before the House with 50 more amendments on the day we return. Is that correct?

The SPEAKER. Yes.

Mr. COY. Thank you, Mr. Speaker.

The SPEAKER. Mr. Blaum, in response to your question before the gentleman, Mr. Coy, made his point, a motion to put a bill on final passage postponed is just that, and if you are interested in making a motion to bring the bill up at a specific date and in a specific way, it would be appropriate for you to make that motion at this time.

### MOTION TO REPRINT BILL

Mr. BLAUM. Thank you, Mr. Speaker.

Please, I really do not mean to be difficult, but my motion would be that the members of the House get to see this bill reprinted in its final form; March 8, vote it finally—I do not think the rules will be suspended to add 50 amendments—so that we and the people we represent get to see the bill in its final form and make a proper, informed vote, and I would so make that motion, Mr. Speaker.

The SPEAKER. The gentleman’s motion is in order, and the gentleman’s motion is to reprint a bill and have it available for a vote on March 8.

On the question,

Will the House agree to the motion?



**PARLIAMENTARY INQUIRY**

Mr. GANNON. Mr. Speaker?

The SPEAKER. For what purpose does the gentleman rise?

Mr. GANNON. Parliamentary inquiry.

The SPEAKER. The gentleman will state his point.

Mr. GANNON. Just for a clarification here, Mr. Speaker, because I think there was some confusion in that last colloquy between yourself and Representative Coy.

A bill that is on final passage, is that amenable to amendment?

The SPEAKER. I am advised by my Parliamentarian that the answer is in the negative.

Mr. GANNON. Okay. So if this bill were on final passage, which it is right now, it is not subject to any further amendment by the House.

The SPEAKER. That is correct unless there was a reconsideration motion.

Mr. GANNON. And that would require a constitutional majority or a simple majority?

The SPEAKER. Simple majority.

Mr. GANNON. So it would require a majority of the members present by a vote on a motion to subject this bill to further amendment.

The SPEAKER. That is correct.

Mr. GANNON. So for all intents and purposes, the amendment process is finished, unless the House, the majority of the members present, would agree to the contrary, simple majority.

The SPEAKER. How did you answer Mr. Sturla?

Mr. GANNON. But you had said "suspend the rules," and I am not sure that that is what we are talking about here.

The SPEAKER. You may be right at that point. One moment.

Mr. GANNON. That is what I—

The SPEAKER. You are right. You are right; it is a reconsideration, not a suspension.

Mr. GANNON. So it would require a majority of the members present—

The SPEAKER. That is correct.

Mr. GANNON. —by a motion to subject this bill to further amendment.

The SPEAKER. The gentleman is correct.

Mr. GANNON. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman from Delaware.

**PARLIAMENTARY INQUIRY**

Mr. GERLACH. Mr. Speaker, parliamentary inquiry.

The SPEAKER. The Chair recognizes Mr. Gerlach.

Mr. GERLACH. Given the nature of the motion — that this bill be placed on the final passage postponed calendar — at that point in time when we reach the bill on that date, as was indicated by the motion by Representative Blaum, would a motion to revert to a prior printer's number be in order at that time?

The SPEAKER. No.

Mr. GERLACH. Thank you.

The SPEAKER. Mr. Belfanti, on the motion to place on a specific final passage postponed calendar for March 8 and a reprinting of the bill.

Mr. BELFANTI. Thank you, Mr. Speaker.

Very briefly, I oppose the motion to postpone.

I believe that the work that was done in a bipartisan manner on this legislation was done very well and in a spirit of good faith. I disagree with some of the amendments that were added to the legislation on the floor today, but like Representative Coy, I believe very strongly that this is not the final product, that what Mr. Blaum is requesting, and that is that the taxpayers, our constituents, get to review the final form of this bill, is yet to come.

This legislation is going to travel to the Senate. It may make a couple of pit stops elsewhere — in a conference committee. Today is not the final product. Reprinting this bill serves no purpose other than to delay the process that we have begun.

I think there has been a lot of good-faith effort on the part of Republicans and Democrats to get us where we are here today. I do not believe that any of us wanted to sit here until 2 o'clock in the morning and then return with the possibility of further amendments and a 5-hour debate on final passage.

The time is now to dispose of this bill, get it over to the Senate. Our constituents will have plenty of time to look at it, and so will our local government officials, who believe that this legislation is about 20 years past due.

The SPEAKER. The gentleman, Mr. Ryan.

Mr. RYAN. Mr. Speaker, 5 hours ago I said we would get out of here at 2 o'clock this morning. Please do not make me a liar.

Let us pass this motion and be gone.

The SPEAKER. Mr. Boyes.

Mr. BOYES. Will the former gentleman, Mr. Belfanti, please stand for interrogation?

Mr. BELFANTI. What might I be now?

Mr. BOYES. I wanted to make sure you were with us.

The gentleman, Mr. Speaker, made reference to the fact that we spent a lot of time, and we have. There is no question. There has been a lot of serious thought put into this bill by the members here this evening on both sides of the aisle, but in the course of your discourse there to the Speaker, you mentioned that we should get this passed and get it over to the Senate. Would you further amplify upon that remark?

Mr. BELFANTI. No.

Mr. BOYES. Mr. Speaker, then I have finished with my interrogation of the gentleman from the northeast.

The SPEAKER. The gentleman wants to be recognized on the motion to postpone?

### PARLIAMENTARY INQUIRY

Mr. BOYES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will please state his point.

Mr. BOYES. If the House would take final passage action on this bill tonight, would you explain what happens at this point beyond that. What happens to the bill?

The SPEAKER. The bill would be printed and transferred to the Senate.

Mr. BOYES. And when is the Senate in session to receive the bill?

The SPEAKER. Probably tomorrow, but it would depend upon the speed of the printer.

Mr. BOYES. Considering the hour and that and if they did not get it done, when is the next session date for the Senate to be in session?

The SPEAKER. That is problematic at this time.

Mr. BOYES. My point is this, Mr. Speaker, on the motion, if I may.

The SPEAKER. The gentleman is recognized on the motion.

Mr. BOYES. I do not think we are losing any time. I think the gentleman, Representative Blaum, has offered us in the motion a reasonable, a reasonable outcome for the tax reform package; that is, the chance for us to not only get the package and the bill printed so that we have a chance to take a second look at the amendments, take a look at the bill as amended, and also a very important point that Representative Blaum made in his motion is to take it home and share it with the people, have them have a chance to look at the tax reform, and then come back here on final passage on March 8 and vote the bill, and we have not lost anything. We have not lost any time; we have not lost any impetus, and I do not believe we are going to come back here with 40 or 50 amendments of that nature to plug that out, but after all, that is what our business is about, and it is to deal with the legislation that is before us.

This is important legislation for all of us. There is a lot. I have heard comments this evening about the bill and I will save those for final passage, but I would urge the members to consider the reasonable offer and especially on that side of the aisle from one of their own members that said we are not going to lose anything in terms of time. Let us come back here on March 8, let us take it up, and do it on final passage.

The SPEAKER. Mr. Barley, on the motion.

Mr. BARLEY. Thank you, Mr. Speaker.

I rise to support the motion to postpone, and in all likelihood, with the many issues that the Senate is preoccupied with right now trying to deal with some unanswered questions that continue to haunt them, I am very doubtful that they will be dealing with this before March 8 anyhow, and I think by having it reprinted and in the reasonableness of the motion that is before us, it will allow us and it may even allow some of our constituents across the State to be able to understand better what took place here this evening.

So considering all that, I support this motion and would encourage my colleagues to do the same thing.

The SPEAKER. On the motion to postpone, Mr. Nyce.

Mr. NYCE. Mr. Speaker, very briefly.

Mr. Speaker, very briefly, I have been involved in this bill personally for the last 3 months, and my professional training as a tax accountant and a tax expert, if you want to call it that, tells me that at this point right now, at this point right now I honestly could not sit down and explain the full complexities of this bill to any of my constituents.

I believe the motion that is on the floor right now is a very important, critical motion to eventually passing this legislation. It would give all of the members an opportunity to read it, get feedback from their constituents before we vote for final passage. There are things in this bill that some of us can and cannot support, but right now without having it in our hands we do not know what they are.

I urge the members to support the motion.

On the question recurring,  
Will the House agree to the motion?

The following roll call was recorded:

#### YEAS—73

Adolph	Farmer	Merry	Snyder, D. W.
Allen	Fichter	Mundy	Staback
Argall	Flick	Nyce	Stairs
Barley	Gannon	O'Brien	Steil
Blaum	Geist	Pettit	Stern
Boyes	Gladeck	Piccola	Strittmatter
Brown	Gruppo	Pitts	Taylor, E. Z.
Carone	Hess	Raymond	Taylor, J.
Cawley	Hutchinson	Reinard	Thomas
Civera	Jadlowiec	Rohrer	Tomlinson
Clark	Kasunic	Rooney	True
Clymer	Kenney	Rubley	Uliana
Conti	King	Ryan	Vitali
Cornell	Krebs	Sather	Waugh
DeLuca	Lawless	Scheetz	Wogan
Dent	Lee	Schuler	Wright, D. R.
Dermody	Leh	Semmel	Wright, M. N.
Druce	Lynch	Smith, S. H.	Zug
Fargo			

#### NAYS—122

Acosta	Fee	Lloyd	Robinson
Armstrong	Fleagle	Lucyk	Roebuck
Baker	Freeman	Maitland	Rudy
Battisto	Gamble	Manderino	Santoni
Bebko-Jones	Gerlach	Markosek	Saurman
Belardi	Gigliotti	Marsico	Saylor
Belfanti	Godshall	Masland	Scrimenti
Birmelin	Gordner	Mayernik	Serafini
Bishop	Gruitza	McCall	Smith, B.
Bunt	Haluska	McGeehan	Steelman
Buxton	Hanna	McNally	Steighner
Caltagirone	Harley	Melio	Steler
Cappabianca	Hasay	Michlovic	Stish
Carn	Hennessey	Micozzie	Sturla
Cessar	Herman	Mihalich	Surra
Chadwick	Hershey	Miller	Tangretti
Cohen, L. I.	Hughes	Nailor	Tigue
Cohen, M.	Itkin	Olasz	Trello
Colafiglia	James	Oliver	Trich
Colaizzo	Jarolin	Pesci	Tulli
Corrigan	Josephs	Petrarca	Vance
Cowell	Kaiser	Petrone	Van Horne

Coy	Keller	Phillips	Veon
Curry	Kirkland	Pistella	Washington
Daley	Kukovich	Platts	Williams
Dempsey	LaGrotta	Preston	Wozniak
Donatucci	Laub	Reber	Yandrisevits
Egolf	Laughlin	Richardson	Yewcic
Evans	Lederer	Rieger	
Fairchild	Lescovitz	Ritter	DeWeese,
Fajt	Levdansky	Roberts	Speaker

NOT VOTING—1

George

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkovitz			

The question was determined in the negative, and the motion was not agreed to.

On the question recurring,  
Shall the bill pass finally?

The SPEAKER. Mr. Strittmatter is recognized.  
Mr. STRITTMATTER. Thank you, Mr. Speaker.  
I will be very brief.

All I want to say is that our constituents wanted property tax reform and fairness. They are not getting it. They do not want a 6.3-percent State and local income tax coupled with a 7-percent sales tax. Our citizens wanted property tax reform, and this misses the mark. As other members have said, certain provisions of this legislation make it laughable. We should be looking at it before we pass it.

If we are wise, the House should vote against this bill, have the legislation printed so that we can address the inequities, and continue to address property tax reform on our next legislative session day. Thank you.

The SPEAKER. The gentlelady from Allegheny County, Mrs. Farmer, is recognized on final passage.

Mrs. FARMER. Thank you, Mr. Speaker.

Would the gentleman, Mr. Trello, stand for several questions?

The SPEAKER. The gentleman indicates he will.

Mr. TRELLO. You are on.

Mrs. FARMER. Thank you very much, Mr. Speaker.

Mr. Speaker, would you please clarify two things for me regarding the current bill. First of all, the county of Allegheny is exempted from the bill. Would you please clarify the intent for the municipalities and the school districts that are located within the county of Allegheny?

Mr. TRELLO. The school districts and the municipalities are in the bill. They share part of the sales tax that this General Assembly imposed several weeks ago. The city of Pittsburgh will get 50 percent of the sales tax, the county will get 25, and the school districts will get the other 25.

Mrs. FARMER. Mr. Speaker, to continue with that thought, will those municipalities and those school districts also have the option—

Mr. TRELLO. I am sorry. I am sorry. In order for the municipalities to qualify, to share in the revenues, they must pass a resolution.

Mrs. FARMER. Taking that one step further, do they have the option also of going the route of the income taxes to offset their real estate tax?

Mr. TRELLO. There is no language in the bill that would—  
Excuse me.

I am informed that the school districts and the municipalities can opt into this act but the county cannot.

Mrs. FARMER. The school districts and the municipalities will have—

Mr. TRELLO. An opportunity to opt in.

Mrs. FARMER. —the opportunity to go with the other alternative menu item, the one other item.

Mr. TRELLO. Correct.

Mrs. FARMER. Thank you.

One other question, Mr. Speaker. Would you please comment on the status of those communities, the municipalities, that are currently under a home-rule type of government?

Mr. TRELLO. I am informed that the home-rule communities can opt in but they will not be regulated by the caps.

Mrs. FARMER. Okay. Thank you very much.

The SPEAKER. On final passage, the gentleman, Mr. Sather — commissioner; county commissioner; former commissioner.

Mr. SATHER. Thank you, Mr. Speaker.

I will be very brief.

I have to tell you that when we began this process of deliberation on this bill—I do not know how many hours ago—I had reservations, serious reservations, of supporting this bill. I do believe at this time, however, that with the debate that has occurred these many hours and the diligence and the perseverance of both sides of the aisle, the leadership, that adequate taxpayer protection is available in this bill and through the amendment process.

I have some concerns yet, but I would say to the members here, I stand in support of this bill and I think all of us should unite. Let us move forward with tax reform. It has been a long, long time in coming. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,  
Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

YEAS—177

Acosta	Fichter	Manderino	Scheetz
Adolph	Fleagle	Markosek	Schuler
Allen	Freeman	Marsico	Scrimenti
Argall	Gamble	Masland	Semmel
Armstrong	Gannon	Mayernik	Serafini
Baker	Geist	McCall	Smith, B.
Barley	George	McGeehan	Smith, S. H.
Battisto	Gerlach	McNally	Snyder, D. W.
Bebko-Jones	Gigliotti	Melio	Staback
Belardi	Godshall	Merry	Stairs
Belfanti	Gordner	Michlovic	Steelman

Birmelin	Gruitza	Micozzie	Steighner
Bishop	Gruppo	Mihalich	Steil
Blaum	Haluska	Miller	Stern
Boyes	Hanna	Mundy	Stetler
Brown	Hasay	Nailor	Stish
Bunt	Hennessey	Nyce	Sturla
Buxton	Herman	O'Brien	Surra
Caltagirone	Hershey	Olasz	Tangretti
Cappabianca	Hess	Oliver	Taylor, E. Z.
Carr	Hughes	Pesci	Taylor, J.
Carone	Hutchinson	Petrarca	Thomas
Cessar	Itkin	Petrone	Tigue
Chadwick	Jadlowiec	Pettit	Tomlinson
Civera	James	Phillips	Trello
Clark	Jarolin	Piccola	Trich
Clymer	Josephs	Pistella	True
Cohen, M.	Kaiser	Platts	Tulli
Colafella	Kasunic	Preston	Vance
Colaizzo	Keller	Raymond	Van Home
Conti	Kenney	Reber	Vitali
Cowell	King	Reinard	Washington
Coy	Krebs	Richardson	Waugh
Daley	Kukovich	Rieger	Williams
Dempsey	LaGrotta	Ritter	Wogan
Dermody	Laughlin	Roberts	Wozniak
Donatucci	Lawless	Robinson	Wright, D. R.
Druce	Lederer	Roebuck	Wright, M. N.
Egolf	Lee	Rooney	Yandrisevits
Evans	Lescovitz	Rublely	Yewcic
Fairchild	Levdansky	Rudy	Zug
Fajt	Lloyd	Santoni	DeWeese,
Fargo	Lucyk	Sather	Speaker
Farmer	Lynch	Saurman	
Fee	Maitland	Saylor	

NAYS—19

Cawley	DeLuca	Kirkland	Ryan
Cohen, L. I.	Dent	Laub	Strittmatter
Cornell	Flick	Leh	Uliana
Corrigan	Gladeck	Pitts	Veon
Curry	Harley	Rohrer	

NOT VOTING—0

EXCUSED—5

Bush	Durham	Nickol	Perzel
Butkowitz			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

The SPEAKER. We still have some more votes. Mr. Itkin is recognized.

Mr. ITKIN. Mr. Speaker, we should be out of here in 10 minutes. We have a couple more resolutions. We have one bill and a couple innocuous resolutions to pass, and we will be out of here in 10 minutes. Thank you.

Please, your indulgence for 10 more minutes. Thank you.

VOTE CORRECTION

The SPEAKER. Mr. Reber is recognized.

Mr. REBER. To correct the record, Mr. Speaker.

The SPEAKER. The gentleman may proceed.

Mr. REBER. On the Dent amendment A562—that is the third Dent amendment A562 at 1:29 in the morning—I understand from looking at the roll-call vote I was voted “no.” I would prefer to be voted “yes” as my prior two votes. Thank you.

The SPEAKER. The gentleman’s remarks will be spread across the record.

The chamber will yield momentarily.

We can expedite the process if we take corrections to the record in about 5 or 8 minutes after we take care of house-keeping procedures. Then we will have all the members out of here quicker.

BILLS ON THIRD CONSIDERATION CONTINUED

The House proceeded to third consideration of **HB 908, PN 2920**, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, further providing for certain costs and fees and the collection and disposition thereof; and further providing for judicial salaries.

On the question,

Will the House agree to the bill on third consideration?

Mr. CALTAGIRONE offered the following amendment No. A0129:

Amend Title, page 1, line 1, by striking out “Title” and inserting

Titles 15 (Corporations and Unincorporated Associations) and

Amend Sec. 1, page 1, lines 9 through 11, by striking out all of said lines

Amend Bill, page 4, by inserting between lines 20 and 21 Section 1. Section 153(a)(8)(vii) of Title 15 of the Pennsylvania Consolidated Statutes is amended to read: § 153. Fee schedule.

(a) General rule.—The fees of the Corporation Bureau of the Department of State, including fees for the public acts and transactions of the Secretary of the Commonwealth administered through the bureau, and of county filing officers under Title 13 (relating to commercial code), shall be as follows:

\*\*\*

(8) Uniform Commercial Code:

\*\*\*

(vii) Beginning on January 1, 1994, and each January 1 thereafter, the [costs] county fees under paragraph (8) shall be increased by the percentage of increase in the Consumer Price Index for Urban Workers for the immediate preceding calendar year which shall be published in the Pennsylvania Bulletin annually by the Supreme Court on or before the preceding November 30. This subparagraph shall expire January 1, 2001.

\*\*\*

Section 2. Sections 1725.1, 3571(c) and 3581 of Title 42 are amended to read:

Amend Sec. 2, page 12, line 19, by striking out "2" and inserting

3

On the question,  
Will the House agree to the amendment?

The SPEAKER. On the amendment, Mr. Caltagirone.

Mr. CALTAGIRONE. Mr. Speaker, this is an agreed-to amendment. It is a technical amendment, and I think Chairman Piccola would also like to speak to that. Thank you.

The SPEAKER. The gentleman from Dauphin County, Mr. Piccola.

Mr. PICCOLA. Mr. Speaker, this is a technical, agreed-to amendment. I would urge adoption.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—189

Allen	Fee	Lucyk	Saurman
Argall	Fichter	Lynch	Saylor
Armstrong	Fleagle	Maitland	Scheetz
Baker	Flick	Manderino	Schuler
Barley	Freeman	Markosek	Scrimenti
Battisto	Gamble	Marsico	Semmel
Bebko-Jones	Gannon	Masland	Serafini
Belardi	Geist	Mayernik	Smith, B.
Belfanti	George	McCall	Smith, S. H.
Birmelin	Gerlach	McGeehan	Snyder, D. W.
Bishop	Gigliotti	McNally	Staback
Blaum	Gladeck	Melio	Stairs
Boyes	Godshall	Merry	Steelman
Brown	Gordner	Michlovic	Steighner
Bunt	Gruitza	Micozzie	Steil
Buxton	Gruppo	Mihalich	Stern
Caltagirone	Haluska	Miller	Stetler
Cappabianca	Hanna	Mundy	Stish
Carn	Harley	Nailor	Strittmatter
Carone	Hasay	O'Brien	Sturla
Cawley	Hennessey	Olasz	Surra
Cessar	Herman	Oliver	Tangretti
Chadwick	Hershey	Pesci	Taylor, E. Z.
Civera	Hess	Petrarca	Taylor, J.
Clark	Hughes	Petrone	Thomas
Clymer	Hutchinson	Pettit	Tigue
Cohen, L. I.	Itkin	Phillips	Tomlinson
Cohen, M.	Jadlowiec	Piccola	Trello
Colafrella	James	Pistella	Trich
Colaizzo	Jarolin	Pitts	True
Conti	Josephs	Platts	Tulli
Cornell	Kaiser	Preston	Vance
Corrigan	Kasunic	Raymond	Van Horne
Cowell	Keller	Reber	Veon
Coy	King	Reinard	Vitali
Curry	Kirkland	Richardson	Washington
Daley	Krebs	Rieger	Waugh
DeLuca	Kukovich	Ritter	Williams
Dempsey	LaGrotta	Roberts	Wozniak
Dermody	Laub	Robinson	Wright, D. R.
Donatucci	Laughlin	Roebuck	Wright, M. N.
Druce	Lawless	Rohrer	Yandrisevits
Egolf	Lederer	Rooney	Yewcic
Evans	Lee	Rubley	Zug
Fairchild	Leh	Rudy	

Fajt	Lescovitz	Ryan	DeWeese,
Fargo	Levdansky	Santoni	Speaker
Farmer	Lloyd	Sather	

NAYS—5

Dent	Nyce	Uliana	Wogan
Kenney			

NOT VOTING—2

Acosta	Adolph
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EXCUSED—5

Bush	Durham	Nickol	Petzel
Butkovitz			

The question was determined in the affirmative, and the amendment was agreed to.

On the question,  
Will the House agree to the bill on third consideration as amended?

Bill as amended was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

YEAS—176

Acosta	Fajt	Lynch	Santoni
Allen	Farmer	Maitland	Sather
Argall	Fee	Manderino	Saurman
Armstrong	Fichter	Markosek	Saylor
Baker	Fleagle	Marsico	Scheetz
Barley	Flick	Masland	Schuler
Battisto	Freeman	Mayernik	Semmel
Bebko-Jones	Gamble	McCall	Serafini
Belardi	Gannon	McGeehan	Smith, B.
Belfanti	Geist	McNally	Smith, S. H.
Birmelin	George	Melio	Snyder, D. W.
Bishop	Gerlach	Merry	Staback
Blaum	Gigliotti	Michlovic	Stairs
Boyes	Gladeck	Micozzie	Steelman
Brown	Godshall	Mihalich	Steighner
Bunt	Gruppo	Miller	Steil
Buxton	Haluska	Mundy	Stern
Caltagirone	Hasay	Nailor	Stetler
Cappabianca	Hennessey	Nyce	Stish
Carn	Herman	O'Brien	Strittmatter
Carone	Hershey	Olasz	Sturla
Cessar	Hess	Oliver	Surra
Chadwick	Hughes	Pesci	Tangretti
Civera	Hutchinson	Petrarca	Taylor, E. Z.
Clark	Itkin	Petrone	Taylor, J.
Cohen, L. I.	Jadlowiec	Pettit	Thomas
Cohen, M.	James	Phillips	Tomlinson
Colafrella	Jarolin	Piccola	Trello
Colaizzo	Josephs	Pistella	Trich
Conti	Kaiser	Pitts	True
Cornell	Kasunic	Platts	Tulli
Corrigan	Keller	Preston	Uliana
Cowell	King	Raymond	Vance
Coy	Kirkland	Reber	Van Horne
Curry	Kukovich	Reinard	Veon
Daley	LaGrotta	Richardson	Vitali

DeLuca	Laub	Rieger	Washington
Dempsey	Laughlin	Ritter	Waugh
Dermody	Lawless	Roberts	Williams
Donatucci	Lederer	Robinson	Wozniak
Druce	Leh	Roebuck	Wright, D. R.
Egolf	Lescovitz	Rohrer	Wright, M. N.
Evans	Levdansky	Rooney	Yandrisevits
Fairchild	Lucyk	Rublely	Zug

**NAYS—16**

Cawley	Gordner	Krebs	Scrimenti
Clymer	Gruitza	Lee	Tigue
Dent	Hanna	Lloyd	Wogan
Fargo	Kenney	Rudy	Yewcic

**NOT VOTING—4**

Adolph	Ryan
Harley	
	DeWeese,
	Speaker

**EXCUSED—5**

Bush	Durham	Nickol	Perzel
Butkovitz			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

### HOUSE BILL INTRODUCED AND REFERRED

**No. 2540** By Representatives REBER, GEORGE, WOZNIAK, MIHALICH, BATTISTO, CESSAR, CARONE, CONTI, CLYMER, DEMPSEY, FARMER, GORDNER, FICHTER, DERMODY, LAUB, ARGALL, LYNCH, MASLAND, PESCI, PITTS, STURLA, SEMMEL, TIGUE, LAWLESS, BIRMELIN, HESS, NAILOR, PHILLIPS, E. Z. TAYLOR, STEIL, DURHAM, D. W. SNYDER, DENT, CORNELL, MELIO, HENNESSEY, WAUGH, SCHULER, JAROLIN, JADLOWIEC, S. H. SMITH, HERMAN, RUBLEY and SERAFINI

An Act establishing environmental remediation standards for contaminated commercial and industrial sites; assigning powers and duties to the Department of Environmental Resources and the Environmental Quality Board; and making repeals.

Referred to Committee on CONSERVATION, February 8, 1994.

The SPEAKER. We are going to adjourn today's session and go into tomorrow's session for about 5 minutes. Members should linger on the floor of the House.

**BILLS AND RESOLUTIONS PASSED OVER**

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

**ADJOURNMENT**

The SPEAKER. The Chair recognizes the gentleman, Mr. Itkin of Allegheny County.

Mr. ITKIN. Mr. Speaker, I move that this House do now adjourn until Wednesday, February 9, 1994, at 2:15 a.m., e.s.t., unless sooner recalled by the Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 2:14 a.m., e.s.t., February 9, 1994, the House adjourned.