

COMMONWEALTH OF PENNSYLVANIA

LEGISLATIVE JOURNAL

TUESDAY, SEPTEMBER 16, 2003

SESSION OF 2003

187TH OF THE GENERAL ASSEMBLY

No. 72

HOUSE OF REPRESENTATIVES

The House convened at 11 a.m., e.d.t.

THE SPEAKER PRO TEMPORE (JERRY BIRMELIN) PRESIDING

ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Just as a notice to all of the House members, the Chair is going to recess shortly. There is no need to come to the House floor. We will be recessing until 11:30, but we are going to begin with the opening of the session as normal.

PRAYER

REV. BRUCE D. McINTOSH, Chaplain of the House of Representatives, offered the following prayer:

Thank you.

Everybody heard that I opened in prayer yesterday, so they all came rushing in to hear me again today, so—

Let us bow our heads:

Father, I am grateful to You for Your love, Your grace to us, and I ask that You will be with those who are in caucus right now and the business that will be taking place the rest of the day. I ask, Father, that You will, keeping in mind the purpose of running the government, helping the State accomplish its purposes, taking care of the citizens, and do it with compassion and with uncommon wisdom.

Help all those involved today to do that, and I ask it in Your holy name. 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, September 15, 2003, will be postponed until printed.

HOUSE BILLS INTRODUCED AND REFERRED

No. 1982 By Representatives McILHINNEY, ARMSTRONG, CAPPELLI, CRAHALLA, CREIGHTON, DeLUCA, DENLINGER, FREEMAN, GRUCELA, HARPER, HENNESSEY, HERSHEY, HORSEY, KILLION, McGEEHAN, R. MILLER, NAILOR, O'NEILL, PAYNE, PETRI, RUBLEY, SCAVELLO, SCHRODER, STEIL, WASHINGTON and YOUNGBLOOD

An Act amending the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code, further providing for fees charged by the municipality.

Referred to Committee on LOCAL GOVERNMENT, September 16, 2003.

No. 1983 By Representatives BOYD, GODSHALL, PETRI, O'NEILL, SCHRODER, TURZAI, HERSHEY, DENLINGER, TRUE, HICKERNELL, CREIGHTON, GORDNER, EGOLF, GINGRICH, HUTCHINSON, YOUNGBLOOD, STERN, KILLION, HENNESSEY and WASHINGTON

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, providing for liability rules applicable to product sellers.

Referred to Committee on JUDICIARY, September 16, 2003.

No. 1984 By Representative FRANKEL

An Act amending the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal Pension Plan Funding Standard and Recovery Act, providing for further modification of actuarial funding standard.

Referred to Committee on FINANCE, September 16, 2003.

No. 1985 By Representatives S. MILLER, PISTELLA, E. Z. TAYLOR, ARMSTRONG, CRAHALLA, DAILEY, GINGRICH, WATSON, BROWNE, CAPPELLI, CRUZ, CURRY, DENLINGER, FORCIER, FREEMAN, GEORGE, GOODMAN, HARPER, HERSHEY, LEACH, R. MILLER, READSHAW, SCHRODER, THOMAS, TIGUE, TURZAI, WASHINGTON, WEBER and YOUNGBLOOD

An Act requiring certain facilities to coordinate with licensing agencies and local long-term care ombudsmen to provide assistance to residents in circumstances involving relocation of residents due to voluntary or involuntary closure of the facilities.

Referred to Committee on AGING AND OLDER ADULT SERVICES, September 16, 2003.

No. 1986 By Representatives TURZAI, ARMSTRONG, BARRAR, CAPPELLI, CLYMER, COLEMAN, CORRIGAN, CRAHALLA, DENLINGER, EGOLF, FLEAGLE, FORCIER, GEIST, GODSHALL, HARRIS, HERSHEY, HUTCHINSON, LEWIS, METCALFE, MUSTIO, PAYNE, PHILLIPS, REED, REICHLEY, SCAVELLO, SCHRODER, SEMMEL, STERN, T. STEVENSON, E. Z. TAYLOR, WATSON and YOUNGBLOOD

An Act to prevent frivolous lawsuits against the manufacturers, distributors or sellers of food and nonalcoholic beverage products that comply with applicable statutory and regulatory requirements.

Referred to Committee on JUDICIARY, September 16, 2003.

No. 1987 By Representatives BENNINGHOFF, BAKER, BELFANTI, DeWEESE, FREEMAN, GEIST, GOODMAN, HARHAI, HARRIS, HERSHEY, HORSEY, JAMES, JOSEPHS, KELLER, LAUGHLIN, LEACH, McILHATTAN, O'NEILL, PAYNE, SCAVELLO, SOLOBAY, E. Z. TAYLOR, THOMAS, WALKO, WASHINGTON, WILT, WOJNAROSKI and YOUNGBLOOD

An Act amending the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, mandating health insurance coverage for stump socks.

Referred to Committee on INSURANCE, September 16, 2003.

No. 1988 By Representatives METCALFE, ARMSTRONG, BARRAR, BENNINGHOFF, CREIGHTON, HARRIS and YOUNGBLOOD

An Act imposing limitations on political subdivisions relating to the increase of real property taxes.

Referred to Committee on FINANCE, September 16, 2003.

No. 1989 By Representatives READSHAW, McILHATTAN, FABRIZIO, HALUSKA, PAYNE, SOLOBAY, THOMAS, TRUE, TURZAI and WALKO

An Act amending the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, further providing for delegation of taxing powers and restrictions thereon.

Referred to Committee on FINANCE, September 16, 2003.

No. 1990 By Representatives TRAVAGLIO, BEBKO-JONES, BENNINGHOFF, CAPPELLI, DALEY, FABRIZIO, GERGELY, GOODMAN, HESS, HORSEY, JAMES, LEWIS, McILHATTAN, PHILLIPS, PISTELLA, ROBERTS, SCAVELLO, SHANER, R. STEVENSON, TANGRETTI, THOMAS, WASHINGTON, WOJNAROSKI and YOUNGBLOOD

An Act amending Title 71 (State Government) of the Pennsylvania Consolidated Statutes, providing for election to convert municipal service to State service.

Referred to Committee on FINANCE, September 16, 2003.

No. 1991 By Representatives MAITLAND, LEACH and SOLOBAY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further defining "financial responsibility"; providing for adjustment of financial responsibility; and further providing for additional coverage, for payments sufficient to satisfy judgments, for notice of available benefits and limits and for availability of uninsured, underinsured, bodily injury liability and property damage coverages and mandatory deductibles.

Referred to Committee on INSURANCE, September 16, 2003.

No. 1992 By Representatives EGOLF, ARMSTRONG, BAKER, BALDWIN, BARRAR, BASTIAN, BEBKO-JONES, BENNINGHOFF, BIRMELIN, BROWNE, CAPPELLI, CIVERA, CORRIGAN, CREIGHTON, CRUZ, FORCIER, GABIG, GEIST, GRUCELA, HARHAI, HARHART, HARRIS, HERMAN, HERSHEY, HESS, HICKERNELL, HORSEY, HUTCHINSON, KELLER, LAUGHLIN, LEDERER, LEH, LYNCH, MARSICO, McNAUGHTON, MELIO, R. MILLER, S. MILLER, MUNDY, NAILOR, PAYNE, REICHLEY, ROHRER, SATHER, SCAVELLO and SHANER

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, adding provisions relating to child molester control; and providing for sentencing for certain sexual offense convictions, for restrictions on parole or release and for certain treatment.

Referred to Committee on JUDICIARY, September 16, 2003.

No. 1993 By Representative MARSICO

An Act authorizing and directing the Department of General Services, with the approval of the Governor and the Department of Military and Veterans Affairs, to grant and convey certain land situate in East Hanover Township, Dauphin County, to Dr. Albert J. Zanetti and Mrs. Jeana M. Zanetti, his wife, in consideration for the grant and conveyance by Dr. Albert J. Zanetti and Mrs. Jeana M. Zanetti, his wife, to the Department of General Services and the Department of Military and Veterans Affairs of certain land situate in East and West Hanover Townships, Dauphin County.

Referred to Committee on STATE GOVERNMENT, September 16, 2003.

HOUSE RESOLUTIONS INTRODUCED AND REFERRED

No. 390 By Representatives HORSEY, BELFANTI, CORRIGAN, CRUZ, DALEY, DeWEESE, FRANKEL, FREEMAN, HERMAN, HERSHEY, JAMES, JOSEPHS, LAUGHLIN, LEACH, MARKOSEK, MYERS, PISTELLA, READSHAW, REICHLEY, WALKO, YOUNGBLOOD,

ALLEN, BALDWIN, CLYMER, McGILL, PETRI and SCHRODER

A Resolution recognizing the plight of Falun Gong practitioners in China.

Referred to Committee on INTERGOVERNMENTAL AFFAIRS, September 16, 2003.

No. 394 By Representatives HUTCHINSON, S. H. SMITH, McILHATTAN, BARD, CAUSER, DALLY, FORCIER, LYNCH, METCALFE, R. MILLER, REED, ROSS, SATHER, STERN, R. STEVENSON and WILT

A Concurrent Resolution directing the Joint Legislative Air and Water Pollution Control and Conservation Committee to undertake a study of the oil and gas leasing activities of the Department of Conservation and Natural Resources; and urging the Department of Conservation and Natural Resources to postpone certain action until completion of the study.

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, September 16, 2003.

SENATE MESSAGE

ADJOURNMENT RESOLUTION FOR CONCURRENCE

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
September 15, 2003

RESOLVED, (the House of Representatives concurring), That when the Senate adjourns this week, it reconvene on Monday, September 22, 2003, unless sooner recalled by the President Pro Tempore of the Senate; and be it further

RESOLVED, That when the House of Representatives adjourns this week, it reconvene on Monday, September 22, 2003, unless sooner recalled by the Speaker 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.

RECESS

The SPEAKER pro tempore. The House will now stand in recess until 11:30 a.m.

AFTER RECESS

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

THE SPEAKER (JOHN M. PERZEL) PRESIDING

LEAVE OF ABSENCE

The SPEAKER. The Chair recognizes the minority whip, who moves for a leave of absence for the gentleman from York, Mr. STETLER. Without objection, the leave will be granted.

MASTER ROLL CALL

The SPEAKER. The Chair is about to take the master roll. The members will proceed to vote.

The following roll call was recorded:

PRESENT—199

Adolph	Evans, J.	Lescovitz	Rubley
Allen	Fabrizio	Levdansky	Ruffing
Argall	Fairchild	Lewis	Sainato
Armstrong	Feese	Lynch	Samuelson
Baker	Fichter	Mackereth	Santoni
Baldwin	Fleagle	Maher	Sather
Bard	Flick	Maitland	Saylor
Barrar	Forcier	Major	Scavello
Bastian	Frankel	Manderino	Schroder
Bebko-Jones	Freeman	Mann	Scriminti
Belardi	Gabig	Markosek	Semmel
Belfanti	Gannon	Marsico	Shaner
Benninghoff	Geist	McCall	Smith, B.
Bianucci	George	McGeehan	Smith, S. H.
Birmelin	Gergely	McGill	Staback
Bishop	Gillespie	McIlhattan	Stairs
Blaum	Gingrich	McIlhinney	Steil
Boyd	Godshall	McNaughton	Stern
Browne	Good	Melio	Stevenson, R.
Bunt	Goodman	Metcalfe	Stevenson, T.
Butkovitz	Gordner	Micozzie	Sturla
Buxton	Grucela	Miller, R.	Surra
Caltagirone	Gruitza	Miller, S.	Tangretti
Cappelli	Habay	Mundy	Taylor, E. Z.
Casorio	Haluska	Mustio	Taylor, J.
Causer	Hanna	Myers	Thomas
Cawley	Harhai	Nailor	Tigue
Civera	Harhart	Nickol	Travaglio
Clymer	Harper	O'Brien	True
Cohen	Harris	Oliver	Turzai
Coleman	Hasay	O'Neill	Vance
Corrigan	Hennessey	Pallone	Veon
Costa	Herman	Payne	Vitali
Coy	Hershey	Petrarca	Walko
Crahalla	Hess	Petri	Wansacz
Creighton	Hickernell	Petrone	Washington
Cruz	Horsey	Phillips	Waters
Curry	Hutchinson	Pickett	Watson
Daley	James	Pistella	Weber
Daley	Josephs	Preston	Wheatley
Dally	Keller	Raymond	Williams
DeLuca	Kenney	Readshaw	Wilt
Denlinger	Killion	Reed	Wright
Dermody	Kirkland	Reichley	Yewcic
DeWeese	Kotik	Rieger	Youngblood
DiGirolamo	LaGrotta	Roberts	Yudichak
Diven	Laughlin	Roebuck	Zug
Donatucci	Leach	Rohrer	
Eachus	Lederer	Rooney	Perzel,
Egolf	Leh	Ross	Speaker
Evans, D.			

ADDITIONS—0

NOT VOTING—0

EXCUSED—4

Cornell Solobay Stetler Wojnaroski

BILLS REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader.
Mr. S. SMITH. Mr. Speaker, I move that the following bills be taken off the table: HB 497 and HB 537.

On the question,
Will the House agree to the motion?
Motion was agreed to.

BILLS TABLED

The SPEAKER. The Chair recognizes the majority leader.
Mr. S. SMITH. Mr. Speaker, I move that the following bills be laid upon the table: HB 497 and HB 537.

On the question,
Will the House agree to the motion?
Motion was agreed to.

GUESTS INTRODUCED

The SPEAKER. We have an announcement. There is a guest of Representative Bob Bastian who is with us, acting today as a guest page on the floor of the House. Her name is Megan Will. She is a junior at Somerset High School. She has an interest in politics, law, and journalism and hopes to pursue a career in this. Would the young lady please rise. The parents and younger sister are also in the gallery. They are Greg and Amy Will and her sister, Christine. They are in the gallery. Would they please rise and be recognized by the membership.

The Chair welcomes, as guests of Representative Chris Ross, a student from Chester County who is serving as a guest page, Kendall Hoechst, and also welcome her mother, who is seated to the left of the Speaker, Karen Ferrari. Would the guests please rise.

The Chair welcomes Nicholas Pyzowski, an intern in Representative David Argall's office, and his parents, Angela and Carl Pyzowski, of Frackville, Schuylkill County. They are the guests of Representative Neal Goodman and Representative David Argall. They are to the left of the Speaker. Would those guests please rise.

CALENDAR

RESOLUTIONS PURSUANT TO RULE 35

Mr. DALLY called up **HR 384, PN 2574**, entitled:

A Resolution designating October 2003 as "Agent Orange Recognition Month" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—199

Adolph	Evans, J.	Lescovitz	Rubley
Allen	Fabrizio	Levdansky	Ruffing
Argall	Fairchild	Lewis	Sainato
Armstrong	Feese	Lynch	Samuelson
Baker	Fichter	Mackereth	Santoni
Baldwin	Fleagle	Maher	Sather
Bard	Flick	Maitland	Saylor
Barrar	Forcier	Major	Scavello
Bastian	Frankel	Manderino	Schroder
Bebko-Jones	Freeman	Mann	Scrimenti
Belardi	Gabig	Markosek	Semmel
Belfanti	Gannon	Marsico	Shaner
Benninghoff	Geist	McCall	Smith, B.
Bianucci	George	McGeehan	Smith, S. H.
Birmelin	Gergely	McGill	Staback
Bishop	Gillespie	McIlhattan	Stairs
Blaum	Gingrich	McIlhinney	Steil
Boyd	Godshall	McNaughton	Stern
Browne	Good	Melio	Stevenson, R.
Bunt	Goodman	Metcalfe	Stevenson, T.
Butkovitz	Gordner	Micozzie	Sturla
Buxton	Grucela	Miller, R.	Surra
Caltagirone	Gruitza	Miller, S.	Tangretti
Cappelli	Habay	Mundy	Taylor, E. Z.
Casorio	Haluska	Mustio	Taylor, J.
Causer	Hanna	Myers	Thomas
Cawley	Harhai	Nailor	Tigue
Civera	Harhart	Nickol	Travaglio
Clymer	Harper	O'Brien	True
Cohen	Harris	Oliver	Turzai
Coleman	Hasay	O'Neill	Vance
Corrigan	Hennessey	Pallone	Veon
Costa	Herman	Payne	Vitali
Coy	Hershey	Petrarca	Walko
Crahalla	Hess	Petri	Wansacz
Creighton	Hickernell	Petrone	Washington
Cruz	Horsey	Phillips	Waters
Curry	Hutchinson	Pickett	Watson
Dailey	James	Pistella	Weber
Daley	Josephs	Preston	Wheatley
Dally	Keller	Raymond	Williams
DeLuca	Kenney	Readshaw	Wilt
Denlinger	Killion	Reed	Wright
Demody	Kirkland	Reichley	Yewcic
DeWeese	Kotik	Rieger	Youngblood
DiGirolamo	LaGrotta	Roberts	Yudichak
Diven	Laughlin	Roebuck	Zug
Donatucci	Leach	Rohrer	
Eachus	Lederer	Rooney	Perzel,
Egolf	Leh	Ross	Speaker
Evans, D.			

NAYS—0

NOT VOTING—0

EXCUSED—4

Cornell Solobay Stetler Wojnaroski

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

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Ms. WASHINGTON called up **HR 385, PN 2575**, entitled:

A Resolution commemorating the 40th anniversary of the 1963 March on Washington.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-198

Adolph	Evans, D.	Leh	Ross
Allen	Evans, J.	Lescovitz	Rubley
Argall	Fabrizio	Levdansky	Ruffing
Armstrong	Fairchild	Lewis	Sainato
Baker	Feese	Lynch	Samuelson
Baldwin	Fichter	Mackereth	Santoni
Bard	Fleagle	Maher	Sather
Barrar	Flick	Maitland	Saylor
Bastian	Forcier	Major	Scavello
Bebko-Jones	Frankel	Manderino	Schroder
Belardi	Freeman	Mann	Scrimenti
Belfanti	Gabig	Markosek	Semmel
Benninghoff	Gannon	Marsico	Shaner
Biancucci	Geist	McCall	Smith, B.
Birmelin	George	McGeehan	Smith, S. H.
Bishop	Gergely	McGill	Staback
Blaum	Gillespie	McIlhattan	Stairs
Boyd	Gingrich	McIlhinney	Steil
Browne	Godshall	McNaughton	Stern
Bunt	Good	Melio	Stevenson, R.
Butkovitz	Goodman	Metcalfe	Stevenson, T.
Buxton	Gordner	Micozzie	Surra
Caltagirone	Grucela	Miller, R.	Tangretti
Cappelli	Gruitza	Miller, S.	Taylor, E. Z.
Casorio	Habay	Mundy	Taylor, J.
Causer	Haluska	Mustio	Thomas
Cawley	Hanna	Myers	Tigue
Civera	Harhai	Nailor	Travaglio
Clymer	Harhart	Nickol	True
Cohen	Harper	O'Brien	Turzai
Coleman	Harris	Oliver	Vance
Corrigan	Hasay	O'Neill	Veon
Costa	Hennessey	Pallone	Vitali
Coy	Herman	Payne	Walko
Crahalla	Hershey	Petrarca	Wansacz
Creighton	Hess	Petri	Washington
Cruz	Hickernell	Petrone	Waters
Curry	Horse	Phillips	Watson
Dailey	Hutchinson	Pickett	Weber
Daley	James	Pistella	Wheatley
Dally	Josephs	Preston	Williams
DeLuca	Keller	Raymond	Wilt
Denlinger	Kenney	Readshaw	Wright
Dermody	Killion	Reed	Yewcic
DeWeese	Kirkland	Reichley	Youngblood
DiGirolamo	Kotik	Rieger	Yudichak
Diven	LaGrotta	Roberts	Zug
Donatucci	Laughlin	Roebuck	
Eachus	Leach	Rohrer	Perzel,
Egolf	Lederer	Rooney	Speaker

NAYS-0

NOT VOTING-1

Sturla

EXCUSED-4

Cornell Solobay Stetler Wojnaroski

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

SUPPLEMENTAL CALENDAR A

RESOLUTIONS PURSUANT TO RULE 35

Mrs. WATSON called up **HR 391, PN 2588**, entitled:

A Resolution designating the month of October 2003 as "Breast Cancer Awareness Month" and observing October 17, 2003, as "National Mammography Day" in this Commonwealth.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-199

Adolph	Evans, J.	Lescovitz	Rubley
Allen	Fabrizio	Levdansky	Ruffing
Argall	Fairchild	Lewis	Sainato
Armstrong	Feese	Lynch	Samuelson
Baker	Fichter	Mackereth	Santoni
Baldwin	Fleagle	Maher	Sather
Bard	Flick	Maitland	Saylor
Barrar	Forcier	Major	Scavello
Bastian	Frankel	Manderino	Schroder
Bebko-Jones	Freeman	Mann	Scrimenti
Belardi	Gabig	Markosek	Semmel
Belfanti	Gannon	Marsico	Shaner
Benninghoff	Geist	McCall	Smith, B.
Biancucci	George	McGeehan	Smith, S. H.
Birmelin	Gergely	McGill	Staback
Bishop	Gillespie	McIlhattan	Stairs
Blaum	Gingrich	McIlhinney	Steil
Boyd	Godshall	McNaughton	Stern
Browne	Good	Melio	Stevenson, R.
Bunt	Goodman	Metcalfe	Stevenson, T.
Butkovitz	Gordner	Micozzie	Sturla
Buxton	Grucela	Miller, R.	Surra
Caltagirone	Gruitza	Miller, S.	Tangretti
Cappelli	Habay	Mundy	Taylor, E. Z.
Casorio	Haluska	Mustio	Taylor, J.
Causer	Hanna	Myers	Thomas
Cawley	Harhai	Nailor	Tigue
Civera	Harhart	Nickol	Travaglio
Clymer	Harper	O'Brien	True
Cohen	Harris	Oliver	Turzai
Coleman	Hasay	O'Neill	Vance
Corrigan	Hennessey	Pallone	Veon
Costa	Herman	Payne	Vitali
Coy	Hershey	Petrarca	Walko
Crahalla	Hess	Petri	Wansacz
Creighton	Hickernell	Petrone	Washington
Cruz	Horse	Phillips	Waters
Curry	Hutchinson	Pickett	Watson
Dailey	James	Pistella	Weber
Daley	Josephs	Preston	Wheatley
Dally	Keller	Raymond	Williams
DeLuca	Kenney	Readshaw	Wilt
Denlinger	Killion	Reed	Wright
Dermody	Kirkland	Reichley	Yewcic
DeWeese	Kotik	Rieger	Youngblood

DiGirolamo	LaGrotta	Roberts	Yudichak
Diven	Laughlin	Roebuck	Zug
Donatucci	Leach	Rohrer	
Eachus	Lederer	Rooney	Perzel,
Egolf	Leh	Ross	Speaker
Evans, D.			

NAYS-0

NOT VOTING-0

EXCUSED-4

Cornell	Solobay	Stetler	Wojnaroski
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The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

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Ms. WEBER called up **HR 393, PN 2590**, entitled:

A Resolution designating the month of September 2003 as "Youth Soccer Month" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-198

Adolph	Evans, D.	Lescovitz	Rubley
Allen	Evans, J.	Levdansky	Ruffing
Argall	Fabrizio	Lewis	Sainato
Armstrong	Fairchild	Lynch	Samuelson
Baker	Feese	Mackereth	Santoni
Baldwin	Fichter	Maher	Sather
Bard	Fleagle	Maitland	Saylor
Barrar	Flick	Major	Scavello
Bastian	Forcier	Manderino	Schroder
Bebko-Jones	Frankel	Mann	Scrimenti
Belardi	Freeman	Markosek	Semmel
Belfanti	Gabig	Marsico	Shaner
Benninghoff	Gannon	McCall	Smith, B.
Bianucci	Geist	McGeehan	Smith, S. H.
Birmelin	Gergely	McGill	Staback
Bishop	Gillespie	McIlhattan	Stairs
Blaum	Gingrich	McIlhinney	Steil
Boyd	Godshall	McNaughton	Stern
Browne	Good	Melio	Stevenson, R.
Bunt	Goodman	Metcalfe	Stevenson, T.
Butkovitz	Gordner	Micozzie	Sturla
Buxton	Grucela	Miller, R.	Surra
Caltagirone	Gruitza	Miller, S.	Tangretti
Cappelli	Habay	Mundy	Taylor, E. Z.
Casorio	Haluska	Mustio	Taylor, J.
Causer	Hanna	Myers	Thomas
Cawley	Harhai	Nailor	Tigue
Civera	Harhart	Nickol	Travaglio
Clymer	Harper	O'Brien	True
Cohen	Harris	Oliver	Turzai
Coleman	Hasay	O'Neill	Vance
Corrigan	Hennessey	Pallone	Veon
Costa	Herman	Payne	Vitali
Coy	Hershey	Petrarca	Walko
Crahalla	Hess	Petri	Wansacz
Creighton	Hickernell	Petrone	Washington
Cruz	Horsey	Phillips	Waters

Curry	Hutchinson	Pickett	Watson
Dailey	James	Pistella	Weber
Daley	Josephs	Preston	Wheatley
Dally	Keller	Raymond	Williams
DeLuca	Kenney	Readshaw	Wilt
Denlinger	Killion	Reed	Wright
Dermody	Kirkland	Reichley	Yewcic
DeWeese	Kotik	Rieger	Youngblood
DiGirolamo	LaGrotta	Roberts	Yudichak
Diven	Laughlin	Roebuck	Zug
Donatucci	Leach	Rohrer	
Eachus	Lederer	Rooney	Perzel,
Egolf	Leh	Ross	Speaker

NAYS-0

NOT VOTING-1

George

EXCUSED-4

Cornell	Solobay	Stetler	Wojnaroski
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The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

VOTE CORRECTION

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

Mr. GEORGE. Mr. Speaker, on HR 393 I was not recorded. I would appreciate being recorded in the affirmative.

The SPEAKER. The Chair thanks the gentleman. And I apologize, Mr. George; I must have missed it somehow.

The gentleman's remarks will be spread upon the record. Thank you.

CALENDAR CONTINUED

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 234, PN 263**, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, providing a tax credit for attendance at a firearm training course.

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

RULES SUSPENDED

The SPEAKER. The Chair recognizes the gentleman, Mr. Smith, for the purpose of suspension of the rules. Mr. Smith.

The gentleman is entitled to be heard. Would the membership please, please, keep the noise level down.

Mr. S. SMITH. Mr. Speaker, on HB 234, which is a Tax Code bill, we had introduced a number of amendments. There was one that was an omnibus amendment that basically

encompassed the language in the various singular amendments. It was not filed on time, just plain and simple, and in order to allow the House to move further with its business, I would ask the members to suspend the rules for the consideration of the omnibus amendment.

The SPEAKER. The Chair thanks the gentleman.

The chamber will be temporarily at ease for just about 2 minutes.

Those in favor of suspension will vote “aye”; those opposed, “no.”

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

The following roll call was recorded:

YEAS—184

Adolph	Evans, J.	Lederer	Roebuck
Allen	Fabrizio	Leh	Rohrer
Argall	Fairchild	Lescovitz	Rooney
Armstrong	Feese	Levdansky	Ross
Baker	Fichter	Lewis	Rubley
Baldwin	Fleagle	Lynch	Ruffing
Bard	Flick	Mackereth	Santoni
Barrar	Forcier	Maher	Sather
Bastian	Frankel	Maitland	Saylor
Bebko-Jones	Freeman	Major	Scavello
Belardi	Gabig	Manderino	Schroder
Belfanti	Gannon	Mann	Scrimenti
Benninghoff	Geist	Markosek	Semmel
Bianucci	George	Marsico	Smith, B.
Birmelin	Gergely	McCall	Smith, S. H.
Bishop	Gillespie	McGeehan	Staback
Blaum	Gingrich	McGill	Stairs
Boyd	Godshall	McIlhattan	Steil
Browne	Good	McIlhinney	Stern
Bunt	Goodman	McNaughton	Stevenson, R.
Butkovitz	Gordner	Melio	Stevenson, T.
Buxton	Grucela	Metcalfe	Surra
Cappelli	Gruitza	Micozzie	Taylor, E. Z.
Casorio	Habay	Miller, R.	Taylor, J.
Causser	Haluska	Miller, S.	Thomas
Civera	Harhai	Mundy	Travaglio
Clymer	Harhart	Mustio	True
Cohen	Harper	Myers	Turzai
Coleman	Harris	Nailor	Vance
Corrigan	Hasay	Nickol	Veon
Costa	Hennessey	O'Brien	Walko
Coy	Herman	Oliver	Wansacz
Crahalla	Hershey	O'Neill	Washington
Creighton	Hess	Payne	Waters
Cruz	Hickernell	Petri	Watson
Curry	Horsey	Petrone	Weber
Dailey	Hutchinson	Phillips	Wheatley
Dally	James	Pickett	Williams
DeLuca	Josephs	Pistella	Wilt
Denlinger	Keller	Preston	Wright
Dermody	Kenney	Raymond	Youngblood
DeWeese	Killion	Readshaw	Yudichak
DiGirolamo	Kirkland	Reed	Zug
Donatucci	Kotik	Reichley	
Eachus	LaGrotta	Rieger	
Egolf	Laughlin	Roberts	Perzel,
Evans, D.	Leach		Speaker

NAYS—15

Caltagirone	Hanna	Samuelson	Tigue
Cawley	Pallone	Shaner	Vitali

Daley	Petrarca	Sturla	Yewcic
Diven	Sainato	Tangretti	

NOT VOTING—0

EXCUSED—4

Cornell	Solobay	Stetler	Wojnaroski
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A majority of the members required by the rules 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?

Mr. S. SMITH offered the following amendment No. A2132:

Amend Title, page 1, lines 10 and 11, by striking out “providing a tax credit for attendance at a” in line 10, all of line 11 and inserting further providing for the definitions of “processing” and “mobile communication service” in sales and use tax, for sales and use tax licenses, for imposition of personal income tax, for poverty provisions as they relate to personal income tax; providing for tax credit for attendance at firearm training courses, for the definition of “taxable income” for purposes of the corporation net income tax, for pass-through business withholding as it relates to corporate net income tax; further providing for imposition and expiration of capital stock and franchise tax, for the imposition of utilities gross receipts tax, for carrying and assigning credits, for limitation on credits as it relates to research and development tax credits and for imposition of malt beverage tax; requiring tax clearance for renewals of licenses, permits and registrations; providing for the authority to attach wages, commissions and other earnings; and providing for penalties.

Amend Bill, page 1, lines 14 through 16, by striking out all of said lines and inserting

Section 1. Section 201(aaa) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, added June 29, 2002 (P.L.559, No.89), is amended and subsection (d) is amended by adding a clause to read:

Section 201. Definitions.—The following words, terms and phrases when used in this Article II shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

(d) “Processing.” The performance of the following activities when engaged in as a business enterprise:

(17) The producing of mobile telecommunications services.

(aaa) “Mobile telecommunications service.” [Mobile telecommunications service as that term is defined in the Mobile Telecommunications Sourcing Act (4 U.S.C. § 116).] Any services for or associated with the provision of commercial mobile radio service as defined in 47 CFR § 20.3 (relating to definitions) as in effect on June 1, 1999, or any service for or associated with a service provided as an adjunct to a commercial mobile radio service.

Section 2. Section 208 of the act, amended August 4, 1991 (P.L.97, No.22), June 16, 1994 (P.L.279, No.48), June 30, 1995 (P.L.139, No.21), and June 29, 2002 (P.L.559, No.89), is amended to read:

Section 208. Licenses.—(a) Every person maintaining a place of business in this Commonwealth, selling or leasing services or tangible

personal property, the sale or use of which is subject to tax and who has not hitherto obtained a license from the department, shall, prior to the beginning of business thereafter, make application to the department, on a form prescribed by the department, for a license. If such person maintains more than one place of business in this Commonwealth, the license shall be issued for the principal place of business in this Commonwealth.

(b) The department shall, after the receipt of an application, issue the license applied for under subsection (a) of this section, provided said applicant shall have filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan. Such license shall be nonassignable. All licensees as of the effective date of this subsection shall be required to file for renewal of said license on or before January 31, 1992. Licenses issued through April 30, 1992, shall be based on a staggered renewal system established by the department. Thereafter, any license issued shall be valid for a period of five years.

(b.1) If an applicant for a license or any person holding a license has not filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan, the department may refuse to issue, may suspend or may revoke said license. The department shall notify the applicant or licensee of any refusal, suspension or revocation. Such notice shall contain a statement that the refusal, suspension or revocation may be made public. Such notice shall be made by first class mail. An applicant or licensee aggrieved by the determination of the department may file an appeal pursuant to the provisions for administrative appeals in this article. In the case of a suspension or revocation which is appealed, the license shall remain valid pending a final outcome of the appeals process. Notwithstanding sections 274, 408(b), 603, 702, 711-A, 802, 904, the former 1004 and 1102 of the act or any other provision of law to the contrary, if no appeal is taken or if an appeal is taken and denied at the conclusion of the appeal process, the department may disclose, by publication or otherwise, the identity of a person and the fact that the person's license has been refused, suspended or revoked under this subsection. Disclosure may include the basis for refusal, suspension or revocation.

(c) A person that maintains a place of business in this Commonwealth for the purpose of selling or leasing services or tangible personal property, the sale or use of which is subject to tax, without having first been licensed by the department shall be guilty of a summary offense and, upon conviction thereof, be sentenced to pay a fine of not less than three hundred dollars (\$300) nor more than one thousand five hundred (\$1,500) and, in default thereof, to undergo imprisonment of not less than five days nor more than thirty days. The penalties imposed by this subsection shall be in addition to any other penalties imposed by this article. For purposes of this subsection, the offering for sale or lease of any service or tangible personal property, the sale or use of which is subject to tax, during any calendar day, shall constitute a separate violation. The department is authorized to enforce this subsection. For the limited purpose of enforcing this subsection, an employe of the department is declared to be a law enforcement officer if the employe:

(1) carries a designation by the Secretary of Revenue to enforce this subsection; and

(2) is acting within the scope of the designation under clause (1).

(d) Failure of any person to obtain a license shall not relieve that person of liability to pay the tax imposed by this article.

Section 3. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Section 302. Imposition of Tax.—(a) Every resident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income hereinafter enumerated in section 303, a tax upon each dollar of income received by that resident during that resident's taxable year at the following rates:

(1) Two and one-tenth per cent for taxable years commencing with or within calendar year 1987 through the first half of the taxable year commencing with or within calendar year 1991.

(2) Two and eight-tenths per cent for the second half of the taxable year commencing with or within calendar year 1991 [and each taxable year thereafter] through the first half of the taxable year commencing with or within calendar year 2003.

(3) A temporary assessment equal to an additional three-tenths per cent for the second half of the taxable year commencing with or within calendar year 1991 through the first half of the taxable year commencing with or within calendar year 1992.

(4) Three and seventy-five hundredths per cent for the second half of the taxable year commencing with or within calendar year 2003 and each taxable year thereafter.

(b) Every nonresident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income hereinafter enumerated in section 303 from sources within this Commonwealth, a tax upon each dollar of income received by that nonresident during that nonresident's taxable year at the following rates:

(1) Two and one-tenth per cent for taxable years commencing with or within calendar year 1987 through the first half of the taxable year commencing with or within calendar year 1991.

(2) Two and eight-tenths per cent for the second half of the taxable year commencing with or within calendar year 1991 [and each taxable year thereafter] through the first half of the taxable year commencing with or within calendar year 2003.

(3) A temporary assessment equal to an additional three-tenths per cent for the second half of the taxable year commencing with or within calendar year 1991 through the first half of the taxable year commencing with or within calendar year 1992.

(4) Three and seventy-five hundredths per cent for the second half of the taxable year commencing with or within calendar year 2003 and each taxable year thereafter.

Section 4. Section 304(d) of the act, amended June 29, 2002 (P.L.559, No.89), is amended to read:

Section 304. Special Tax Provisions for Poverty.—* * *

(d) Any claim for special tax provisions hereunder shall be determined in accordance with the following:

(1) If the poverty income of the claimant during an entire taxable year is six thousand five hundred dollars (\$6,500) or less, or, in the case of a married claimant, if the joint poverty income of the claimant and the claimant's spouse during an entire taxable year is thirteen thousand dollars (\$13,000) or less, the claimant shall be entitled to a refund or forgiveness of any moneys which have been paid over to (or would except for the provisions of this act be payable to) the Commonwealth under the provisions of this article, with an additional income allowance of [nine thousand dollars (\$9,000)] nine thousand two hundred fifty dollars (\$9,250) for each dependent of the claimant[.] for the taxable year 2003 and nine thousand five hundred dollars (\$9,500) for each dependent of the claimant for taxable year 2004 and each year thereafter. For purposes of this subsection, a claimant shall not be considered to be married if:

(i) The claimant and the claimant's spouse file separate returns; and

(ii) The claimant and the claimant's spouse live apart at all times during the last six months of the taxable year or are separated pursuant to a written separation agreement.

(2) If the poverty income of the claimant during an entire taxable year does not exceed the poverty income limitations prescribed by clause (1) by more than the dollar category contained in subclauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) or (ix) of this clause, the claimant shall be entitled to a refund or forgiveness based on the per centage prescribed in such subclauses of any moneys which have been paid over to (or would have been except for the provisions herein be payable to) the Commonwealth under this article:

(i) Ninety per cent if not in excess of two hundred fifty dollars (\$250).

(ii) Eighty per cent if not in excess of five hundred dollars (\$500).

(iii) Seventy per cent if not in excess of seven hundred fifty dollars (\$750).

(iv) Sixty per cent if not in excess of one thousand dollars (\$1,000).

(v) Fifty per cent if not in excess of one thousand two hundred fifty dollars (\$1,250).

(vi) Forty per cent if not in excess of one thousand five hundred dollars (\$1,500).

(vii) Thirty per cent if not in excess of one thousand seven hundred fifty dollars (\$1,750).

(viii) Twenty per cent if not in excess of two thousand dollars (\$2,000).

(ix) Ten per cent if not in excess of two thousand two hundred fifty dollars (\$2,250).

(3) If an individual has a taxable year of less than twelve months, the poverty income thereof shall be annualized in such manner as the department may prescribe.

Section 5. The act is amended by adding a section to read:

Amend Bill, page 2, line 14, by striking out all of said line and inserting

Section 6. Section 401(3)1 and 4 of the act are amended by adding paragraphs to read:

Section 401. Definitions.—The following words, terms, and phrases, when used in this article, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

(3) “Taxable income.” 1. * * *

(t) (1) Notwithstanding paragraph (a), taxable income shall include the amount of the deduction for interest expenses and costs and intangible expenses and costs paid, accrued or incurred to, or in connection with one or more transactions unless the corporation proves by clear and cogent evidence that the transaction or transactions giving rise to the expenses and costs did not have as a principal purpose the avoidance of any tax due under this article. There shall be a presumption that a transaction between a corporation and a person that is not a related member as defined in this paragraph (t) did not have as a principal purpose the avoidance of any tax due under this article.

(2) Proof that the principal purpose of the transaction was not tax avoidance may be required with the tax report for the applicable taxable year and shall consist of:

(A) proof that the transaction had a substantial business purpose and economic substance and that the transaction involved was based upon terms and conditions that are arm’s length in nature; and

(B) proof that the other party to the transaction reported the corresponding income item on a corporate tax report filed in this Commonwealth or any other state and that the reported tax was imposed on or measured by net income. This requirement is not met when the corresponding income item is offset or eliminated in a combined or consolidated return or report that includes the corporation.

(3) For the purposes of this paragraph (t) the following words, terms and phrases shall have the meanings given to them in this subparagraph unless the context clearly indicates otherwise:

(A) “Intangible expenses and costs” includes all of the following:

(i) Expenses and costs for, related to or in connection with the acquisition, use, maintenance or management, ownership, sale, exchange or any other disposition of intangible property to the extent such amounts are allowed as deductions or costs in determining taxable income before the operating loss deduction and special deductions for the taxable year under the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

(ii) Royalty, patent, technical and copyright fees.

(iii) Licensing fees.

(iv) Other similar expenses and costs.

(B) “Intangible property” means patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets and similar types of intangible assets.

(C) “Interest expenses and costs” means amounts allowed as deductions under section 163 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 163) for purposes of determining taxable income under the Internal Revenue Code of 1986.

(D) “Related entity” means any of the following:

(i) A stockholder who is an individual or a member of the stockholder’s family enumerated in section 318 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 318), if the stockholder and the members of the stockholder’s family own, directly, indirectly, beneficially or constructively, in the aggregate, at least fifty per cent of the value of the corporation’s outstanding stock.

(ii) A stockholder or a stockholder’s partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder’s partnerships, limited liability companies, estates, trusts and corporations own directly, indirectly, beneficially or constructively, in the aggregate, at least fifty per cent of the value of the corporation’s outstanding stock.

(iii) A corporation or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules contained in section 318 of the Internal Revenue Code of 1986, if the corporation owns, directly, indirectly, beneficially or constructively, at least fifty per cent of the value of the corporation’s outstanding stock. The attribution rules contained in section 318 of the Internal Revenue Code of 1986 shall apply for purposes of determining whether the ownership requirements of this definition have been met.

(E) “Related member” means a person that, with respect to the corporation during all or any portion of the taxable year is any of the following:

(i) A related entity as defined in (D) of this paragraph (t).

(ii) A component member as defined in section 1563(b) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1563(b)).

(iii) A person to or from whom there is the attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code of 1986.

(iv) A person that, notwithstanding its form of organization, bears the same relationship to the taxpayer as a person described in (i) through (iii) of this definition.

(u) Whenever it shall appear that a corporation conducts its business or enters into transactions that distort its taxable income, the Secretary of Revenue is authorized and empowered to adjust items of income or deductions so as to make a fair and equitable determination of taxable income.

* * *

4. * * *

(h) Notwithstanding any other paragraph of this subclause, no portion of a net loss deduction that is attributable to a transaction that would require an add back of intangible expenses and costs or interest expenses and costs as set forth in subclause 1 shall be allowed as a deduction for the purpose of computing taxable income for the taxable year beginning in 2003 and each taxable year thereafter.

Section 7. The act is amended by adding a section to read:

Section 403.2. Pass-Through Business Withholding.—(a) Every partnership exercising, whether in its own name or through any person, association, business trust, corporation, joint venture, limited liability company, limited partnership, partnership or other entity, any of the privileges specified in section 402(a)(1) through (4) shall make a return for the taxable year of its net nonfiling corporate partners’ shares of income and deductions.

(b) A partnership required to file a report under subsection (a) shall withhold and pay to the department a tax on behalf of its nonfiling corporate partners in an amount equal to its net nonfiling corporate partners’ shares of income and deductions as reported to the

Federal Government multiplied by the tax rate applicable to the taxable year being reported.

(c) If an amount of tax required to be withheld and paid under this section is not paid on or before the date prescribed, a penalty of five per cent of the underpayment for each month or fraction of a month from the due date to the date paid shall be added to the tax and paid to the department. The underpayment shall, for purposes of computing the addition for any month, be reduced by the amount of the part of the tax which is paid by the beginning of that month. The total of the additions shall not exceed fifty per cent of the amount of the tax.

(d) The report required by subsection (a) shall be filed with the department in a form prescribed by the department and the payment required by subsection (b) shall be paid to the department on or before the fifteenth day of the fourth month following the end of the taxable year.

(e) The following words, terms, and phrases, when used in this section, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

“Net nonfiling corporate partners’ shares of income and deductions as reported to the Federal Government.” That portion of the income, less the deductions:

(1) reported on Schedule K of the Federal Form 1065, Return of Partnership Income, filed with the Federal Government for the taxable year; and

(2) allocated on Federal Schedule K-1 to nonfiling corporate partners.

If the entire business of the partnership is not transacted in this Commonwealth, the amount computed under this definition shall be apportioned to this Commonwealth as provided in section 401(3)2 as if the partnership were a corporation subject to tax under this article.

“Nonfiling corporate partner.” A partner which:

(1) is a corporation as defined in section 401; and

(2) has not filed a tax report and paid the tax required by sections 402 and 403 for the previous taxable year.

“Partner.” An owner of an interest in the partnership, in whatever manner that owner and ownership interest are designated.

“Partnership.” An entity classified as a partnership for Federal income tax purposes. The term includes:

(1) a partnership, limited partnership, limited liability partnership or limited liability company; and

(2) any syndicate, group, pool, joint venture, business trust, association or other unincorporated organization, through or by which a business, financial operation or venture is carried on.

“Taxable year.” A year or a period which would be a taxable year of a partnership if it were subject to tax under this section.

Section 8. Sections 602(h) and 607 of the act, amended or added June 29, 2002 (P.L.559, No.89), are amended to read:

Section 602. Imposition of Tax.—* * *

(h) The rate of tax for purposes of the capital stock and franchise tax for taxable years beginning within the dates set forth shall be as follows:

Taxable Year	Regular Rate	Surtax	Total Rate
January 1, 1971, to December 31, 1986	10 mills	0	10 mills
January 1, 1987, to December 31, 1987	9 mills	0	9 mills
January 1, 1988, to December 31, 1990	9.5 mills	0	9.5 mills
January 1, 1991, to December 31, 1991	11 mills	2 mills	13 mills
January 1, 1992, to December 31, 1997	11 mills	1.75 mills	12.75 mills
January 1, 1998, to December 31, 1998	11 mills	.99 mills	11.99 mills
January 1, 1999, to December 31, 1999	10.99 mills	0	10.99 mills
January 1, 2000, to December 31, 2000	8.99 mills	0	8.99 mills

January 1, 2001, to December 31, 2001	7.49 mills	0	7.49 mills
[January 1, 2002, to December 31, 2002	7.24 mills	0	7.24 mills
January 1, 2003, to December 31, 2003	6.99 mills	0	6.99 mills
January 1, 2004, to December 31, 2004	5.99 mills	0	5.99 mills
January 1, 2005, to December 31, 2005	4.99 mills	0	4.99 mills
January 1, 2006, to December 31, 2006	3.99 mills	0	3.99 mills
January 1, 2007, to December 31, 2007	2.99 mills	0	2.99 mills
January 1, 2008, to December 31, 2008	1.99 mills	0	1.99 mills
January 1, 2009, to December 31, 2009	.99 mills	0	.99 mills]
January 1, 2002, to December 31, 2003	7.24 mills	0	7.24 mills
January 1, 2004, to December 31, 2004	6.99 mills	0	6.99 mills
January 1, 2005, to December 31, 2005	5.99 mills	0	5.99 mills
January 1, 2006, to December 31, 2006	4.99 mills	0	4.99 mills
January 1, 2007, to December 31, 2007	3.99 mills	0	3.99 mills
January 1, 2008, to December 31, 2008	2.99 mills	0	2.99 mills
January 1, 2009, to December 31, 2009	1.99 mills	0	1.99 mills
January 1, 2010, to December 31, 2010	.99 mills	0	.99 mills

* * *

Section 607. Expiration.—This article shall expire for taxable years beginning after December 31, [2009] 2010.

Section 9. The heading of Article XI is amended to read:

ARTICLE XI

[UTILITIES] GROSS RECEIPTS TAX

Section 10. Section 1101(a) and (i), amended or added June 16, 1994 (P.L.279, No.48) and May 24, 2000 (P.L.106, No.23), are amended and the section is amended by adding subsections to read:

Section 1101. Imposition of Tax.—(a) General Rule.—Every pipeline company, conduit company, steamboat company, canal company, slack water navigation company, transportation company, and every other company, association, joint-stock association, or limited partnership, now or hereafter incorporated or organized by or under any law of this Commonwealth, or now or hereafter organized or incorporated by any other state or by the United States or any foreign government, and doing business in this Commonwealth, and every copartnership, person or persons owning, operating or leasing to or from another corporation, company, association, joint-stock association, limited partnership, copartnership, person or persons, any pipeline, conduit, steamboat, canal, slack water navigation, or other device for the transportation of freight, passengers, baggage, or oil, except motor vehicles and railroads, and every limited partnership, association, joint-stock association, corporation or company engaged in, or hereafter engaged in, the transportation of freight or oil within this State, and every telephone company [and], telegraph company or a provider of commercial mobile radio service, as defined in 47 CFR § 20.3 (relating to definitions) as in effect on June 1, 1999, or a service provided as an adjunct to a commercial mobile radio service now or hereafter incorporated or organized by or under any law of this Commonwealth, or now or hereafter organized or incorporated by any other state or by the United States or any foreign government and doing business in this Commonwealth, and every limited partnership, association, joint-stock association, copartnership, person or persons,

engaged in telephone [or], telegraph business or a provider of commercial mobile radio service, as defined in 47 CFR § 20.3 as in effect on June 1, 1999, or a service provided as an adjunct to a commercial mobile radio service in this Commonwealth, shall pay to the State Treasurer, through the Department of Revenue, a tax of forty-five mills with a surtax equal to five mills upon each dollar of the gross receipts of the corporation, company or association, limited partnership, joint-stock association, copartnership, person or persons, received from:

(1) passengers, baggage, oil and freight transported wholly within this State; and

(2) telegraph or telephone messages transmitted wholly within this State[.]; or telegraph or telephone messages transmitted in interstate commerce where such messages originate or terminate in this Commonwealth and the charges for such messages are billed to a service address in this Commonwealth; or mobile telecommunications service, including all "charges for mobile telecommunications services" as that term is defined in the Mobile Telecommunications Sourcing Act (4 U.S.C. § 124(1)), sourced to this Commonwealth based on the place of primary use standard set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. § 117); except gross receipts derived from:

(i) the sales of access to the Internet, as set forth in Article II, made to the ultimate consumer; and

(ii) the sales for resale to persons, partnerships, associations, corporations or political subdivisions subject to the tax imposed by this article upon gross receipts derived from such resale of telecommunications services, including:

(A) telecommunications exchange access to interconnect with a local exchange carrier's network; and

(B) network elements on an unbundled basis.

(a.1) Credit.—Telegraph or telephone companies, or a provider of commercial mobile radio service as defined in 47 CFR § 20.3 as in effect on June 1, 1999, or a service provided as an adjunct to a commercial mobile radio service, that pay a gross receipts tax to another state on messages or services that are taxable under this article are entitled to a credit against the tax due under this article. The credit allowed with respect to the messages shall not exceed the tax due under this article with respect to the messages or services.

* * *

(c.1) Safe harbor base year.—For purposes of the estimated tax requirements under sections 3003.2 and 3003.3, the "safe harbor base year" tax amount shall be the amount that would have been required to be paid by the taxpayer if the taxpayer had been subject to this article.

* * *

(i) Itemization of Gross Receipts Tax.—

[(1) Interexchange telecommunications carriers may surcharge and disclose as a separate line item on a customer's bill all gross receipts taxes imposed on interexchange telecommunications carriers services performed wholly within this Commonwealth.

(2) For four monthly billing cycles from the effective date of this act, all interexchange telecommunications carriers shall provide the customer with information in the carriers' monthly billing that the gross receipts line item surcharge is not a tax increase, but merely a disclosure of taxes presently and previously paid by the customer.

(3) As used in this subsection, the term "interexchange telecommunications carrier" has the meaning as defined in 66 Pa.C.S. § 3002 (relating to definitions).] Telephone companies and providers of commercial mobile radio service may not itemize as a separate line item or include as a separate line item on a customer's bill any gross receipts taxes imposed on telecommunications service subject to taxation under this article due to the enactment of this amendatory act.

Section 11. Sections 1704-B and 1709-B(a) of the act, added May 7, 1997 (P.L.85, No.7), are amended to read:

Section 1704-B. Carryover, Carryback, Refund and Assignment of Credit.—(a) The amount of the research and development tax credit that a taxpayer may use against any one qualified tax liability during

any year may not exceed [fifty] seventy-five per cent of such qualified tax liability for that taxable year. If the taxpayer cannot use the entire amount of the research and development tax credit for the taxable year in which the research and development tax credit is first approved, then the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the taxpayer for those taxable years. Each time that the research and development tax credit is carried over to a succeeding taxable year, it is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The research and development tax credit provided by this article may be carried over and applied to succeeding taxable years for no more than fifteen taxable years following the first taxable year for which the taxpayer was entitled to claim the credit.

(b) A research and development tax credit approved by the department for Pennsylvania qualified research and development expense in a taxable year first shall be applied against the taxpayer's qualified tax liability for the current taxable year as of the date on which the credit was approved before the research and development tax credit is applied against any tax liability under subsection (a).

(c) A taxpayer is not entitled to carry back[.] or obtain a refund of [or assign] an unused research and development tax credit.

(d) A taxpayer, upon application to and approval by the Department of Community and Economic Development, may sell or assign, in whole or in part, a research and development tax credit granted to the taxpayer under this article if no claim for allowance of the credit has been filed.

(e) The purchaser or assignee of a portion of a research and development tax credit under subsection (d) shall immediately claim the credit in the taxable year in which the purchase or assignment is made. The purchaser or assignee may not carryover, carryback, obtain a refund of or assign the research and development tax credit. The purchaser or assignee shall notify the department of the derivative basis of the research and development tax credit in compliance with procedures specified by the department.

Section 1709-B. Limitation on Credits.—(a) The total amount of credits approved by the department shall not exceed [fifteen million dollars (\$15,000,000)] sixty million dollars (\$60,000,000) in any fiscal year. Of that amount, [three million dollars (\$3,000,000)] twelve million dollars (\$12,000,000) shall be allocated exclusively for small businesses. However, if the total amounts allocated to either the group of applicants exclusive of small businesses or the group of small business applicants is not approved in any fiscal year, the unused portion will become available for use by the other group of qualifying taxpayers.

* * *

Section 12. Section 2003 of the act, added December 22, 1989 (P.L.775, No.110), is amended to read:

Section 2003. Imposition of Tax.—(a) (1) Each manufacturer shall be subject to pay to the Commonwealth the taxes imposed by this section upon all malt or brewed beverages manufactured and sold by him in this Commonwealth for use in this Commonwealth or manufactured by him outside this Commonwealth and sold to an importing distributor or any person for importation into, and use in, this Commonwealth.

(2) Every person who ships or transports malt or brewed beverages into this Commonwealth for sale, delivery or storage in this Commonwealth shall pay to the Commonwealth the taxes imposed in this section.

(b) (1) Such taxes, payable in the manner prescribed in subsections (a) and (b) of section 2004 of this article, shall be imposed at the rate [of two-thirds cent (2/3¢) per half pint of eight (8) fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1¢) per pint of sixteen (16) fluid ounces or fraction thereof.] set forth in paragraph (2).

(2) The tax rates per original container or standard fraction thereof are as follows:

Standard Fraction	Malt Beverage Tax Rate	Volume
[1 barrel	\$2.48	31 gal.
1/2 barrel	1.24	15 1/2 gal.
1/3 barrel	.84	10 1/3 gal.
1/4 barrel	.62	7 3/4 gal.
1/6 barrel	.42	5 1/6 gal.
1/8 barrel	.32	3 7/8 gal.
1 gallon	.08	
1/2 gallon	.04	
1 quart	.02	
1 pint	.01	
1/2 pint	.0066]	
<u>1 barrel</u>	<u>\$7.75</u>	<u>31 gal.</u>
<u>1/2 barrel</u>	<u>3.875</u>	<u>15 1/2 gal.</u>
<u>50 liters</u>	<u>3.3125</u>	
<u>12 gallon keg</u>	<u>3.00</u>	
<u>10.8 gallon keg</u>	<u>2.75</u>	
<u>30 liters</u>	<u>2.00</u>	
<u>1/4 barrel</u>	<u>1.9375</u>	<u>7 3/4 gal.</u>
<u>1/6 barrel</u>	<u>1.3125</u>	<u>5 1/6 gal.</u>
<u>1/8 barrel</u>	<u>1.00</u>	<u>3 7/8 gal.</u>
<u>5 liters</u>	<u>0.3438</u>	
<u>1 gallon</u>	<u>0.25</u>	
<u>3 liters</u>	<u>0.2188</u>	
<u>2 liters</u>	<u>0.1563</u>	
<u>64 ounces</u>	<u>0.125</u>	
<u>40 ounces</u>	<u>0.0938</u>	
<u>1 liter</u>	<u>0.0938</u>	
<u>1 quart</u>	<u>0.0625</u>	
<u>1 pint</u>	<u>0.0313</u>	
<u>1/2 pint</u>	<u>0.0206</u>	

(3) If the volume of malt beverage in the container is not one of the standard fractions listed in paragraph (2), then the tax imposed on the container shall be the tax imposed on the next highest standard fraction.

(c) If the tax shall not be paid when due, there shall be added to the amount of the tax as a penalty a sum equivalent to ten per cent of the amount of the tax, and in addition thereto interest on the tax and penalty at the rate of one per cent per month or fraction of a month from the date the tax became due until paid. Nothing herein contained shall be construed to relieve any person otherwise liable from liability for payment of the tax.

(d) (1) Notwithstanding any other provision of this article, a manufacturer or his agent who fails to file the required monthly return and pay when due the tax imposed under this article shall be declared delinquent by the Secretary of Revenue and shall continue to be delinquent until he files the required monthly return and pays the tax.

(2) During a period of delinquency no malt or brewed beverages in possession or control of a manufacturer may be removed from his licensed premises for sale in the Commonwealth, nor shipped in from outside the Commonwealth.

(e) In the event that any state, territory or country shall impose upon malt or brewed beverages, which have been manufactured in Pennsylvania, a higher tax or fee than is imposed upon malt or brewed beverages manufactured within such state, territory or country, every manufacturer whose malt or brewed beverages manufactured within such state, territory or country are sold to an importing distributor or any person for importation into, and use in, this Commonwealth shall, as to such beverages, pay to this Commonwealth, in addition to the tax imposed by this section, a tax equal to such excess tax or fee which is imposed in such state, territory or country on Pennsylvania manufactured malt or brewed beverages. Such additional tax shall be levied, assessed and collected in the same manner as the other taxes imposed by this article.

(f) Manufacturers whose malt or brewed beverages are sold in this Commonwealth or are sold to importing distributors or any person

for importation into, and use in, this Commonwealth shall be liable to the Commonwealth as taxpayers for the payment of the taxes imposed by this article.

Section 13. The act is amended by adding sections to read:

Section 3003.15. Tax Clearance for Renewals of Licenses, Permits and Registrations.—(a) An applicant for the grant, renewal or transfer of any license shall provide to the licensing agency, upon forms approved by the department, the following:

(1) the applicant's State personal income tax identification number;

(2) the applicant's State sales tax number;

(3) the applicant's State corporation tax number;

(4) the applicant's State employer withholding tax number;

(5) the applicant's unemployment compensation account number; and

(6) a statement that:

(i) all State tax reports have been filed and all State taxes paid;

(ii) all State taxes are subject to a timely administrative or judicial appeal; or

(iii) all State taxes are subject to a duly approved deferred payment plan.

(b) Upon the filing of an application with a licensing agency for the grant, renewal or transfer of any license, the applicant waives any confidentiality with respect to State tax information regarding the applicant in the possession of the department, the Office of Attorney General or the Department of Labor and Industry, regardless of the source of that information and consents to the provision of that information to the licensing agency by the department, the Office of Attorney General or the Department of Labor and Industry.

(c) Upon receipt of any application for the grant, renewal or transfer of any license, the licensing agency shall review the State tax status of the applicant. The licensing agency shall request and receive State tax information regarding the applicant from the department, the Office of Attorney General or the Department of Labor and Industry. The licensing agency, the department, the Office of Attorney General and the Department of Labor and Industry may use reasonable parameters in determining whether an applicant has filed required State tax reports or paid State tax due.

(d) The licensing agency shall not approve any application for the grant, renewal or transfer of any license when the applicant has failed to:

(1) provide any of the information required by subsection (a);

(2) file required State tax reports; or

(3) pay any State taxes not subject to a timely administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(e) Upon the required submission of the annual licensing fee or upon renewal, issuance or transfer of any license, if the department, the Office of Attorney General or the Department of Labor and Industry notifies the licensing agency of noncompliance with the provisions of this section, the licensing agency shall not renew, issue, transfer or validate the license. Any appeal filed from the licensing agency's action shall not act as a supersedeas. A person practicing a trade, profession or occupation or conducting a business activity without a license as a result of this subsection shall be guilty of a misdemeanor of the first degree and shall be subject to a minimum fine of one thousand dollars (\$1,000). The penalty imposed under this subsection shall be in addition to any other penalty imposed by law.

(f) If during the effective period of any license, the licensee fails to file any required State tax report, fails to pay any collectible State tax due or defaults in a deferred payment plan, the department, the Office of Attorney General or the Department of Labor and Industry may notify the licensing agency which shall revoke any license issued to the licensee. The license revocation shall remain in effect until the licensee files the required reports, pays the State tax due or cures the deferred payment plan default.

(g) The provisions of this section shall also be applicable to any management company utilized by the applicant.

(h) For the purpose of this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

“Applicant.” A person that applies to a licensing agency for a license or applies for renewal or in the case of the transfer of an existing license, the transferor or the transferee.

“Department.” The Department of Revenue of the Commonwealth.

“License.” A license, permit or registration granted or issued by a licensing agency that confers benefits, privileges or rights to the licensee, permit holder or registrant to practice a trade, profession or occupation or to conduct a business activity within this Commonwealth.

“Licensing agency.” The Department of Revenue, the Department of Labor and Industry, the Department of Environmental Protection, the Department of Banking, the Department of State, the Insurance Department or the Pennsylvania Securities Commission.

“State tax.” A tax liability, including interest, penalty and additions of a taxpayer, licensee, employer or other person imposed under this act, the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the “Unemployment Compensation Law,” or 75 Pa.C.S. § 9014 (relating to collection of unpaid taxes).

Section 3003.16. Authority to Attach Wages, Commissions and Other Earnings.—(a) The Department of Revenue may, upon the presentation of a written notice and demand certifying that the information contained within is true and correct and containing the name of the taxpayer and the amount of delinquent State tax due plus the department’s costs, demand, receive and collect the amount from any entity:

(1) employing persons owing delinquent State taxes; or

(2) having in its possession unpaid commissions or earnings belonging to any person or persons owing delinquent State taxes.

(b) Subject to the limitations in subsection (c), upon the receipt of a written notice and demand pursuant to subsection (a), an entity shall deduct from the wages of an individual employe the amount shown on the notice and shall forward the amount to the department within sixty days after receipt of the notice.

(c) No more than ten per cent of the wages of an individual employe who is a delinquent taxpayer may be deducted at any one time for delinquent State taxes and costs. The entity is entitled to deduct from the amount collected from the individual employe the costs incurred by the entity for the extra bookkeeping necessary to record the transactions, but not to exceed two per cent of the amount collected from the individual employe.

(d) Upon the failure of an entity to deduct or forward an amount required under this section within the time period required under subsection (b), the entity shall pay the amount of the delinquent State tax and costs for each individual employe who is a delinquent taxpayer subject to a demand in addition to a penalty of ten per cent of the delinquent State tax and costs. An entity paying delinquent taxes, costs and a penalty pursuant to this subsection shall not have the benefit of any stay of execution or exemption law.

(e) The following words, terms and phrases, when used in this section, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

“Entity.” The United States, the Commonwealth or any of its political subdivisions, a corporation, an association, a company, a firm or an individual.

“Wages.” Any wages, commissions or earnings of an individual employe:

(1) which are currently owed to the individual employe;

(2) which shall become due within sixty days of receipt of a written notice and demand pursuant to subsection (b);

(3) any unpaid commissions or earnings of an individual employe in the entity’s possession; or

(4) any unpaid commissions or earnings of an individual employe that comes into the entity’s possession within sixty days of receipt of a written notice and demand pursuant to subsection (a).

Section 14. This act shall apply as follows:

(1) The amendment or addition of sections 401(3)1(t) and (u) and 4(h), 602(h), 1704-B and 1709-B(a) of the act shall apply to taxable years beginning after December 31, 2002.

(2) The amendment of section 2003 of the act shall apply to sales made after June 30, 2003.

Section 15. This act shall take effect as follows:

(1) The following provisions shall take effect immediately:

(i) The amendment of sections 602(h) and 607 of the act.

(ii) Section 14 of this act.

(iii) This section.

(2) The addition of section 403.2 of the act shall take effect January 1, 2004.

(3) The addition of section 3003.15 of the act shall take effect in 60 days.

(4) The remainder of this act shall take effect July 1, 2003, or immediately, whichever is later.

On the question,

Will the House agree to the amendment?

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

Mr. VITALI. Thank you, Mr. Speaker.

Will the maker of the amendment stand for brief interrogation?

The SPEAKER. The gentleman, Mr. Smith, indicates that he will stand for interrogation. The gentleman is in order and may proceed.

Mr. VITALI. Thank you, Mr. Speaker.

Will the maker of the amendment explain his amendment?

Mr. S. SMITH. Mr. Speaker, I would be glad to explain the amendment.

Essentially, this is a comprehensive amendment that contains the basis of the Governor’s tax proposal. There is a whole list of the items that are included in it. It starts with the authority for the Department of Revenue employees, expanded authority relative to their tax collection procedures. It increases the personal income tax to 3.75 percent effective July 1. It expands the special poverty provision within the personal-income-tax section. It contains language that embodies what we have commonly referred to in the last few months as the Delaware Holding Company issue. There is a slowdown in the capital stock and franchise phaseout. There is an expansion of the gross receipts tax that includes the mobile telecommunications service and interstate telephone calls. It expands the research and development tax credit by increasing the cap from \$15 million to \$60 million. It also contains the beer tax, which would increase it from – the malt beverage tax – from 8 cents to 25 cents per gallon. It includes a provision relative to wage garnishment for unpaid State taxes, and it also provides for tax clearances when someone is renewing a license, a permit, or a registration.

Essentially, Mr. Speaker, these are the main components of what were embodied in Governor Rendell’s Plan for a New Pennsylvania tax proposal. This is in essence the linchpin that would allow that whole plan to move forward. While we certainly have talked over the years in cooperation with, or over these last several months trying to work with the Governor toward some of these goals, we feel that this amendment

embodies all of those things, and we needed to kind of set the parameters for what available revenues are out there.

To some degree, Mr. Speaker, we need to look at this one of two ways. Either we can decide how much money we are going to spend and then raise taxes to meet that level, or we can figure out how much money we have available, live within our budget, and build the programs to meet that. This amendment in essence will help us establish that parameter.

Mr. VITALI. Thank you, Mr. Speaker.

Mr. Speaker, could you outline for the House why you are encouraging us to vote for this amendment?

The SPEAKER. Would the gentleman please confine his remarks to asking questions about the amendment that the gentleman has. We are not here about motives; we are here about legislation and about the amendments that are on the floor before the House.

Mr. VITALI. Okay. Let me redirect this. Let me focus specifically on the Smith amendment. Why should the House support the Smith amendment? What policy reasons are you offering to us to persuade us to vote for the Smith amendment?

Mr. S. SMITH. Well, quite frankly, Mr. Speaker, I do not know that I encouraged members to vote for this necessarily. This is in essence the Governor's plan that was put forth—

Mr. VITALI. Well, let me ask you a— Let me jump in there. Will you be voting—

Mr. S. SMITH. Excuse me, Mr. Speaker—

Mr. VITALI. —for the Smith amendment?

Mr. S. SMITH. —I had the floor to answer your question. I think I should be allowed to answer it.

The SPEAKER. The gentleman, Mr. Smith, has the floor. He is entitled to be heard.

Mr. S. SMITH. This is in essence, I do not know if I should go into a whole history lesson here or not over the summer, but this is in essence the bulk of the taxes that the Governor had requested as part of his Plan for a New Pennsylvania. In order for the legislature, for us, to work toward a final compromise on this, the remaining portions of the budget – in essence the education spending, the restorations that have been discussed, and a few other items – it is important for us to determine how much revenue is going to be available. As the Governor has continued to talk about his new plan for Pennsylvania, he continually refers to it in context of having all of the available revenues, which this amendment would provide. I think it is important for us at this point in time to determine the level of support that exists within the legislature for that proposal.

Mr. VITALI. Will you be supporting the Smith amendment?

Mr. S. SMITH. Mr. Speaker, I simply propose this amendment and encourage the members to vote according to their own conscience and their own districts.

Mr. VITALI. Well, my question is, this is your amendment. A lot has gone on since back in March when the Governor proposed his plan. There have been negotiations; there have been compromises; there have been adjustments. This is your amendment. You have authorship of this. You did the drafting. You introduced it. You moved this. This is not the Rendell amendment anymore; this is the Smith amendment. Will you be voting for the Smith amendment?

Mr. S. SMITH. This is —

Mr. VITALI. Yes or no?

Mr. S. SMITH. Mr. Speaker, this is the embodiment of the Governor's proposal.

Mr. VITALI. Yes or no, will you be voting for the Smith amendment?

Mr. S. SMITH. Well, depending on how the debate goes, I might be persuaded otherwise. I thought I would wait and see what the debate was.

Mr. VITALI. Let me be clear. Are you suggesting, you walk to the floor on your own amendment, on the most important tax vote facing this Commonwealth in a decade, unclear as to how you are going to vote? Is that your position?

Mr. S. SMITH. Well, if I vote against it, I ought to know, if it is my amendment, I ought to know if it is a bad amendment. Look, Mr. Speaker—

Mr. VITALI. The question returns, will you be voting for or against your own amendment?

The SPEAKER. Mr. Vitali, the gentleman has already answered the question. Please either ask a new question—

Mr. VITALI. Thank you.

As the majority leader, your job is to go to the floor with a vote count of your 110 members. Do you know whether you have the votes to pass or defeat this?

Mr. S. SMITH. Mr. Speaker—

The SPEAKER. That is not an appropriate question, Mr. Vitali.

Mr. S. SMITH. —my job is not to know the vote count. My job— That would be the whip's job, correct.

Mr. Speaker, the simple fact is, if you want to be part of moving this negotiation forward, if you want to be a part of the process to help get the school funding in particular back to the schools of Pennsylvania, one of the things that we needed to do was define how much money is going to be available, from which we would negotiate. The amendment is brought forth simply for that purpose, to ascertain where the support is. If you do not support this Governor's whole tax proposal, that is fine. We are going to work within that parameter. If you want to support the Governor's whole tax proposal, that is fine, too. We will go from there. But at this point in time, I mean, we are back to— Well, I guess I will give you the history lesson then, Mr. Speaker. The fact is—

Mr. VITALI. Mr. Speaker, I have not asked for a history lesson.

The SPEAKER. The gentleman—

Mr. VITALI. I am just asking for—

The SPEAKER. The gentleman has the floor.

Mr. VITALI. —an answer to my question.

The SPEAKER. The gentleman, Mr. Smith, has the floor.

Mr. S. SMITH. Thank you, Mr. Speaker.

The SPEAKER. Unless you are recognized, Mr. Vitali, it is Mr. Smith's turn to speak.

Mr. S. SMITH. All right. I will hold off on the history lesson. Let me just say this in response to the question. I explained what the purpose of the amendment is for. I think I have been pretty straightforward and honest about what this process is about. The bottom line is, we have been seeking to work with the Governor from the very beginning of this process to try to find some middle ground between, in particular, the education initiatives that the Governor has put forth, that we are on some mutual ground there. We have some problems in terms of coming to conclusion on this, as to just how much money is available. This amendment will help us figure that out.

The SPEAKER. The gentleman, Mr. Vitali.

Mr. VITALI. Thank you.

Has the Governor asked you in the past week or so to, in the very immediate future, and by that I mean the past week or so, to run this amendment, or is this something you chose to do yourself?

Mr. S. SMITH. Well, now, Mr. Speaker—

The SPEAKER. Mr. Vitali, the Parliamentarian indicates that is an improper question to be asking of the majority leader. Please either rephrase the question or have a new question.

Mr. VITALI. Thank you.

Was one of your intentions in offering this to embarrass our Governor?

The SPEAKER. Motives and intentions are not for discussion on the floor of the House of Representatives. Questions about the particular piece of legislation are. Please confine the remarks to that.

Mr. VITALI. Thank you, Mr. Speaker.

I have no further interrogation. I would like to speak on the amendment and then make a motion.

The SPEAKER. The gentleman is in order and may proceed.

Mr. VITALI. Thank you, Mr. Speaker.

I think one thing we have to do as members and probably the most important thing to do as members is to be honest with the people we represent, and I urge a “no” vote for this amendment, because we are in a sense being dishonest with our constituents. We all know what is going on here. We have a member who is introducing an amendment he knows he probably has 195 votes to defeat. We know that going in, so we know there is no additional information to be gained by running this. We know that, and in a few minutes we are going to see that. I do not have to argue that.

We also know that this is not going to advance the case any further forward. It is just going to be a headline that says “House overwhelmingly defeats the Governor’s tax plan,” because that is the way the spin is going to go. But the message I want to send to this is this is not the Governor’s tax plan; this is the Mr. Smith tax plan, because it is his drafting, and if the people who report this are honest, they will report it as the Smith tax plan, and that is what we are voting on right now, because we have evolved and negotiated and this is not what we are dealing with anymore.

MOTION TO RECOMMIT

Mr. VITALI. For that reason and to give the opportunity for House members to be honest and not fool the people of Pennsylvania, I am going to move that this bill be recommitted to Appropriations so we can get a more realistic tax bill that is an honest debate.

Thank you. I so move.

The SPEAKER. The gentleman, Mr. Vitali, has moved that HB 234, PN 263, be recommitted to the Committee on Appropriations.

On the question,

Will the House agree to the motion?

The SPEAKER. On that question, those in favor—

Mr. S. SMITH. Excuse me, Mr. Speaker.

The SPEAKER. —of sending it back to the committee on—

Mr. S. SMITH. Mr. Speaker?

The SPEAKER. Oh, I am sorry. The Chair recognizes the gentleman, Mr. Smith.

Mr. S. SMITH. Just one comment on this motion to recommit the bill, I believe, to the committee. I do not know that any of us really want to delay the process here. We have been working as straightforwardly and honestly with this Governor, with the Senate, with the other two caucuses, to move forward on finalizing the remaining part of the budget process, the main elements of the budget that need to be settled – significantly, the education funding bill. I would submit to you that if you are going to vote to recommit this bill along with the amendments, that you are voting to set back the vote or the ability of the caucus leaders to negotiate with the Governor relative to finalizing the education spending.

So I would urge our members to vote against the motion to recommit and allow us to proceed to identify the parameters of the money that is available in order for us to conclude the negotiations.

The SPEAKER. The Chair recognizes the Democrat leader, Mr. DeWeese.

Mr. DeWEESE. Thank you, Mr. Speaker.

In the summer of 1861 the French Impressionist painter Auguste Renoir corresponded with one of his friends and said in the letter that, quote, “I have become accustomed to the reality that we should be content with just a little success.” That quote comes to mind when I think of this process.

Now, there is going to be some excited debate, Mr. Speaker, on this whole issue, and I am not the architect and neither are the Democratic leaders or the rank and file of what the Republicans are proffering today. We do not find agreement in much of what is going on. But the sad and melancholy reality of the moment is the budget negotiations are stalemated, and this current maneuver will at least get us off the proverbial dime. We will get away from the inertia that has plagued us through the summer months.

So I identify with the gentleman from Delaware, Mr. Vitali, in the idealism that he espouses. But notwithstanding that, so that this cumbersome process may move forward, so that some sort of action and momentum will be realized within the next 2 or 3 weeks, and so that we can send something to the Pennsylvania Senate, I would ask for a negative vote on recommitment.

The SPEAKER. The Chair recognizes the gentleman, Mr. Vitali.

Mr. VITALI. Thank you, Mr. Speaker.

I came up here as an idealist, but this is hard, cold politics, and what we are doing right now is an effort to embarrass our Governor. That is just politics, and what I say is this: Let us say no to politics, and let us push this thing back to Appropriations. Let us look at it another way. If you do not move it back to Appropriations, you are putting a tax increase in a position to be voted on, and you have got to ask yourself, is that what you want to do?

So what I say to you is, let us stop playing politics and let us just take this procedural vote, get it off the floor, let us quit playing games, and let us just get on with our business. This is not helping at all.

The SPEAKER. The Chair thanks the gentleman.

Those in favor of recommitting the bill to Appropriations will vote “aye”; those opposed to recommitting the bill will vote “no.”

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

The following roll call was recorded:

YEAS-59

Bebko-Jones	Gergely	McCall	Staback
Belfanti	Goodman	Mundy	Sturla
Bishop	Grucela	Myers	Surra
Buxton	Gruitza	Pallone	Tangretti
Caltagirone	Haluska	Petrarca	Thomas
Cawley	Hanna	Petrone	Tigue
Costa	James	Pistella	Vitali
Cruz	Josephs	Preston	Washington
Curry	Kirkland	Roebuck	Waters
Daley	LaGrotta	Ruffing	Wheatley
DeLuca	Laughlin	Sainato	Williams
Diven	Leach	Samuelson	Yewcic
Eachus	Lescovitz	Santoni	Youngblood
Fabrizio	Manderino	Scrimenti	Yudichak
Freeman	Mann	Shaner	

NAYS-140

Adolph	Egolf	Lederer	Rieger
Allen	Evans, D.	Leh	Roberts
Argall	Evans, J.	Levdansky	Rohrer
Armstrong	Fairchild	Lewis	Rooney
Baker	Feese	Lynch	Ross
Baldwin	Fichter	Mackereth	Rubley
Bard	Fleagle	Maher	Sather
Barrar	Flick	Maitland	Saylor
Bastian	Forcier	Major	Scavello
Belardi	Frankel	Markosek	Schroder
Benninghoff	Gabig	Marsico	Semmel
Biancucci	Gannon	McGeehan	Smith, B.
Birmelin	Geist	McGill	Smith, S. H.
Blaum	George	McIlhattan	Stairs
Boyd	Gillespie	McIlhinney	Steil
Browne	Gingrich	McNaughton	Stern
Bunt	Godshall	Melio	Stevenson, R.
Butkovitz	Good	Metcalfe	Stevenson, T.
Cappelli	Gordner	Micozzie	Taylor, E. Z.
Casorio	Habay	Miller, R.	Taylor, J.
Causar	Harhai	Miller, S.	Travaglio
Civera	Harhart	Mustio	True
Clymer	Harper	Nailor	Turzai
Cohen	Harris	Nickol	Vance
Coleman	Hasay	O'Brien	Veon
Corrigan	Hennessey	Oliver	Walko
Coy	Herman	O'Neill	Wansacz
Crahalla	Hershey	Payne	Watson
Creighton	Hess	Petri	Weber
Dailey	Hickernell	Phillips	Wilt
Dally	Horsey	Pickett	Wright
Denlinger	Hutchinson	Raymond	Zug
Dermody	Keller	Readshaw	
DeWeese	Kenney	Reed	
DiGirolamo	Killion	Reichley	Perzel,
Donatucci	Kotik		Speaker

NOT VOTING-0

EXCUSED-4

Cornell	Solobay	Stetler	Wojnaroski
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Less than the majority having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

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

The SPEAKER. On the amendment, the Chair recognizes the gentlelady from Luzerne, Ms. Mundy.

Ms. MUNDY. Thank you, Mr. Speaker.

The majority leader tells us that this amendment is the linchpin to moving Governor Rendell's Plan for a New Pennsylvania forward. I respectfully disagree. The linchpin for moving Governor Rendell's Plan for a New Pennsylvania forward would be to vote on property tax relief, to vote on education and early childhood education funding, so that we can save money later on. The linchpin would be to vote for economic stimulus. The linchpin would be to restore some of the painful cuts that have been made in our communities. This is not the linchpin. This is a joke.

You are asking me to vote for a pig in a poke. I have no idea where this money will be spent. If it is going to go into the black hole of the General Fund for you to decide among your majority selves sometime in the future, then I am a "no." Show me where you want this money spent, and then perhaps I will be a tax vote. If it is simply to embarrass the Governor, this vote, if it is simply to cover yourselves in a future election, then you should be ashamed of yourselves for even raising this issue today before we have any idea of what those elements of the Governor's Plan for a New Pennsylvania that you support really are.

Now, I know that we are all going to be noes and so do you, so this is an exercise in futility, it is an exercise in crass politics, and I reject it. I will support the taxes necessary for what you agree to do as elements of Governor Rendell's Plan for a New Pennsylvania, because I think that will move the State forward in many, many positive ways.

This is a joke. I am voting "no." I know the rest of you are, so I will not even ask you to, but I would ask that the majority party finally get serious about these negotiations, and let us get something productive done.

The SPEAKER. The Chair thanks the gentlelady.

The Chair recognizes the gentleman from Northampton, Mr. Samuelson.

Mr. SAMUELSON. Thank you, Mr. Speaker.

The Smith amendment that the majority leader is asking us to vote for today seems to be a case of putting the cart before the horse, asking us to vote on revenues while having no idea what expenditures, what line items, will be in the budget, a budget that has yet to be agreed upon between the two Houses of this legislature and the Governor. Putting the cart before the horse would be like paying the tuition bill for 4 years of college while your child is still in 11th grade, before they even decide which college they are going to attend. It would be like putting a downpayment on a house and giving that downpayment to a developer before you even decide which house in the development you want to buy or whether or not you are even going to buy a house in that development.

As you look at the Smith amendment, there is no mention of the drug and alcohol funding that was cut in this budget by a vote of this House on March 6. There is no mention of restoring the human services funding which affects programs such as Meals on Wheels all across this State. There is no mention of restoring the 50-percent cut in public libraries which this House enacted with 113 votes but 6 months later we have still not

addressed, and there is no mention of education funding and what level of funding this Commonwealth will fund its school districts for the 2003-2004 school year.

As I look at the Smith amendment, the majority leader said this would take us a step forward in the budget process. If you read the text of the Smith amendment, in some respects it takes us backwards, back to square one on March 4 when the Governor stood here and presented his budget. Some of the numbers that the majority leader is using are from the Governor's original proposal back on March 4 and not reflective of any progress that has been made in negotiations, any progress that has been made toward a solution to the budget.

I notice on page 4, line 4, that the majority leader is picking an income tax level 3.75, which the Governor originally proposed, but the Governor has more recently been talking about a lower amount, about a half a percent lower than what Mr. Smith is advocating today. It is as if this amendment does not recognize any progress that has been made in these negotiations over the last 6 months. I assume that our leaders have been negotiating, trying to reach an agreement on this budget.

Some of the speakers have talked about this being an exercise in playing political games. Well, we do not need to play political games in the House of Representatives. We need an agreement on the budget, we need a bipartisan agreement on the budget, and we need a serious commitment among the members of both parties to negotiate and reach a solution to our budget.

MOTION TO TABLE AMENDMENT

Mr. SAMUELSON. For those reasons, Mr. Speaker, I do not want to enable this vote today before we even know what budget we are talking about, what level of funding we are talking about, what agreements we collectively as a body are willing to reach. So rather than enable this tax vote that Mr. Smith wants to put up today at this stage in the budget process, I move that we table the Smith amendment today, and that is my motion, Mr. Speaker.

Rather than enable this vote, let us table it. If you are in favor of the whole list of proposals that Mr. Smith puts forward in his proposal today, vote "no" on my motion, but let us table this amendment today. Let us get serious about the budget, and let us reach a bipartisan agreement.

I so move tabling this amendment.

The SPEAKER. The Chair thanks the gentleman.

The gentleman has moved to table HB 234 – the amendment; I apologize – the amendment 2132.

On the question,

Will the House agree to the motion?

The SPEAKER. Unlike the motion to send back to the Appropriations Committee, this motion is debatable only by the floor leaders. So on the motion to table the amendment 2132, the Chair recognizes the gentleman, the majority leader, the gentleman, Mr. Smith.

Mr. S. SMITH. Thank you, Mr. Speaker.

I would simply ask the members to vote against the motion to table, to allow us to consider the amendment, which will

ultimately allow us to proceed further with the serious negotiations that have been taking place and to allow us ultimately to get the necessary subsidies appropriated for the schools of Pennsylvania.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman, Mr. Veon.

Mr. VEON. Thank you, Mr. Speaker.

Mr. Speaker, I would recommend a "no" vote on the motion to table.

The SPEAKER. Those in favor of the motion to table will vote "aye"; those opposed, "no."

On the question recurring,

Will the House agree to the motion?

The following roll call was recorded:

YEAS-51

Bebko-Jones	Goodman	Mann	Scrimenti
Belfanti	Grucela	Markosek	Shaner
Bishop	Haluska	McCall	Sturla
Buxton	Hanna	Melio	Surra
Caltagirone	Harhai	Mundy	Tangretti
Cawley	James	Myers	Thomas
Costa	Josephs	Pallone	Tigue
Curry	Kirkland	Petrarca	Vitali
Daley	LaGrotta	Petrone	Washington
Diven	Laughlin	Preston	Wheatley
Eachus	Leach	Sainato	Williams
Freeman	Lescovitz	Samuelson	Yewcic
Gergely	Manderino	Santoni	

NAYS-148

Adolph	Egolf	Leh	Rooney
Allen	Evans, D.	Levdansky	Ross
Argall	Evans, J.	Lewis	Rubley
Armstrong	Fabrizio	Lynch	Ruffing
Baker	Fairchild	Mackereth	Sather
Baldwin	Feese	Maher	Saylor
Bard	Fichter	Maitland	Scavallo
Barrar	Fleagle	Major	Schroder
Bastian	Flick	Marsico	Semmel
Belardi	Forcier	McGeehan	Smith, B.
Benninghoff	Frankel	McGill	Smith, S. H.
Bianucci	Gabig	McIlhattan	Staback
Birmelin	Gannon	McIlhinney	Stairs
Blaum	Geist	McNaughton	Steil
Boyd	George	Metcalfe	Stern
Browne	Gillespie	Micozzie	Stevenson, R.
Bunt	Gingrich	Miller, R.	Stevenson, T.
Butkovitz	Godshall	Miller, S.	Taylor, E. Z.
Cappelli	Good	Mustio	Taylor, J.
Casorio	Gordner	Nailor	Travaglio
Causar	Gruitza	Nickol	True
Civera	Habay	O'Brien	Turzai
Clymer	Harhart	Oliver	Vance
Cohen	Harper	O'Neill	Veon
Coleman	Harris	Payne	Walko
Corrigan	Hasay	Petri	Wansacz
Coy	Hennessey	Phillips	Waters
Crahalla	Herman	Pickett	Watson
Creighton	Hershey	Pistella	Weber
Cruz	Hess	Raymond	Wilt
Dailey	Hickernell	Readshaw	Wright
Dally	Horsey	Reed	Youngblood
DeLuca	Hutchinson	Reichley	Yudichak
Denlinger	Keller	Rieger	Zug
Dermody	Kenney	Roberts	
DeWeese	Killion	Roebuck	

DiGirolamo Donatucci	Kotik Lederer	Rohrer	Perzel, Speaker
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NOT VOTING—0

EXCUSED—4

Cornell	Solobay	Stetler	Wojnaroski
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Less than the majority having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

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

The SPEAKER. The Chair recognizes the gentleman from Lawrence, Mr. LaGrotta, on the Smith amendment.

Mr. LaGROTTA. Thank you, Mr. Speaker.

Mr. Speaker, I was wondering if the prime sponsor of this massive tax-increase vote, Mr. Smith, would stand for interrogation?

The SPEAKER. The massive Mr. Smith indicates that he will.

Mr. LaGROTTA. Thank you, Mr. Speaker.

Mr. Speaker, I have a question about this massive tax increase that Mr. Smith is asking us to vote for, and my first question is, as a member of the Appropriations Committee, I have not seen any legislation come through the committee that would provide for spending this money on early childhood education, reducing property taxes. So my question, Mr. Speaker, is, would the sponsor of this massive tax increase explain to me and the people of Pennsylvania how his tax increase will be spent?

Mr. S. SMITH. Thank you, Mr. Speaker.

First, I would probably like to reiterate that this is the embodiment of the Governor's tax proposal, and while some have questioned whether or not it is critical toward the enactment of some of the Governor's whole plan for Pennsylvania, I would suggest to you that if, unless you are inclined to spend more money than you have, I would suggest that being able to define the amount of money that is available is not an improper way to go about crafting a budget.

As far as the actual amendment, it is in actuality the embodiment of HB 1303, of which the prime sponsors are Representatives Veon and DeWeese; HB 1304, which the prime sponsor is Representative Levdansky; HB 1305, the prime sponsor is Representative Levdansky; HB 1310, which the prime sponsors are Representatives DeWeese and Veon; HB 1312, which the prime sponsors are Representatives Veon and DeWeese; HB 1313, prime sponsors Representatives Veon and DeWeese—

Mr. LaGROTTA. Mr. Speaker?

Mr. S. SMITH. —HB 1427, the prime sponsor—

Mr. LaGROTTA. Mr. Speaker?

Mr. S. SMITH. —is Representative DeWeese—

Mr. LaGROTTA. Mr. Speaker, with all due respect—

Mr. S. SMITH. —HB 1428, of which the prime sponsor is Representative Veon. Now, I—

Mr. LaGROTTA. With all due respect—

Mr. S. SMITH. —at least for the record, Mr. Speaker—

The SPEAKER. Mr. LaGrotta, the gentleman, Mr. Smith, has the floor. He is the majority—

Mr. LaGROTTA. With all due respect—

The SPEAKER. We will get to you as soon as the gentleman finishes.

PARLIAMENTARY INQUIRY

Mr. LaGROTTA. Mr. Speaker, as a point of parliamentary inquiry, he is not answering my question. I would like to give him—

The SPEAKER. The floor leaders do get greater latitude than the regular membership, Mr. LaGrotta.

Mr. LaGROTTA. I understand that, Mr. Speaker.

The SPEAKER. That has been the way it has been.

Mr. LaGROTTA. I respect that, Mr. Speaker. I will respectfully allow the sponsor of the tax increase to proceed.

Mr. S. SMITH. This is a bigger tax increase than the minority leader ever voted for.

Mr. Speaker, I do not know how you build a budget without knowing how much money you have to spend. We have before us a bill that will help us to define how much money will be available to spend, and while right before us at this particular moment you do not have a piece of legislation that tells you where the money would be appropriated, the problem is, the other parts of the Governor's plan may not fit into place without all of these moneys. So what this is about is defining how much money is available. It is that simple.

Mr. LaGROTTA. Thank you.

Mr. Speaker, next question for the gentleman who is the author of this tax increase: Mr. Speaker, all of those numbered pieces of legislation that you just read to the men and women of this House of Representatives, have any of those bills been considered by the House Appropriations Committee, and/or have any fiscal notes on the cost of any of those pieces of legislation been disseminated to the members of this body, the fiscal note being how much they will cost?

Mr. S. SMITH. Mr. Speaker, yes, there was a fiscal note provided. I would like to expand on the answer a little bit in that all of these pieces of legislation that I just enumerated along with several others, we were prepared to run, if you will recall, back at the end of May. We had scheduled these bills all in the various committees from which they were assigned. Upon announcement of that, the Governor sent a letter to the Speaker and myself asking us not to run those bills at that time, until we would have time to negotiate them further, I think was the gist of his comment.

The fact is, that was roughly June 1. It was approximately June 17 until the administration initiated the first major meeting with all four caucuses. We proceeded towards the end of June, at which point in time there were no other meetings called, and it was near, give or take a day, I think it was July 17 until a subsequent meeting was called by the administration with all four caucuses.

Now, in that interim period of time and since that period of time, up until just this week, all of the negotiations that have been taking place – I should not say all – a significant portion of the negotiations that have been taking place have taken place because of our initiation. We have initiated these conversations and these negotiations with the administration and with the Senate.

So to suggest that these bills have not or that this legislation has not been considered previously by the committee is maybe accurate. However, it was not considered solely because the Governor at that time had requested we hold off.

Mr. LaGROTTA. Thank you, Mr. Speaker.

Mr. Speaker, is the majority leader— Let me rephrase that. You have to excuse me. I am just a little bit shocked that the majority leader is asking us to vote for this tax increase.

But the tax increase that the majority leader is asking us to vote for today, Mr. Speaker, in the event that the programs that we are trying to pass, those of us that care about young kids and their ability to read and stopping the sheriff's sale of some of our grandparents' homes that cannot pay their property taxes, if those programs do not cost the amount of money that the majority leader's tax hike will generate, what does the majority leader propose to do with the additional revenue?

Mr. S. SMITH. Mr. Speaker, while I stand for interrogation here on behalf of representing this amendment, I think it is very clear that this is the Governor's tax proposal. If in fact the majority of this House chooses to support and ultimately the Senate chooses to support an increase in taxes in the neighborhood of 34 percent on the people of Pennsylvania, at that point in time we will have set the parameters from which we can appropriate the money.

This is pretty simple stuff, in my mind. You can either decide how much money you are going to spend as a State government and then go raise the taxes to whatever level you deem, or you can determine how much money is available, how much money in taxes are available, and then try to keep your budget within that limit, and that is simply what we are trying to do.

Mr. LaGROTTA. Thank you, Mr. Speaker.

That concludes my interrogation. If I could be recognized for just a few brief remarks.

The SPEAKER. The gentleman is in order and may proceed.

Mr. LaGROTTA. Mr. Speaker, I have been in this legislature for the better part of 17 years, and it was always my understanding that only a member of this General Assembly, this House, could sponsor, cosponsor, a piece of legislation or an amendment. As I look at the board facing me, I see "HB 234, amendment 2132," prime sponsor "S. H. Smith." Mr. Speaker, I do not see Ed Rendell's name up there, and I would venture a guess that if Ed Rendell were in this chamber right now, he would probably be just as disgusted as I am.

Mr. Speaker, before I was fortunate enough to come to Harrisburg as a member of this General Assembly, I worked for a newspaper. I know a little bit— Yeah, there are some of us that can read, Mr. Speaker. I worked for a newspaper, Mr. Speaker, so I know a little bit about headlines and leads, and I know that tomorrow the prime sponsor of this tax hike is looking for a headline to embarrass the Governor.

I would suggest, and if I may have the latitude to speak not only to the honorable members of this House but to the reporters that are listening in the press room, hopefully, I would suggest that if they want to do the people of Pennsylvania a favor and get off this treadmill of trying to embarrass the Governor, that they write the story that really is the truth, and do you want to know what that story is? I will do you a favor, Mr. Speaker, and I will write it for you.

Mr. Speaker, could I have some order?

The SPEAKER. The gentleman is entitled to be heard.

Mr. LaGROTTA. I am so overwhelmed by the fact that the majority leader wants us to vote for a tax hike that I cannot concentrate.

Here is the story that needs to be written: Our kids in grades preschool through 4 still are not reading as well as they should. Property taxes in Pennsylvania are still too high, and there are over 300 homes of senior citizens that will be sheriff sold in my district because they cannot pay their property taxes. People still do not have health care. We still cannot get the PACE (Pharmaceutical Assistance Contract for the Elderly) program out of the Senate. And the buses for Atlantic City and Mountaineer Park in West Virginia are still taking Pennsylvania dollars and lowering West Virginia's school taxes.

So while you sit feeling all full of yourself about embarrassing Ed Rendell again, remember this: He is still the Governor, and the people of Pennsylvania are still looking to us to show some leadership.

I do not care whether you vote for or against the gentleman, Mr. Smith's tax hike. What I do care about is whether or not we start voting to help the people that we are sent here to represent.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Lancaster, Mr. Sturla.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, will the maker of the amendment rise for an interrogation?

The SPEAKER. The gentleman indicates that he will.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, earlier you said that we have to know how much money we have to work with, and that if this fails, I guess my question is, if this amendment fails, are you going to assume that the only thing we have to work with is what we currently have? Will that be your automatic assumption there?

Mr. S. SMITH. Mr. Speaker, if you read what has been going on around the State, as the Governor has continued to promote his plan, he has continually talked about his whole plan, the whole deal, which, quite honestly, I am a little bit perplexed at some of the opposition, given the op-ed pieces I have read here and there in support of the Governor's entire Plan for a New Pennsylvania. In order to accomplish that, this is a linchpin, because you cannot spend the money without actually acquiring it.

So I do not view this as an all-or-nothing issue, and I think anybody that has looked at the public comments that we have made over the last several months in dealing with the Governor to the degree that this has been discussed in the media, clearly we have made every indication that we are willing to work with the Governor, we support some of his initiatives, and that in fact if this legislation, if this bill, is voted down today, others will be considered. But as I stated at the onset, we needed to define the parameters as to how much money would be available.

Mr. STURLA. Okay. So then what you are saying is that all this amendment will show is that we are not willing to spend the amount of money that the Governor thought we might need back in March when he originally made his proposal, even though since then he said we do not need that much, and we will all agree that we do not need to spend as much as he thought we needed back in March, which he has agreed to also.

Mr. S. SMITH. Well, I will let you define what that means.

However, let me clarify one thing relative to the differential between the 3.75-percent PIT (personal income tax) and, I believe, 3.1 or 3.2; I forget the other number. In fact, the reason that that number exists, that the Governor could say he would decrease the amount of PIT he would request, is solely because of the proposed or the projected increase in money that would have been generated by the version of the slots gambling bill that passed the House. If you think back, when the Governor originally proposed his plan, he had intertwined the moneys that came from gambling, his tax increase that is embodied in this amendment, along with the spending for education, the tax reform proposal that he had put forth, and the economic stimulus package. They were all intertwined.

The night in July when this House passed the slots gambling expansion, which is projected to generate approximately \$1 billion in the out-years, and the tax reform plan, which, I believe, generates an average 20 percent reduction in school property taxes, what happened at that point in time was you basically separated the issue of tax reform and gambling; they became married together somewhat, and the issues of tax increases, education, restorations, and economic stimulus remained in a separate pile.

So the reduction in taxes that you are referencing is in fact a reflection of the possible increase in gambling revenues. That is simply what it amounts to.

Mr. STURLA. Well, Mr. Speaker, I guess what I am trying to figure out is, you now seem to say, well, just because we may vote against this, that that does not mean that we do not need to increase some revenues in the State of Pennsylvania in order to at least fund programs at last year's level, because we still have drug and alcohol funding, which you voted to cut in the budget; we still have HSDF (Human Services Development Fund) funds, which you voted to cut in the budget; we still have library funding, which you voted to cut in the budget; we still have, I believe, a proposal you put out for education that we still need to fund, which was not included in the original budget. So somewhere we need to increase and enhance some revenues in the State of Pennsylvania, even if it is not this proposal. Is that correct?

Mr. S. SMITH. Mr. Speaker, I do not think the words have come out of my mouth that I was not willing to consider a tax increase. However, what I think is clear is that if we come to a final agreement with the Governor and the Senate and that would necessitate an increase in taxes, I think it is important that we do it in a way that identifies for the people of Pennsylvania that they are getting a good bang for their buck.

Mr. STURLA. I guess what I am trying to figure out is, if this goes down today, we know, under your scenario, that we will not have this amount of money to spend. Does that mean that next week we will be back with one that is 5 percent lower than this, and if that goes down, the week after that we come back with one that is 5 percent below that, until we figure out how much money we have, so that we can then go negotiate what it is we are going to spend it on, or if this fails, are we just going to go to the Governor and say, Governor, we are not going to spend that amount of money you thought was necessary back in March, which he has already said he agrees he does not need, but now we will negotiate on what it is we are going to do, and then we will come back and figure out how to pay for it?

I mean, I am just trying to figure out what the process is here, so I know whether to expect one of these votes every day until we find that level where we are willing to tax that amount and then we will go figure out what we are going to spend it on or whether we are actually going to go figure out what our priorities are and then figure out how to generate the revenue.

Mr. S. SMITH. That is not a bad idea, now that you mention it. Maybe we could vote on this once a day, and we will just keep ratcheting it down until we find a happy medium. The fact is, we can go clear down into the middle of October, and if the schools are not funded and we then get to a point where we decide to start running the veto override of the basic education subsidy from the March budget that the Governor signed into law, we might end up there, too.

The purpose is clear. I have stated the purpose for bringing this amendment forth that embodies the Governor's tax increase. The bottom line is, if you want to continue to allow this thing to flounder and us not be able to ultimately provide a subsidy for basic education, then you can go that route. We are just simply trying to move the negotiation process further.

We need to conclude this. The schools expect their subsidies, and our goal, my goal as the majority leader of this House, is to find a conclusion to that that will properly provide the money to subsidize the schools in each of your districts.

Mr. STURLA. Mr. Speaker, I have seen you numerous times since this proposal was originally put out there by the Governor in March say that in fact we did not need that much money to do all the programs the Governor wanted; that the revenues coming in under current tax levels were going to be greater than what the Governor projected; that there really was not going to be the deficit that the Governor had projected; that he has cut spending and has saved money, and therefore, we do not need to raise taxes as much as he originally proposed.

I read an article in my local newspaper the other day where colleagues from my county said that they did not really think there was a crisis; that we could just wait this one out; that there were sufficient funds with what we had to pay for everything.

I guess what I am asking is, if all those things are true, then why would we propose raising taxes more than we need to pay for the programs, or were all those things actually false?

Mr. S. SMITH. The question is, do you agree with what I was stating?

Mr. STURLA. Well, what I am saying is, do you agree with what you stated?

Mr. S. SMITH. I stand by everything I have stated.

Mr. STURLA. Then why would we want to raise taxes more than enough to pay for those?

Mr. S. SMITH. Look, Mr. Speaker, the Governor continues to talk about his plan, of which this is the most critical element if you are going to fund it. As late as last – what is this, Tuesday – as late as last week, he would continue to talk about his whole plan, with the spending plan as he proposed it, whenever, March 25.

Mr. STURLA. Mr. Speaker, we now know that is going to cost less.

Mr. S. SMITH. Now, wait; let me finish; let me finish, to answer your question though.

I dispute the revenue estimate that the Budget Secretary signed in late March. I dispute some of the other numbers as to whether there are moneys available, the use and the availability of some other what we commonly refer to as one-time sources

of revenue, the Federal money that is available. I dispute those numbers that the administration is currently putting forth, but if the Governor is going to continue to stand by them, then we are going to give him an opportunity to stand by the tax proposal.

Mr. STURLA. Mr. Speaker, when the Governor first made his proposal, we did not know about the Federal money. When the Governor first made his proposal back in March, we had not gone to war in Iraq yet; we did not know what was going on; we did not know what the revenue income was going to be. We now have 6 months of experience or more in knowing those things, and everyone, the Governor included, has agreed that we do not need as much money as you are proposing here.

Would you agree with that?

Mr. S. SMITH. That is not what the Governor is saying. In fact, as I mentioned earlier, the bill that passed this House that provided for expansion of gambling had approximately \$1 billion in the out-years. I think the Governor's original gambling proposal was in the neighborhood of \$300 million, around \$300 million. So there are all kinds of things that have changed. The fact is, the Governor as late as last week was still talking about his whole plan in the same context; he has not revised that. We need to define how much money is available, and this will help define it.

Mr. STURLA. Mr. Speaker, I agree the Governor has talked about the plan for the things he wants to get accomplished — early childhood education, lower class sizes, more dollars for failing schools so that we can get schools off the No Child Left Behind distressed list, economic development dollars — you know, an array of programs that the Governor has proposed that will move Pennsylvania forward, but he has also stated that the revenues he needs for those are not what was originally projected back in March, which you say this amendment embodies. He has also said that he is willing to negotiate in terms of timeframes so that there is not as much money required up front. I mean, I have heard him state those things publicly.

So I guess what I am trying to figure out is, why would you propose raising taxes more than the Governor says is necessary? Do you want to raise taxes more than even the Governor says he wants to raise taxes? Why would you offer this amendment?

Mr. S. SMITH. You have an option; you can vote “no,” just like the rest of us. I am simply putting forth the Governor's tax package.

Mr. STURLA. Mr. Speaker, this is the Governor's tax package in March, not the Governor's tax package today. I am trying to figure out why you want to raise taxes more than anyone else in the State of Pennsylvania at this point in time, the Governor included.

Mr. S. SMITH. Mr. Speaker, as late as 2 weeks ago, the administration was still handing out documents that included the tax package, essentially the same as what is embodied in this amendment. This amendment is an accurate compilation of the Governor's tax proposal. If you want to vote “no” because you think it is too large of a tax increase, that is okay. We will see how that falls out at the end of the day.

Mr. STURLA. Mr. Speaker, I guess, if I could, I believe, at least according to the statements that you have made publicly, that you believe this is more than it will cost for the Governor to do what he wants to, and so I guess I would ask, what is it that you would propose to spend that extra money on that you are going to raise?

The SPEAKER. You are not allowed to ask a question that goes to the motives of what the gentleman has brought up.

Oh, I am sorry. The Parliamentarian indicates that you have asked that question over and over again. It has already been answered, and the gentleman does not have to answer that question.

Mr. STURLA. Okay. Mr. Speaker, I never heard an answer to it, but I will end my interrogation at this point in time.

If I could make a few comments.

The SPEAKER. The gentleman is in order and may proceed.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, we all know what is going on here, and I believe that the public in Pennsylvania knows what is going on here. This is a sham. This is to try and embarrass the Governor and say, see, look; even the Democrats will not vote for the Governor's tax proposal, even though it is not the Governor's tax proposal. This is a proposal that was made more than 6 months ago in order to look at the possibility of and as a starting point to where we would begin negotiations. Now the Republican leader says he has been negotiating for 6 months but he wants to start back at that point that we were at 6 months ago, even though we know that Federal revenues coming to the States have changed, even though we know that the State revenues coming into the State have changed, even though we know the Governor has agreed to negotiate on timeframes and different ways we could approach these issues.

This is a sham. We are all going to vote “no” on this thing, and it makes absolutely no sense. The public in Pennsylvania understands that while the Republicans continue to stall this process, to refuse to negotiate, to refuse to negotiate in good faith, that they are not getting drug and alcohol funding; that their schools are facing not being funded; that they are not getting human service development funds in their counties to do programs that help people every day.

There are votes to move forward in this legislature if we get a reasonable proposal. Everyone, Republicans and Democrats, agree that this proposal on this amendment today makes no sense. Why we are spending time debating it, putting it up there, pretending that this is somehow the start of a compromise is ridiculous. This makes a mockery of the process that we should be going through here in the legislature.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Northumberland, Mr. Belfanti.

Mr. BELFANTI. Thank you, Mr. Speaker, and I will be brief.

I do have one question for the majority leader and the maker of the amendment.

The SPEAKER. The gentleman is in order and may proceed.

Mr. BELFANTI. Listening to the previous debate, much of my questions have been answered, but one remains.

The \$900 million that we received from the Federal government long after the Governor first proposed his stimulus package on education, on economic development, and early childhood and all of those other things, the PACE programs, et cetera, that \$900 million came in long after that point in time where this amendment is calling for the revenues that at that time were \$900 million off of what the Governor, even if you have a press release of 2 weeks ago that says that he still wants the same program, so he still needs the same money. Why is

that \$900 million not reflected as a reduction in this particular amendment that you are offering today?

Mr. S. SMITH. Well, certainly you can take that into consideration as you vote.

However, I mean, maybe you do not want to hear this, but if the Governor was still proposing essentially this identical language as recently as 2 weeks, then I would suggest maybe you ask him that question, why did he not adjust his demands or his suggestions for a tax increase accordingly to the changing world of the new money from the Federal government and whatever else maybe changed out there. He did not change it. It is still his proposal.

Mr. BELFANTI. No, no, Mr. Speaker; I am not sure the question was answered. The Governor is not introducing this amendment today, nor is he calling it up for a vote. That is the strict prerogative of the majority leader of the majority party. And since the Governor's proposals remain virtually the same on the spending side, but on the revenue side we now have almost \$1 billion in Federal money, that should have been subtracted by the maker of this amendment, not by the Governor or not by anyone else. The maker of this amendment, who in this instance happens to be the majority leader, I just do not see anywhere where that \$900 million is subtracted or deducted from this gas tax increase or all of the other increases that are listed in the amendment.

So certainly, if we were dealing off the top of the deck and being honest about it, that \$900 million would have ratcheted all of these other numbers down – the income tax increase that originally was asked for, et cetera.

Mr. S. SMITH. Perhaps some of the additional spending that the Governor has suggested over the last few months accounts for that, but I put forth an amendment that embodies the Governor's tax increase. It is the tax increase that the administration was putting out in written form as late as 2 weeks ago. If you look at what the Governor has said as he has traveled around the State, he continues to speak about his entire plan for Pennsylvania in the context of having the full amount of money that this tax increase would generate. At some point, as I said at the beginning, we have to define what those parameters are, the amount of moneys that are available. That is simply what this amendment does.

Mr. BELFANTI. Thank you, Mr. Speaker.

I am concluded with my interrogation. I will make a brief remark on the passage or the vote on this amendment.

The SPEAKER. The gentleman is in order.

Mr. BELFANTI. Thank you, Mr. Speaker.

As I said, many of the previous speakers offering both words and interrogation enumerated many of the things that I initially stood to discuss.

I would like to say that this has been very disingenuous, this entire process. In my 23 years, we have never, ever voted on a budget and then voted on a spending plan months and months apart.

The majority leader mentioned a bit earlier that the reason we did not vote the seven- or nine-bill package back in May is because the Governor asked us not to, but when the Governor asked us not to vote on that budget, that Draconian budget that he had to offer in a timely manner to meet his constitutional deadline – and when he gave it to us, he said, do not vote on this, please – within a week both chambers voted that budget and sent it to the Governor's desk. Then they decide not to vote

on a spending bill because the Governor asked us not to. Now the Governor is not asking us to vote on a new tax bill, which is at least \$1 billion or \$900 million out of whack as a result of Federal dollars that were unforeseen when the original budget document was sent over.

Mr. Speaker, the majority party likes to have their cake and eat it, too. On one point the Governor asked us not to vote on something, so we do not, but then he asked us not to vote on something, and then we do, and then he remained silent and asked us not to do anything, and here we are voting on a budget that, to the admission of the maker of the amendment, is \$900 million over what was originally asked for.

The spending plan has not changed. In fact, the Governor has backtracked and backpedaled on that, and the spending plan, the Governor said, we can implement in steps; I am willing to negotiate.

I will give the House Republican leadership and House Republicans some credit, because they have been far more willing to negotiate on the issue of all of the Pennsylvania dollars leaving the State and being spent in tracks in other States. I will give them that much credit. But today they deserve no credit.

This is just a ploy, it is just a game, and as many of my colleagues mentioned, it is for some cheap headlines tomorrow, but the headlines ought to be changed. The headlines ought to read that this is not the Governor's tax package. And I understand that a few weeks or maybe months from now, many of the members of this chamber are going to have to put up some kind of a tax vote. I believe it will be far less than what we have in front of us today. It may or may not take into account a track, a slot bill that may eventually pass the Senate in some form of \$300 million or \$500 million or the \$1 billion that we passed here, but we are going to be back here in a couple of months, and unlike the Federal government, we just cannot issue money that does not belong there.

But my colleagues made the point over and over and over again, they want to know what the money is going to be spent on before they put a tax vote up, and so do I. Economic development is critical in many of our districts in rural Pennsylvania. I have a project that could be \$60 to \$85 million. So far, there is \$1.2 million in State money available for it. We need about \$3 million – \$3 million to get a \$60 million project off the ground. It is all tied into that economic stimulus package. I want to be sure, before I put a tax vote up, that the economic stimulus package, economic development package, is going to be funded with that tax dollar. We have never in 23 years split the revenue and the spending bills like we have this year.

I am asking for a “no” vote on this amendment, and I admonish the majority side not to continually pull this ploy between now and October when the money for the school districts runs out, because I do believe the general public and the media are getting the message.

Thank you very much, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Philadelphia, Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, may I interrogate the maker of the amendment?

The SPEAKER. The gentleman, Mr. Smith, indicates he will stand for interrogation. The gentleman is in order and may proceed.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, how does your tax proposal impact Temple University, Lincoln University, Jefferson Hospital, Drexel University, who have gone without a check for the last 3 months from the Commonwealth of Pennsylvania? How does that expedite that financial burden on those schools and hospitals?

Mr. S. SMITH. Mr. Speaker, I think generally those are nonpreferred appropriations, which have passed this House. Those appropriations are obviously, by definition, tied to the remaining portion of the State's spending plan. Therefore, to the degree that we can come to a final resolution on the basic education spending plan and perhaps the other items, the restorations and the economic stimulus package, once we define how much money is available to spend in the budget, that will allow us to define how much money will be available for those nonpreferred appropriations. They are essentially tied to the finalization of the remaining elements of the budget.

Mr. THOMAS. Mr. Speaker, how does your tax proposal, and while I have not had an opportunity to digest every line and every word of it, how will your tax proposal impact a warning that all of us have received from our hospitals acknowledging that upwards of 4,000 people could be laid off as a result of Medicaid cuts in the budget? How does your tax proposal intend to deal with that?

Mr. S. SMITH. This being the Governor's tax proposal as part of his Plan for a New Pennsylvania, I would suggest that you will have to look back on his, I believe it is March 25, his second budget proposal, as it was known, to determine the specific impact appropriationwise that these tax dollars would have on those institutions.

Mr. THOMAS. So, Mr. Speaker, if your tax proposal passes, then we would have to try and match that with some commitments that you are arguing that the Governor has made in order to deal with these Medicaid cuts and the possible 4,000 jobs that we will lose as a result of Medicaid cuts in the budget.

But let me move on. How does your tax proposal deal with full-day kindergarten and the need for full-day kindergarten in Pennsylvania?

Mr. S. SMITH. Mr. Speaker, as I said before, this is the embodiment of the Governor's tax proposal that was part and parcel of his entire Plan for a New Pennsylvania. Therefore, if you look at his Plan for a New Pennsylvania and his March 25 budget, it would reveal to you what impact this revenue would have on those particular appropriations.

Mr. THOMAS. Well, Mr. Speaker, you keep making reference to a proposal that the Governor made. If I am not mistaken, the proposal that was made by the Governor identified specific revenue enhancement measures that would be tied to specific substantive proposals. For example, it has been clear that there needs to be an increase in PIT, but the increase proposed was specifically tied to part of an education reform proposal. Part of the Governor's proposal identified property tax relief and how we would achieve property tax relief. From what I have digested of your tax proposal, it is a flat tax proposal that is not tied to specific programs.

And so my last question is this, and as you know, your caucus and my caucus have called in tax experts and pollsters from all over the place to debate this whole issue, and one thing seems to be a common factor, whether it was an expert called by your caucus or an expert called by my caucus, and that is that the Pennsylvania public has no tolerance for tax increases or tax proposals that are not tied to specific programs and services that are going to improve their overall quality of life, so that in essence, Mr. Speaker, what the pollsters and the experts are saying is that we should not put up a proposal unless that proposal has a direct and defined nexus to a particular program that is going to lead to improved circumstances for the people of Pennsylvania.

And to that end, my question is, where in your tax proposal, I know a section of your proposal talks about PIT, a section talks about a gas increase, but there is no corresponding section which talks about who and under who will benefit from the gas increase, the PIT increase, and how would the beneficiary's life be improved as a result of that increase. Can you direct me to where in your proposal do we have that kind of correlation?

Mr. S. SMITH. Mr. Speaker, as far as I can think back, in every tax proposal, at least to the general Tax Code, it is separate from the appropriations bill. You are suggesting that what we would have before us is a tax bill/appropriations bill, and that simply is not the way it works. We normally provide one bill that appropriates the money and one bill that generates the taxes if they need adjusted from year to year.

But beyond that, Mr. Speaker, when you talk about or when you ask me about what those specific proposals are, it is pretty clear in my answer – but I will make it a little more clear, I guess – what you have before you here is the Governor's tax package that correlates and directly allows the implementation of his entire Plan for a New Pennsylvania. Therefore, if you want to support this tax amendment that is before us, then you can support the Governor's plan for Pennsylvania.

Mr. THOMAS. Mr. Speaker, I am only looking for clarity, and I am confident that we can debate this without being adversarial.

When the Governor made his proposal, if I understood it correctly, every proposed revenue enhancement measure was tied to a specific program. For example, when the Governor talked about the need for gaming and what gaming would generate – in fact, a few minutes ago you indicated that gaming would produce X amount of revenues – those revenues were tied to a specific proposal to reduce property taxes. And yes, I know that in most tax bills, the language is flat when it comes to how the tax would be used. So to that end, I ask you, is there a corresponding amendment to amendment 2132 that links the tax proposal to a particular program, service, or beneficiary?

Mr. S. SMITH. Mr. Speaker, what—

Mr. THOMAS. Because, Mr. Speaker, let me also say – and I am going to give you an opportunity to respond – but let me also say, I just saw a poll which indicated that State Reps and State Senators are at the bottom of the voters' confidence; that when you put all the elected officials together, we are the most distrusted and the body of elected officials that voters have little confidence in. So to that end, I think it is incumbent upon us to engage in public policy that raises the voters' confidence and raises the confidence of the people of Pennsylvania.

So I think it is extremely important that for any of us, if we are going to advance a tax proposal, then we need to be specific

as to, one, who are going to be the beneficiaries of the proposal; and number two, how is it going to improve the overall quality of life of the people that we represent? So this flat proposal as it seems to leave that out.

So I ask you for the record if you would, you have identified how this is the Governor's proposal and who are the various architects of provisions in this proposal, so can I ask you for the record, as I go and take my seat, if you would identify, where is your requested increase in the gas tax going? Where is your requested increase in personal income tax going? Where is your requested increase in the various other taxes contained in this proposal, where are the revenues going? I think that we have to let the voter know how this proposal is going to be tied to the things that are important to all Pennsylvanians.

So as I take my seat, would you at least let the record reflect the correlation between what you are advancing and the need for educational reform, economic stimulus, restoration of drug and alcohol, victims of rape and domestic violence; those programs, job programs; restoration of the cuts in the 2003-04 budget. Would you tie a proposal to a particular benefit and its impact on Pennsylvanians, as I take my seat, and I thank you for your response.

The SPEAKER. The Chair thanks the gentleman.

Mr. S. SMITH. Mr. Speaker, just let me give one brief answer to that.

The SPEAKER. The Chair recognizes the majority leader.

Mr. S. SMITH. What the gentleman really seems to be talking about is the idea that all tax revenues would be dedicated streams of money, much like the gas tax is, by law and the Constitution, required to go into the Highway Trust Fund. There are a few taxes that are dedicated, but for the most part, our General Fund base of tax revenue is not a dedicated stream. It goes into the General Fund. In fact, in the Governor's proposal, a small portion of the tax was dedicated per his proposal, and that was the portion that was directed towards the tax reform offset money.

So when you ask, where are all these taxes dedicated, you are essentially asking if we are going to take .1 or one-tenth of a percent of PIT and dedicate it to drug and alcohol, and .5 percent of PIT and dedicate it to hospitals or whatever, and that simply has not been the practice, and it is not what I am proposing to do here today. If the gentleman would like to propose a budget of that nature, I mean, it is certainly something to undertake, but we have not engaged in excessive amounts of taxes being dedicated to specific programs, and therefore, that is not what is before us at this moment.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Allegheny, Mr. Levdansky. The gentleman waives off.

The Chair recognizes the gentleman from Butler, Mr. Metcalfe.

Mr. METCALFE. Thank you, Mr. Speaker.

Mr. Speaker, Winston Churchill once remarked that "...for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle," and I thought that quote was very appropriate to deal with the current economic times that we find ourselves in, where we need to see a prosperous time once again; where many people have been losing their jobs, losing their homes; where our schools do not have the money to operate now because the

Governor vetoed his own budget through a line-item exercise of that veto. I think you could plug in "State" in this quote, and certainly a State cannot tax itself into prosperity, and while the Governor has been traveling around the State talking about increasing taxes in Pennsylvania, when Pennsylvanians are losing jobs, when business owners are trying to create new jobs, but looking at the forecast, with the call for tax increases, they find a very desperate situation that they find themselves in.

Some of my Democratic colleagues have mentioned that the Governor offered a Draconian budget earlier this year, and he was forced to, based on time constraints, but the Governor at that same time had said that government must live within its means, and Republicans applaud that. Government must live within its means, but the new proposals that are being touted by our Governor with the aligned tax increases really is not government living within its means.

In May the Governor did not have his votes together yet for his tax increases, and the Republican leadership backed away from their idea to put those proposals forth before the Finance Committee, on which I serve, and the Governor had asked to have those pulled back, and we did not move forward with those.

Well, here we are now in September, with the Governor calling for the legislature to come back to Harrisburg while we were on an 8-hour call. Did the Governor have the votes then? No, he did not have them then. Does the Governor have the votes now? Well, I think today is a good test for that. Does the Governor have the votes together that will actually give him these Draconian tax increases to match that Draconian budget, the new budget that he is proposing, because the original budget, the budget that the Governor proposed – the budget that the Republican legislature, with some of our Democratic colleagues voting with us, passed back to the Governor – he vetoed parts of his own proposal.

Well, today I have heard, today I have heard the word "embarrassment" out of some of my Democratic colleagues because we are running this amendment today. Well, I think that it is an embarrassment for us to deal with a situation where a budget is proposed, somebody's own budget, and then they veto parts of their own budget. It is an embarrassment for the children of our Commonwealth to be put in a situation where their schools do not have the money to operate because of the Governor's veto.

But we have passed educational funding from both the House and the Senate, different bills, different times, and the Governor's threat has been out there through the press that he would veto those proposals also if they were sent to his desk. Well, I think that today is a day to test the support for the Governor's proposals, and I applaud the majority leader for having the courage to try and move forward with putting up this test of the feelings of the legislature toward the Governor's huge tax increases that he has been touting across Pennsylvania that he needs for his programs. I think today is a day to stop holding the children of Pennsylvania hostage and to stop holding our schools hostage and to give them the proper funding that they need to continue operating this year.

You know, when we find ourselves in a situation where there is a surplus with a budget, many of my colleagues from the left are very quick to propose new ways to spend that money, and when there is not a surplus, they are very quick to keep finding ways to spend more money and also proposing new

tax increases. Well, some of those same leftists were here today saying that they are going to vote against this when this is exactly what they want, only maybe not in the right timing. Maybe they want to give the Governor another 8 months to try and negotiate.

Well, we have waited through the year long enough. I think it is time to have this test vote. The Governor has been recently talking about our judicial elections this November coming up and how those elections will be a test of his plan for Pennsylvania. Well, I hope that the voters go out and send a clear message, as the voters of Alabama did recently, and that they vote down all of the Governor's judicial candidates to show him that his test vote has failed and that he needs to get back with reality. It is time to stop talking about increasing the burden on the men and women of Pennsylvania.

Thomas Jefferson had said, "...a wise and frugal government...shall not take from the mouth of labor the bread it has earned." Well, that is exactly what is being talked about with tax increases, is taking the bread from the mouth of labor that has earned it.

So let us vote this amendment down to send a clear message to the Governor that this legislature is not in favor of these huge tax increases.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Lackawanna, Mr. Cawley. The gentleman waives off.

The Chair recognizes the gentleman from Centre, Mr. Benninghoff.

Mr. BENNINGHOFF. Thank you, Mr. Speaker.

I want to compliment Representative Metcalfe. I thought he stated things very well.

You know, it is interesting, we sit here week after week after week, month after month after month after month, being asked to run the Governor's proposals. We sit back in our legislative districts, and we are told we need to run the Governor's proposals. People are coached in our legislative districts, telling their legislators, call them. It is on the TV; it is on the radios – tell your legislator to run the Governor's proposals. Representative Smith is simply doing that.

The Governor of the Commonwealth cannot introduce legislation. The majority leader is introducing proposals that many of you had introduced in separate bills, simply under a comprehensive package to give you your constitutional ability to vote "yes" or "no."

We are here today trying to help our schools; we are here today trying to help the people of Pennsylvania. As I said, a number of bills have been introduced earlier. Here we do it comprehensively.

Those bills have been introduced since spring. You have the right and the ability to read them, study them, dissect them, amend them, and even offer your own if you do not like them. If you do not like today's proposal, where is yours? We all represent Pennsylvania.

But I tell you, it is very frustrating to stand here and to sit here all day, as it may progress into, and have people grandstanding, talking about new spending programs, which in a sound bite are warm and fuzzy. Everybody wants new things; everybody wants a new proposal, but who is willing to spend the money to get them? More importantly, who is willing to raise the taxes, or are you just raising the opportunity for your

own headlines or self-written articles, as it was proposed earlier?

These new programs require money. Yes, in their impetus and in their ideology, they might be good, but they still cost money. At a time where people are losing jobs, factories are closing, people want you to raise taxes? I do not think so. My taxpayers say no to that. They do not want any more taxes. My taxpayers want relief from their property taxes; they want to keep their jobs.

If you are going to continue to grandstand here or in your legislative district on the Governor's new programs that you want to give to Pennsylvania and give to them, then be willing to put up the vote to raise the taxes to pay for them. To spin this debate and prey upon the constituents in our drug and alcohol areas, our libraries, and the human services, to me is just wrong and unethical.

President Bush sent or will be sending \$900 million that we did not anticipate. That money is at the full discretion of the Governor to refund and restore this funding. I know from my own caucus many of us have supported that, to be able to restore the funding for drug and alcohol, libraries, and health and human services issues in our communities. The ability is there to do that.

Representative Smith is simply offering in good faith the Governor's proposal that several of you in your own bills, as I said, have requested. This is a comprehensive amendment giving you the ability to do what you have asked to be able to do, to vote. If you do not want to support Representative Smith's amendment, then where is yours? It is easy for us to continue to grandstand and talk about all the things you want. It reminds me of my kids when they were younger – I want, I want, I want. Well, it is easy to say that, but it has to be paid for.

As elected officials of this Commonwealth, we have the responsibility to do this in a judicial manner so that we have the money and not be spending what we do not have.

So very simply, put up your vote "yes" or "no." If you do not like it, vote against it.

Mr. Speaker, I congratulate you for wanting to try to move Pennsylvania ahead, try to work in a bipartisan manner, and put the Governor's proposals together in this comprehensive amendment and give each of the members here in this chamber the opportunity to do their constitutional amendment and vote.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Lackawanna, Mr. Wansacz.

Mr. WANSACZ. Thank you, Mr. Speaker.

Mr. Speaker, I have heard a lot of comment here today, and I do not know how you build a better Pennsylvania without a plan. Why would I vote for a tax increase without knowing the plan for a tax increase? This sounds like the majority leader wants us to vote for a tax increase and just funnel money into a big black hole. Well, I cannot speak for the other side of the aisle, but what I can speak for is the House Democrats and the Governor, is that we want to move Pennsylvania forward and not keep things status quo and we want to do that with a Plan for a New Pennsylvania, and that includes lowering property taxes, it includes investing in our children, investing in early childhood education programs that are going to give them the tools to succeed in the new century, lowering prescription

drug prices for our seniors. It includes stimulating the economy so that we can create jobs.

Also, where I think we got in this mess was that we passed the budget in 2 days, 2 days without any public comment, 2 days where we were not able to do our job as State legislators and debate the bill or interrogate the maker of the amendments. Now we are faced with budget cuts that are affecting many of our counties that we never had the opportunity to hear from because, again, this budget passed in 2 days.

Well, Mr. Speaker, I am for moving Pennsylvania forward and investing in Pennsylvania, but I will not vote for a tax without a plan.

Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the majority leader, Mr. Smith.

Mr. S. SMITH. Thank you, Mr. Speaker.

As we kind of wrap up the debate on this particular piece of legislation, I wanted to recap just a couple of quick things. First of all, I think that this House has been responsible in its actions relative to passing a tax reform plan. We have moved on the legislation that would provide the subsidies for basic education, for special education, for vo-tech education. I believe that the compromise proposal on education between the Governor's plan and what we proposed a week ago is something that is very workable in helping us find the resolve and the end of this road to properly fund the schools of Pennsylvania, but at this point in time, Mr. Speaker, there is a plan before you. It is the Governor's plan.

Essentially, this amendment is the embodiment of the tax portion of the Governor's plan. If the members are willing to vote for this particular tax increase, then we can proceed to vote the Governor's plan for Pennsylvania. If the support is not there, then we need to look for a slightly different plan than what the Governor originally proposed. So in essence, you have it before you. You can vote for this amendment today, and you will see, if this amendment passes, you will see the subsequent votes in the very near future on the Governor's plan. If not, we will continue to negotiate and work with the Governor towards a true compromise.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman, Mr. DeWeese.

Mr. DeWEESE. Thank you very much, Mr. Speaker.

I do not think anybody really has a keen idea as to the effectiveness of this exercise. I would speculate that the vote will be unanimously negative, that both sides will vote "no," preeminently because the Governor asked for X in March and, according to the Republicans and even the Governor and his analysts, substantially fewer dollars than X are now needed.

The second reason I think was put very clearly by Ms. Mundy from Luzerne County when she said that the cart was going ahead of the horse. It is, in my view, unprecedented that we would even attempt to vote for a massive tax increase without being aware of specifically what line items in the budget had been augmented and what line items in the budget had been diminished.

This is not the best way of doing business, of course, but I do believe that we are getting off the dime. I am hopeful that within the next week or two that the majority party, the Republican Party, in this chamber will meet aggressively with Governor Rendell and his emissaries and that we will be able to

fashion a package of legislation around the budget that will be voted on in this chamber in 2 or 3 weeks and then be sent to the State Senate. I do not know that my colleagues on the Republican side in the leadership are worthy of laudation and encomiums, but they are certainly more willing to get things moving than the leadership in the Republican Senate. It is time that a piece of legislation cascades across the hall and lands in the Senate, and although we will all vote "no" in a few moments, this exercise will at least be a launch, a late launch; something that should have taken place in May or June is now getting some new life in mid-September.

So I do not think there is any doubt that this will fall of its own weight. It should fall. The Governor is not surprised. I think one surprise that many members will have is that this is not going to be such a big deal. Notwithstanding some of the debate today on both sides, I do not think the news media or the general public is going to be all that startled and stupefied by our actions today.

The bottom line is we are going to have to come back here in a couple of weeks and hunker down and fashion a proposal that will be 50, 60, 70 percent of what we are voting down today and then send it to the Republican Senate leadership and get this thing rolling, because property taxes and education funding and economic stimulus have waited long enough for a variety of reasons and there is enough fault to go around. We should have been doing this in May and June, but notwithstanding that, it is imperative that it be done in late September and early October, and at least this crazy exercise gets us moving a little bit.

I will be voting "no." I assume most everybody else will be, and that concludes my observations.

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-0

NAYS-199

Adolph	Evans, J.	Lescovitz	Rubley
Allen	Fabrizio	Levdansky	Ruffing
Argall	Fairchild	Lewis	Sainato
Armstrong	Feese	Lynch	Samuelson
Baker	Fichter	Mackereth	Santoni
Baldwin	Fleagle	Maher	Sather
Bard	Flick	Maitland	Saylor
Barrar	Forcier	Major	Scavello
Bastian	Frankel	Manderino	Schroder
Bebko-Jones	Freeman	Mann	Scrimenti
Belardi	Gabig	Markosek	Semmel
Belfanti	Gannon	Marsico	Shaner
Benninghoff	Geist	McCall	Smith, B.
Bianucci	George	McGeehan	Smith, S. H.
Birmelin	Gergely	McGill	Staback
Bishop	Gillespie	McIlhattan	Stairs
Blaum	Gingrich	McIlhinney	Steil
Boyd	Godshall	McNaughton	Stern
Browne	Good	Melio	Stevenson, R.
Bunt	Goodman	Metcalfe	Stevenson, T.
Butkovitz	Gordner	Micozzie	Sturla
Buxton	Grucela	Miller, R.	Surra
Caltagirone	Gruitza	Miller, S.	Tangretti
Cappelli	Habay	Mundy	Taylor, E. Z.
Casorio	Haluska	Mustio	Taylor, J.

Causer	Hanna	Myers	Thomas
Cawley	Harhai	Nailor	Tigue
Civera	Harhart	Nickol	Travaglio
Clymer	Harper	O'Brien	True
Cohen	Harris	Oliver	Turzai
Coleman	Hasay	O'Neill	Vance
Corrigan	Hennessey	Pallone	Veon
Costa	Herman	Payne	Vitali
Coy	Hershey	Petrarca	Walko
Crahalla	Hess	Petri	Wansacz
Creighton	Hickernell	Petrone	Washington
Cruz	Horsey	Phillips	Waters
Curry	Hutchinson	Pickett	Watson
Dailey	James	Pistella	Weber
Daley	Josephs	Preston	Wheatley
Dally	Keller	Raymond	Williams
DeLuca	Kenney	Readshaw	Wilt
Denlinger	Killion	Reed	Wright
Dermody	Kirkland	Reichley	Yewcic
DeWeese	Kotik	Rieger	Youngblood
DiGirolamo	LaGrotta	Roberts	Yudichak
Diven	Laughlin	Roebuck	Zug
Donatucci	Leach	Rohrer	
Eachus	Lederer	Rooney	Perzel,
Egolf	Leh	Ross	Speaker
Evans, D.			

NOT VOTING—0

EXCUSED—4

Cornell	Solobay	Stetler	Wojnaroski
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Less than the majority having voted in the affirmative, the question was determined in the negative and the amendment was not agreed to.

BILL PASSED OVER

The SPEAKER. HB 234 is over for today.

There will be no further votes today.
Tomorrow will be a nonvoting day.

REPUBLICAN CAUCUS

The SPEAKER. The Chair recognizes the gentlelady from Chester, Mrs. Taylor.

Mrs. TAYLOR. Mr. Speaker, there will be a very, very short caucus called at the time of recess.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentlelady.

GAME AND FISHERIES COMMITTEE MEETING

The SPEAKER. Mr. Smith, the Chair recognizes the gentleman.

Mr. B. SMITH. Thank you, Mr. Speaker.

There will be a very brief meeting of the Game and Fisheries Committee immediately at the call of the recess. We will be meeting in room 39 in the East Wing.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

There will be a very brief meeting of the Game and Fisheries Committee immediately at the call of the recess in room 39, East Wing.

COMMITTEE MEETING POSTPONED

The SPEAKER. Mr. Flick, do you desire recognition?

Mr. FLICK. Thank you, Mr. Speaker.

The Finance Committee meeting, which was scheduled for tomorrow morning at 10 o'clock, is going to be postponed until next Tuesday at 10 o'clock, and I will have the location and agenda available to the members within the next hour. Thank you.

The SPEAKER. The Chair thanks the gentleman.

Are there any other announcements?

Does the majority leader have any further announcements?
Does the minority leader have any further announcements?

Does the gentleman, Mr. Yewcic, desire recognition?

Mr. YEWIC. Mr. Speaker, are we scheduled for session next week?

The SPEAKER. Yes.

Mr. YEWIC. Thank you.

COMMITTEE MEETING CANCELED

The SPEAKER. Does the gentleman, Mr. Hess, desire recognition?

Mr. HESS. Thank you, Mr. Speaker.

Mr. Speaker, I would like to let the members know that the meeting for tomorrow, the Aging and Older Adult Committee, has been canceled, and it will be rescheduled for next Tuesday. Thank you.

BILLS AND RESOLUTIONS PASSED OVER

The SPEAKER. Without objection, any remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

ADJOURNMENT

The SPEAKER. The Chair has an adjournment motion sponsored by the gentleman, Mr. Gillespie, from York County.

Mr. GILLESPIE. Mr. Speaker, I move that this House do now adjourn until Wednesday, September 17, 2003, at 11 a.m., e.d.t., unless sooner recalled by the Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 1:37 p.m., e.d.t., the House adjourned.