

COMMONWEALTH OF PENNSYLVANIA

LEGISLATIVE JOURNAL

MONDAY, JUNE 23, 2008

SESSION OF 2008

192D OF THE GENERAL ASSEMBLY

No. 44

HOUSE OF REPRESENTATIVES

The House convened at 1 p.m., e.d.t.

THE SPEAKER (DENNIS M. O'BRIEN) PRESIDING

PRAYER

The SPEAKER. The prayer will be offered by the Reverend Sherry Elliott, guest of Representative Phillips.

REV. SHERRY ELLIOTT, Guest Chaplain of the House of Representatives, offered the following prayer:

All-knowing and ever-present Creator, give grace to hear and know the truths of justice and mercy, and in knowing, we ask for Your hearing. We pray for peace in our world. We pray for the healing of our environment. We pray for hope to live well.

As this day of negotiation and decisionmaking begins, guide these leaders and staff. Ease their personal burdens that they may bring into the chambers and hallways of this Capitol Building.

Stir up commitment to weigh each issue with perspective and patience to hear both sides of the argument. Give them that they may bring a spirit of wisdom, kindness, and justice in their conversations, in their considerations, and their writing.

With this authority which they have been entrusted, give them the perception and strength to know justice and mercy and then do it. Give them laughter to soften the edges of conflict. Expand their sensibilities to let a sense of being the good citizen nurture respect for neighbors whose views are conflicting and different from their own. In this citizenship of respect, extinguish partisan anger in order that they may work through the issues that divide us.

In these days of hostile and careless indifference in industry and commerce, closed-mindedness and negotiations, and divisions that corrupt any seeming hope of an honorable way of life, give strength that these leaders will be able to renew the ties of mutual regard that are the basis of our civic life.

Endow these leaders with honesty and the ability to do the work that is before them. Give them fire to lead and the skill of their work to wield the lawmaker's pen. Inspire these leaders with vision and imagination, humility and fairness, to eliminate poverty, prejudice, and oppression and to bring equal protection of the law and equal opportunities for all.

Guide these leaders to use our limited wealth and dwindling resources in ways that will allow all people to find suitable and satisfying employment and receive fair wages for their labor,

that in this great Commonwealth of Pennsylvania, natural resources will be treasured and respected.

Give courage which no unworthy attraction may deceive and bring down. Give strength to withstand the challenge of defeat. Give honor which no fast and easy purpose can mislead. Let their work be known for this. Let it be for love and justice. Let it be for truth and commitment to others. Let it be a vision of the new world that is not the old world. Let it be for this reason they seek excellence.

We are here and the job is ours, and no one will do this well without remembering it is for the people that we serve. Never let them forget this, gracious and merciful God. Amen.

PLEDGE OF ALLEGIANCE

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

JOURNAL APPROVED

The SPEAKER. The Journal of Tuesday, January 15 of 2008, is now in print. Will the House approve the Journal?

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

The SPEAKER. The Journal is approved.

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, approval of the Journal of Wednesday, June 18, 2008, will be postponed until printed. The Chair hears no objection.

ANNOUNCEMENT BY SPEAKER

The SPEAKER. The Chair gives permission to the Consumer Affairs Committee to continue to meet.

LEAVES OF ABSENCE

The SPEAKER. The Chair turns to requests for leaves of absence.

The Chair recognizes the majority whip, who requests that Representative CURRY of Montgomery County, Representative PALLONE of Westmoreland County, and

Representative PETRONE of Allegheny County be placed on leave. The Chair hears no objection. Leaves will be granted.

The Chair recognizes the minority whip, who requests that Representative MOUL of Adams County, Representative PYLE of Armstrong County, Representative STEIL of Bucks County, and Representative FLECK of Huntingdon County be placed on leave for the day, and Representative RUBLEY of Chester County for the week. The Chair sees no objection. The leaves will be granted.

Members will report to the floor.

MASTER ROLL CALL

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

The following roll call was recorded:

PRESENT—195

Adolph	Gabig	Mann	Rohrer
Argall	Galloway	Mantz	Ross
Baker	Geist	Markosek	Sabatina
Barrar	George	Marshall	Sainato
Bastian	Gerber	Marsico	Samuelson
Bear	Gergely	McCall	Santoni
Belfanti	Gibbons	McGeehan	Saylor
Benninghoff	Gillespie	McI. Smith	Scavello
Bennington	Gingrich	McIlhattan	Schroder
Beyer	Godshall	Melio	Seip
Bianucci	Goodman	Mensch	Shapiro
Bishop	Grell	Metcalfe	Shimkus
Blackwell	Grucela	Micozzie	Siptroth
Boback	Haluska	Millard	Smith, K.
Boyd	Hanna	Miller	Smith, M.
Brennan	Harhai	Milne	Smith, S.
Brooks	Harhart	Moyer	Solobay
Buxton	Harkins	Mundy	Sonney
Caltagirone	Harper	Murt	Staback
Cappelli	Harris	Mustio	Stairs
Carroll	Helm	Myers	Stern
Casorio	Hennessey	Nailor	Stevenson
Causer	Hershey	Nickol	Sturla
Civera	Hess	O'Brien, M.	Surra
Clymer	Hickernell	O'Neill	Swanger
Cohen	Hornaman	Oliver	Tangretti
Conklin	Hutchinson	Parker	Taylor, J.
Costa	James	Pashinski	Taylor, R.
Cox	Josephs	Payne	Thomas
Creighton	Kauffman	Payton	True
Cruz	Keller, M.K.	Peifer	Turzai
Cutler	Keller, W.	Perry	Verbe
Daley	Kenney	Perzel	Vitali
Dally	Kessler	Petrarca	Vulakovich
DeLuca	Killion	Petri	Wagner
Denlinger	King	Phillips	Walko
DePasquale	Kirkland	Pickett	Wansacz
Dermody	Kortz	Preston	Waters
DeWeese	Kotik	Quigley	Watson
DiGirolamo	Kula	Quinn	Wheatley
Donatucci	Leach	Ramaley	White
Eachus	Lentz	Rapp	Williams
Ellis	Levdansky	Raymond	Wojnaroski
Evans, D.	Longiatti	Readshaw	Yewcic
Evans, J.	Mackereth	Reed	Youngblood
Everett	Maher	Reichley	Yudichak
Fabrizio	Mahoney	Roae	
Fairchild	Major	Rock	O'Brien, D.,
Frankel	Manderino	Roebuck	Speaker
Freeman			

ADDITIONS—0

NOT VOTING—0

EXCUSED—8

Curry Fleck	Moul Pallone	Petrone Pyle	Rubley Steil
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LEAVES ADDED—4

Benninghoff	Gerber	Quigley	Smith, S.
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LEAVES CANCELED—3

Fleck	Gerber	Pallone
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The SPEAKER. A quorum being present, the House will proceed to conduct business.

BILL SIGNED BY SPEAKER

Bill numbered and entitled as follows having been prepared for presentation to the Governor, and the same being correct, the title was publicly read as follows:

SB 987, PN 1741

An Act amending the act of June 23, 1931 (P.L.932, No.317), known as The Third Class City Code, providing for emergency services.

Whereupon, the Speaker, in the presence of the House, signed the same.

**HOUSE RESOLUTION
INTRODUCED AND REFERRED**

No. 810 By Representatives EACHUS, SWANGER, SURRA, COHEN, JAMES, PARKER, SAINATO, GIBBONS, READSHAW, GEORGE, FRANKEL, PALLONE, MELIO, THOMAS, BRENNAN, HENNESSEY, KULA, BENNINGTON, GEIST, STURLA, VULAKOVICH, MYERS, MAHONEY, CUTLER, MUSTIO, PHILLIPS, K. SMITH, BEAR, RAPP, RAMALEY, MOYER, SIPTROTH, CONKLIN, HARKINS, HERSHEY, MARSICO, MENSCH and PAYNE

A Resolution memorializing the Governor to proclaim the Regal Fritillary butterfly as the Pennsylvania State Butterfly.

Referred to Committee on STATE GOVERNMENT, June 20, 2008.

**HOUSE BILLS
INTRODUCED AND REFERRED**

No. 2280 By Representatives TURZAI, DeLUCA, BEAR, BENNINGHOFF, BOYD, CALTAGIRONE, CAUSER, CREIGHTON, CUTLER, DENLINGER, EVERETT, GEORGE, GINGRICH, HENNESSEY, HERSHEY, HESS, HUTCHINSON, MARSHALL, MARSICO, MENSCH, METCALFE, R. MILLER, NAILOR, O'NEILL, PERRY, PHILLIPS, PICKETT, RAPP, ROCK, RUBLEY, SAYLOR,

SCAVELLO, SIPTROTH, SONNEY, R. STEVENSON, SWANGER, VULAKOVICH and GILLESPIE

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, defining "pallet"; and further providing for exclusions from sales and use tax.

Referred to Committee on FINANCE, June 20, 2008.

No. 2630 By Representatives MARSICO, BUXTON, GRELL, NAILOR, GABIG, CALTAGIRONE, SAINATO, HELM, ADOLPH, ARGALL, BAKER, BARRAR, BASTIAN, BEAR, BENNINGHOFF, BENNINGTON, BEYER, BLACKWELL, BROOKS, CAPPELLI, CIVERA, CLYMER, CREIGHTON, CUTLER, DALLY, DENLINGER, ELLIS, J. EVANS, EVERETT, FAIRCHILD, FLECK, GEIST, GIBBONS, GILLESPIE, HARHAI, HARHART, HARRIS, HENNESSEY, HERSHEY, HESS, HICKERNELL, HUTCHINSON, KAUFFMAN, M. KELLER, KENNEY, KILLION, KOTIK, KULA, MACKERETH, MAHER, MAJOR, MANTZ, McILHATTAN, MENSCH, METCALFE, MILLARD, R. MILLER, MOUL, MOYER, MURT, MUSTIO, MYERS, O'NEILL, PALLONE, PAYNE, PEIFER, PETRI, PHILLIPS, PICKETT, PYLE, QUIGLEY, QUINN, RAPP, READSHAW, REED, REICHLEY, ROCK, ROHRER, RUBLEY, SAYLOR, SCAVELLO, SIPTROTH, S. H. SMITH, SOLOBAY, SONNEY, STEIL, STERN, R. STEVENSON, SWANGER, J. TAYLOR, TRUE, VEREB, WATSON, J. WHITE, GINGRICH, VULAKOVICH, ROAE and GOODMAN

An Act amending the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, prohibiting the furlough of Commonwealth employees.

Referred to Committee on STATE GOVERNMENT, June 19, 2008.

No. 2659 By Representatives GRUCELA, DALLY, CALTAGIRONE, SOLOBAY, GEORGE, GIBBONS, HARKINS, KOTIK, BOYD, MAHONEY, MURT, MYERS, K. SMITH and YOUNGBLOOD

An Act amending Title 3 (Agriculture) of the Pennsylvania Consolidated Statutes, providing for interference by shadowing plants.

Referred to Committee on AGRICULTURE AND RURAL AFFAIRS, June 19, 2008.

No. 2661 By Representatives M. SMITH, COSTA, DERMODY, FRANKEL, GEIST, KORTZ, MUSTIO, WAGNER, WALKO and SWANGER

An Act amending the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, further defining "compensation"; and further providing for retirement board and for amount of retirement allowances.

Referred to Committee on FINANCE, June 20, 2008.

No. 2662 By Representatives KORTZ, BEAR, BENNINGTON, BOYD, CALTAGIRONE, CAPPELLI, CONKLIN, CUTLER, DePASQUALE, GALLOWAY, GEORGE, GIBBONS, GRUCELA, HORNAMAN, LENTZ, MANTZ, MENSCH, RAMALEY, ROCK, SHIMKUS,

SIPTROTH, McILVAINE SMITH, M. SMITH, SWANGER, TANGRETTI and VULAKOVICH

An Act providing for a nonbinding Statewide referendum relating to convening a limited constitutional convention on the structure and function of the General Assembly.

Referred to Committee on STATE GOVERNMENT, June 23, 2008.

No. 2663 By Representatives NAILOR, READSHAW, HARHAI, GOODMAN, ARGALL, BELFANTI, BENNINGHOFF, BEYER, BOBACK, BOYD, BRENNAN, CAPPELLI, CARROLL, CASORIO, CUTLER, DeLUCA, DePASQUALE, FAIRCHILD, FLECK, FREEMAN, GEIST, GINGRICH, GRELL, GRUCELA, HENNESSEY, HESS, HORNAMAN, M. KELLER, KILLION, LEACH, LEVDANSKY, MAHONEY, MARSHALL, McILHATTAN, R. MILLER, MILNE, MOUL, MURT, MUSTIO, PYLE, REICHLEY, ROAE, ROCK, ROHRER, ROSS, RUBLEY, SAMUELSON, SAYLOR, SCAVELLO, SIPTROTH, K. SMITH, SONNEY, STEIL, J. TAYLOR, TRUE, TURZAI, VULAKOVICH, WALKO and J. WHITE

An Act amending the act of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania Election Code, in primary and election expenses, further providing for advertising.

Referred to Committee on STATE GOVERNMENT, June 23, 2008.

SENATE BILLS FOR CONCURRENCE

The clerk of the Senate, being introduced, presented the following bills for concurrence:

SB 1050, PN 2138

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, June 20, 2008.

SB 1389, PN 2194

Referred to Committee on APPROPRIATIONS, June 23, 2008.

PA MUSIC EDUCATORS ASSOCIATION ALL STATE MUSIC FESTIVAL PARTICIPANTS PRESENTED

The SPEAKER. The Chair recognizes Representative Saylor for an introduction.

Mr. SAYLOR. Mr. Speaker, I rise in order to recognize some accomplishments of four young men and women who reside in the 94th District of York County. They are seated in the rear of the chamber.

Rebecca Gildea, Jacob Dannels, George Waltemire, and Amos Estes recently had the opportunity to participate in the Pennsylvania Music Educators Association All State Music Festival. These four students established themselves from their peers through hard work and the development of various talents. I would like to talk to you briefly about them individually.

Rebecca, who is a student at Red Lion High School, sang soprano at the All State Chorus. Rebecca was directed by Red Lion High School chorus director Tom Wise, who is also joining them today.

Rebecca also sang alongside another one of our guests, Jacob, who sang tenor in the All State Chorus. He recently graduated from Eastern York High School and will be attending Point Park University this fall.

George and Amos both participated in one of the festival's jazz ensembles. George, who joins us today, is from Kennard-Dale High School and played guitar in the event. Amos, who is also from Kennard-Dale High, sang bass in the vocal jazz ensemble.

I would like to ask that Rebecca, Jacob, George, and Amos please rise that they can be appropriately recognized by the House of Representatives. Please join me in extending a warm welcome to the young musicians and their teachers. Thank you.

Thank you, Mr. Speaker.

THE SPEAKER PRO TEMPORE (MATTHEW E. BAKER) PRESIDING

The SPEAKER pro tempore. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Marsico from Dauphin County, who has two citation presentations – three.

Will the gentleman suspend.

FILMING PERMISSION

The SPEAKER pro tempore. The Chair wishes to advise members that he has given permission to Daniel Johnson of the Patriot-News to take still photographs of citation presentations.

The Chair wishes to also advise members that he has given permission to Mark Pynes of the Patriot-News to do videotape with audio.

And the Chair wishes to advise members that he has given permission to Jon Eirkson of ABC-27 News to videotape with audio floor proceedings.

CENTRAL DAUPHIN GIRLS VARSITY SPRING SOCCER TEAM PRESENTED

The SPEAKER pro tempore. The Chair recognizes the gentleman, Mr. Marsico.

Mr. MARSICO. Thank you, Mr. Speaker.

If I could have the attention of the members. It certainly is my honor and privilege to, once again, bring to the House of Representatives here in Pennsylvania the Central Dauphin Girls Varsity Spring Soccer Team.

If you remember, it was not too long ago where they won the State championship last year and we brought them in here in January. Well, lo and behold, they are back as State champions again. So it certainly is my honor today to honor these young ladies and their coaches.

With a regular season record of 14 wins and 1 loss, this team won the title by defeating Central Bucks West, down there in Bucks County, by a score of 1 to 0 to earn its first PIAA State title. Of course, last year they won the cotitle.

The Rams were also the Mid-Penn Commonwealth Division cochamps and the winner of the 2008 spring soccer championship. Additionally, the team finished number six in the NSCAA (National Soccer Coaches Association of America)/adidas National High School Spring Rankings. The 4-year record for the team was 78-16-5.

Head coach Gregg Davis and his assistant coaches expertly guided this team to a tremendous victory in the final game and throughout the season. At this time, we in the House of Representatives would like to take this opportunity to congratulate the members of the Central Dauphin High School Girls Varsity Spring Soccer Team as well as those who assisted them.

If you remember, I have had Central Dauphin High School in here; probably this is like the fourth or fifth time this year. The boys won the wrestling championship – that was a repeat – and then the Central Dauphin High School girls won the State championship, and we have the soccer girls here, and then we have another presentation in a few minutes. But I certainly want to wish all of them good luck in the future, in their future endeavors. I hope they have continued success.

I present the citations now to the captains and the seniors of the Central Dauphin High School Girls Soccer Team, and those teammates are in the back with their families and their friends – in the back. Would you please rise? How about a round of applause for the Central Dauphin girls. Coach Davis.

JUSTIN SHIRK PRESENTED

The SPEAKER pro tempore. The Chair recognizes the gentleman, Mr. Marsico, for a second citation presentation.

Mr. MARSICO. Well, thank you, Mr. Speaker and the members of the House. Once again, another Central Dauphin State champion.

Justin Shirk is being honored today upon winning the Class AAA Boys Javelin Throw during the 2008 PIAA State Track and Field Championships.

As a junior at Central Dauphin High School, Justin captured the State title with a throw of 221 feet and 3 inches, setting a new school record. In fact, this mark ranks number two in the nation this season. He also won the Class AAA Boys Javelin Throw during the 2008 PIAA State Track and Field Championships with a throw of 208 feet and 10.5 inches.

Justin was also recently selected as the Gatorade Pennsylvania Boys Track and Field Athlete of the Year. This award recognizes athletic excellence and high academic achievement as well as high school character both on and off the track. He is also a finalist for the Gatorade National Boys Track and Field Athlete of the Year.

Please join me in congratulating Justin Shirk of Central Dauphin High School. Thank you.

MICHAEL BROWN PRESENTED

The SPEAKER pro tempore. The Chair recognizes the gentleman, Mr. Marsico, for a third and final citation presentation.

Mr. MARSICO. Well, thank you, Mr. Speaker and members of the House.

Obviously, the 105th Legislative District is the home of State champions across this Commonwealth, and we wanted to

recognize Michael Brown, who is being honored today upon winning the Class AAA Boys 110-Meter Hurdles and Class AAA Boys 300-Meter Hurdles during the 2008 PIAA State Track and Field Championships.

Michael is a junior at Lower Dauphin High School. He captured the State title in the 110-meter hurdles with a time of 14.16 seconds and the 300-meter hurdles with a time of 37.77 seconds.

Michael is the first State champion – the first State champion – from Lower Dauphin High School in 28 years. He also won the Class AAA Boys 110-Meter Hurdles and the 300-meter hurdles during the 2008 PIAA District III Track and Field Championships.

He has earned further distinction by setting school records in the 200-meter dash, the 100-meter dash, the 300-meter hurdles, and the 400-meter relay. Michael is truly deserving of this recognition and praise for utilizing his exceptional ability with diligence and tenacious pursuit of athletic excellence.

Please join me in recognizing and congratulating Michael Brown on winning this championship, the State championship in the hurdles in Pennsylvania.

The SPEAKER pro tempore. The Chair thanks the gentleman and congratulates all the teammates and State champions.

GUESTS INTRODUCED

The SPEAKER pro tempore. Seated in the gallery this afternoon are some special guests. The Chair would like to welcome Mark Lichty and his sister and niece, Wemara and Lotus Lichty, from Monroe County, as well as Cajsja Dalne, the daughter of a friend from Sweden. They are seated in the gallery and are the guests of Representative John Siptroth. Please stand and be recognized.

At this time, as the guests of Representatives Grell, Nailor, and Cox, they have a special introduction at this time; I am not sure who wants to take the lead, but as the guests of those three Representatives. They would like to now make an introduction.

Seated to my left, the Chair welcomes Lt. Col. Lawrence "Larry" Dugan of the Pennsylvania Army National Guard; his wife, Tracie; their son, Alex; and daughter, Katie. They are the guests of Representative Glen Grell. Lieutenant Colonel Dugan was the brigade plans and transitions officer while deployed with the 213th Area Support Group, located at Logistics Support Area Anaconda, Balad, Iraq. The Chair also welcomes 1st Sgt. Kenneth Horst, who is the guest of Representative Jerry Nailor. First Sergeant Horst is the first sergeant of Headquarters and Headquarters Company of the 213th Area Support Group out of Allentown. Both men were deployed to Balad, Iraq, from April 23, 2007, until they returned to Pennsylvania on April 19, 2008. Let us give them a warm welcome to the hall of the House.

The Chair welcomes Victoria Fox, who is a page with us today and is the guest of Representative Tangretti, and is accompanied by mother and father, Kevin and Susan Fox, and grandparents Jim and Pat Prahaska. Again, they are the guests of Representative Tangretti and are located to the rear of the House.

The Chair also welcomes Jane, John, and Patrick, wife and sons of Representative Brennan, who are located at the rear of the House. Please rise and be recognized.

ANNOUNCEMENTS BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would like to recognize the gentleman, Representative Josh Shapiro, who had, belatedly, a birthday this past Friday. Happy birthday, Josh.

And lest we be remiss, yesterday was the Speaker of the House of Representatives birthday, Dennis O'Brien.

FORMER MEMBER WELCOMED

GUESTS INTRODUCED

The SPEAKER pro tempore. The Chair welcomes former State Representative Curt Bowley; his son, Brydon; and daughter, Kate. Kate is attending Chatham University in the fall, studying environmental studies. She graduated second in her class and was salutatorian at Sheffield Area High School. They are the guests of Representative Dan Surra. Please welcome them to the hall of the House. Guests, please stand and be recognized.

GUESTS INTRODUCED

The SPEAKER pro tempore. Welcome to the hall of the House the winners of Representative John Bear's 2008 "There Ought To Be a Law" contest. This contest was open to all fourth graders in the 10 elementary schools in the 97th District. The winners are Catherine "Ting" Brown of Reidenbaugh Elementary School for her proposed law to require that all cars meet a gas-mileage requirement for 40 miles per gallon by 2011; and Annie Hess of John Beck Elementary School for her proposed law to require flashing red-light systems at all pedestrian crosswalks. Ting and Annie are seated in the back of the hall today, along with their families. Congratulations, Ting and Annie. Please rise and be recognized by your fellow lawmakers.

LEAVE OF ABSENCE CANCELED

The SPEAKER pro tempore. The Chair notes the presence of the gentleman, Representative Fleck, on the floor of the House, and he will be added to the master roll.

GUESTS INTRODUCED

The SPEAKER pro tempore. Seated to the left of the Speaker are guests of Representative Kathy Watson. They are Kris and Brenda Hoot and Mrs. Hoot's mother, Mary Breiner. Brenda works at Pearl S. Buck International in Bucks County, and she won "A Day at the Capitol" trip in a raffle. Kris, Brenda, and Mary are constituents of Representative Paul Clymer. Please rise and be recognized. Paul, was that one of your raffles?

Seated in the gallery, as the guests of Representative Jeff Pyle, are the Marion Center Girl Scout Cadette Troop 825 with their leader, Sandy Gandolfi. Would the guests please rise and be recognized. Welcome to the House.

The Chair also welcomes district office employee and Bethlehem city council president Bob Donchez; also,

district office intern and Moravian College senior Monique SheTay, who are the guests of Representative Brennan, and they are located in the balcony. Please rise and be recognized.

Located to the left of the Speaker, the Chair welcomes Lidia Turzai, wife of Representative Mike Turzai, and their three sons – Andrew, age 9; Stephen, age 8; Matthew, age 5. Andrew and Stephen are pages today. Also seated is Becky Hildebrand, Representative Turzai's sister. Welcome to the hall of the House. Please rise and be recognized.

We are also pleased to recognize Pete Sturla, son of Representative Sturla, and his friend, Satchel Ziffer, who are both serving as guest pages today. Please rise and be recognized.

ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. We have a special announcement. Representative Ed Wojnaroski and his wife, Sandy, are celebrating their 45th wedding anniversary today. Congratulations.

DEMOCRATIC CAUCUS

APPROPRIATIONS AND RULES COMMITTEE MEETINGS

The SPEAKER pro tempore. At this time the Chair recognizes the gentleman, Mr. Cohen, for an announcement.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, there will be an immediate meeting of the House Democratic Caucus – immediate meeting of the House Democratic Caucus.

The Appropriations Committee will meet at 2:45 in the caucus room, room 140; the Rules Committee will meet at 3 o'clock in room 140; and we expect to be back on the floor about 3:15.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Appropriations will meet at 2:45 in room 140, and Rules will meet at 3 o'clock in room 140.

REPUBLICAN CAUCUS

The SPEAKER pro tempore. The Chair recognizes the gentlelady, Miss Major, for a caucus announcement.

Miss MAJOR. Thank you, Mr. Speaker.

I would like to announce a Republican caucus immediately at the call of the recess. That is, Republicans will caucus immediately at the call of the recess. Thank you.

The SPEAKER pro tempore. The Chair thanks the lady.

Any other announcements?

RECESS

The SPEAKER pro tempore. Seeing none, the House will now be in recess until 3:15, unless sooner recalled.

AFTER RECESS

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

THE SPEAKER (DENNIS M. O'BRIEN) PRESIDING

APPROPRIATIONS AND RULES COMMITTEE MEETINGS

The SPEAKER. The Chair announces an Appropriations Committee meeting at 3:20 in the majority caucus room.

There will be a Rules Committee meeting at 3:35 in the majority caucus room.

RECESS

The SPEAKER. This House will stand in recess to the call of the Chair.

AFTER RECESS

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

LEAVE OF ABSENCE

The SPEAKER. The Chair recognizes the majority whip, who requests that Representative GERBER of Montgomery County be placed on leave. The Chair sees no objection. Leave will be granted.

CALENDAR

BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 2499, PN 3961**, entitled:

An Act regulating massage therapy; establishing the State Board of Massage Therapy; providing for funds, for licensure, for disciplinary action, for remedies, for penalties and for preemption.

On the question,

Will the House agree to the bill on second consideration?

Bill was agreed to.

BILL REREPORTED FROM COMMITTEE

SB 1063, PN 2186

By Rep. D. EVANS

An Act amending the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, in local tax, further providing for definitions, for delegation of tax powers and restrictions, for recapture of tax, for payroll tax, for nonresident sports facility usage fees, for vacation of tax ordinances and resolutions, for advertising tax ordinances, for second class city tax rates, for taxpayer appeals, for filing ordinances, for limitation on tax rates, for withholding of local services taxes, for administrative personnel and joint agreements, for audits of earned income and other taxes, for payment of tax to other taxing authorities as credits or deductions, for

personal property, for assessment limitations and for tax limitations; providing for legal representation, for restricted use, for consolidated collection of local income taxes, for collection of delinquent taxes and for miscellaneous provisions; further providing for penalties and for repeals; and making editorial changes.

APPROPRIATIONS.

The SPEAKER. The bill will be placed on the supplemental calendar.

BILLS REREPORTED FROM COMMITTEE

HB 1824, PN 3956 By Rep. DeWEESE

An Act establishing the Community-Based Health Care Provider Assistance Program in the Department of Health; setting criteria for eligibility for and authorizing payments to community-based health care providers to assist in providing medically necessary care to Pennsylvanians; providing for powers and duties of the Department of Health; and establishing the Community-Based Health Care Provider Assistance Fund.

RULES.

HB 2294, PN 3962 By Rep. DeWEESE

An Act providing for the licensure of persons providing debt management services and for the powers and duties of the Department of Banking; requiring surety bonds; prohibiting certain fees and costs; providing for debt management plans; and prohibiting certain acts by persons providing debt management services.

RULES.

HB 2485, PN 3676 By Rep. DeWEESE

An Act providing for visitation and inspection of family day-care homes and for reporting; and making a repeal.

RULES.

HB 2537, PN 3821 By Rep. DeWEESE

An Act prohibiting the Commonwealth from obtaining certification under the Federal REAL ID Act of 2005; and providing for the authority of the Governor and Attorney General to file certain legal challenges.

RULES.

HB 2580, PN 3853 By Rep. DeWEESE

An Act requiring health insurance policies issued by professional health services plan corporations to reimburse for occupational therapy services provided by licensed occupational therapists.

RULES.

HB 2625, PN 3957 By Rep. DeWEESE

An Act establishing the County Access to Community-based Care and Extended Safety-net Services (County Access) Program in the Department of Health; setting criteria for eligibility for counties and health care providers; developing plans to assure people and families with low income access to a continuum of health care services on a county basis; and providing for powers and duties of the Department of Public Welfare and the Department of Insurance.

RULES.

HB 2642, PN 3948 By Rep. DeWEESE

An Act providing for health insurance rate increase standards.

RULES.

The SPEAKER. These bills will be placed on the active calendar.

SUPPLEMENTAL CALENDAR A

BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **SB 1063, PN 2186**, entitled:

An Act amending the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, in local tax, further providing for definitions, for delegation of tax powers and restrictions, for recapture of tax, for payroll tax, for nonresident sports facility usage fees, for vacation of tax ordinances and resolutions, for advertising tax ordinances, for second class city tax rates, for taxpayer appeals, for filing ordinances, for limitation on tax rates, for withholding of local services taxes, for administrative personnel and joint agreements, for audits of earned income and other taxes, for payment of tax to other taxing authorities as credits or deductions, for personal property, for assessment limitations and for tax limitations; providing for legal representation, for restricted use, for consolidated collection of local income taxes, for collection of delinquent taxes and for miscellaneous provisions; further providing for penalties and for repeals; and making editorial changes.

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

Mr. **DENLINGER** offered the following amendment No. **A07662**:

Amend Sec. 23 (Sec. 505), page 86, line 23, by inserting after "**BUREAU**"
and within the tax collection district as defined in section 504(c)

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

The SPEAKER. The Chair recognizes Representative Denlinger on the amendment.

Mr. **DENLINGER**. Thank you, Mr. Speaker.
This is truly just a technical amendment to clean up some wording in the bill and is agreed to.

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

The following roll call was recorded:

YEAS—195

Adolph	Freeman	Mann	Rohrer
Argall	Gabig	Mantz	Ross
Baker	Galloway	Markosek	Sabatina
Barrar	Geist	Marshall	Sainato
Bastian	George	Marsico	Samuelson
Bear	Gergely	McCall	Santoni
Belfanti	Gibbons	McGeehan	Saylor
Benninghoff	Gillespie	McI. Smith	Scavello

Bennington	Gingrich	McIlhattan	Schroder
Beyer	Godshall	Melio	Seip
Bianucci	Goodman	Mensch	Shapiro
Bishop	Grell	Metcalfe	Shimkus
Blackwell	Grucela	Micozzie	Siptroth
Boback	Haluska	Millard	Smith, K.
Boyd	Hanna	Miller	Smith, M.
Brennan	Harhai	Milne	Smith, S.
Brooks	Harhart	Moyer	Solobay
Buxton	Harkins	Mundy	Sonney
Caltagirone	Harper	Murt	Staback
Cappelli	Harris	Mustio	Stairs
Carrroll	Helm	Myers	Stern
Casorio	Hennessey	Nailor	Stevenson
Causer	Hershey	Nickol	Sturla
Civera	Hess	O'Brien, M.	Surra
Clymer	Hickernell	O'Neill	Swanger
Cohen	Hornaman	Oliver	Tangretti
Conklin	Hutchinson	Parker	Taylor, J.
Costa	James	Pashinski	Taylor, R.
Cox	Josephs	Payne	Thomas
Creighton	Kauffman	Payton	True
Cruz	Keller, M.K.	Peifer	Turzai
Cutler	Keller, W.	Perry	Vereb
Daley	Kenney	Perzel	Vitali
Dally	Kessler	Petrarca	Vulakovich
DeLuca	Killion	Petri	Wagner
Denlinger	King	Phillips	Walko
DePasquale	Kirkland	Pickett	Wansacz
Dermody	Kortz	Preston	Waters
DeWeese	Kotik	Quigley	Watson
DiGirolamo	Kula	Quinn	Wheatley
Donatucci	Leach	Ramaley	White
Eachus	Lentz	Rapp	Williams
Ellis	Levdansky	Raymond	Wojnaroski
Evans, D.	Longietti	Readshaw	Yewcic
Evans, J.	Mackereth	Reed	Youngblood
Everett	Maher	Reichley	Yudichak
Fabrizio	Mahoney	Roae	
Fairchild	Major	Rock	O'Brien, D., Speaker
Fleck	Manderino	Roebuck	
Frankel			

NAYS—0

NOT VOTING—0

EXCUSED—8

Curry	Moul	Petrone	Rubley
Gerber	Pallone	Pyle	Steil

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

On the question,

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

Mr. **PERRY** offered the following amendment No. **A07666**:

Amend Sec. 23 (Sec. 505), page 77, by inserting between lines 10 and 11

(3) At the minimum there shall be one delegate appointed by a political subdivision within each tax collection district that maintains a valid certified public accountant certification throughout the delegate's appointment to the tax collection committee.

(4) All delegates of the tax collection committee shall complete a minimum of 15 hours of training per year pertinent to their obligations on the tax collection committee.

Amend Sec. 23 (Sec. 506), page 89, by inserting between lines 19 and 20

(c) Professional standards.—The tax officer must be a certified public accountant and shall be a member of a professional association that sets ethical and competency standards for accounting.

(d) Continuing education.—The tax officer and all employees of the taxing bureau shall attend ten hours of professional continuing education training per year and be qualified in all pertinent local earned income tax collection codes.

(e) Conflict of interest.—No elected or appointed official or business owner from which the tax officer collects income from within the political subdivisions within the tax collection district shall be appointed as the tax officer of the tax collection agency.

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes Representative Perry on the amendment.

Mr. PERRY. Thank you, Mr. Speaker.

This amendment simply weights voting based on each political subdivision. It essentially makes it one man-one vote, one woman-one vote, just like we do in the House of Congress and your voting districts at home, everywhere. It is basically the same thing.

Thank you, Mr. Speaker.

The SPEAKER. Will the House agree to the amendment? Representative Levdansky.

Mr. LEVDANSKY. Mr. Speaker, amendment A7666 requires that at least one delegate be appointed by a political subdivision within the tax collection committee who is a C.P.A. (certified public accountant). The tax officer must also be a C.P.A.

Every municipality and school district within the tax committee is going to have to appoint one voting member and one alternate. This is saying that one of those two people has to be a registered C.P.A. And while I certainly would hope that the local governments appoint people and the school districts appoint good, qualified people in taxes – and certainly C.P.A.s are well qualified in the Tax Code and tax laws – to require one of the two within each municipality or school district to be a C.P.A. is likely to be an extraordinary challenge in a lot of small municipalities and school districts, to find someone to be a C.P.A. to serve as a volunteer on this tax committee.

So I am more comfortable with the language in the bill as it is. Every municipality and school district has one delegate that is appointed and one alternative, and there is a weighting factor as to how much their vote is to count. So I think the language in the bill is sufficient to address this, and again, I am just concerned that in too many school districts and municipalities, you are not going to be able to find a C.P.A. that is willing to serve on this committee, so I would oppose the amendment.

The SPEAKER. Representative Nickol.

Mr. NICKOL. Thank you, Mr. Speaker.

I would like to join my colleague, the majority chairman of the Finance Committee, in opposing the amendment.

The reason I oppose it is the number of delegates being appointed to these countywide committees is quite significant, and for many small municipalities, I mean, it is going to be hard enough to come up with delegates to attend the initial meeting.

But when they have to tell people that they have to undergo 15 hours of training, it will almost be impossible to get people to serve as delegates from most of these municipalities.

Therefore, I do not think that this amendment complements the bill. I actually think it will make it difficult to operate these committees and actually find people willing to serve it. Therefore, I oppose the amendment. Thank you.

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

The following roll call was recorded:

YEAS—14

Dally	Hennessey	Mensch	Reichley
Gabig	Hershey	O'Neill	Stairs
Grell	Hutchinson	Perry	Vereb
Harris	Kotik		

NAYS—181

Adolph	Fairchild	Mantz	Sabatina
Argall	Fleck	Markosek	Sainato
Baker	Frankel	Marshall	Samuelson
Barrar	Freeman	Marsico	Santoni
Bastian	Galloway	McCall	Saylor
Bear	Geist	McGeehan	Scavello
Belfanti	George	McI. Smith	Schroder
Benninghoff	Gergely	McIlhattan	Seip
Bennington	Gibbons	Melio	Shapiro
Beyer	Gillespie	Metcalfe	Shimkus
Bianucci	Gingrich	Micozzie	Siptroth
Bishop	Godshall	Millard	Smith, K.
Blackwell	Goodman	Miller	Smith, M.
Boback	Grucela	Milne	Smith, S.
Boyd	Haluska	Moyer	Solobay
Brennan	Hanna	Mundy	Sonney
Brooks	Harhai	Murt	Staback
Buxton	Harhart	Mustio	Stern
Caltagirone	Harkins	Myers	Stevenson
Cappelli	Harper	Nailor	Sturla
Carroll	Helm	Nickol	Surra
Casorio	Hess	O'Brien, M.	Swanger
Causar	Hickernell	Oliver	Tangretti
Civera	Hornaman	Parker	Taylor, J.
Clymer	James	Pashinski	Taylor, R.
Cohen	Josephs	Payne	Thomas
Conklin	Kauffman	Payton	True
Costa	Keller, M.K.	Peifer	Turzai
Cox	Keller, W.	Perzel	Vitali
Creighton	Kenney	Petrarca	Vulakovich
Cruz	Kessler	Petri	Wagner
Cutler	Killion	Phillips	Walko
Daley	King	Pickett	Wansacz
DeLuca	Kirkland	Preston	Waters
Denlinger	Kortz	Quigley	Watson
DePasquale	Kula	Quinn	Wheatley
Dermody	Leach	Ramaley	White
DeWeese	Lentz	Rapp	Williams
DiGirolamo	Levdansky	Raymond	Wojnaroski
Donatucci	Longiotti	Readshaw	Yewcic
Eachus	Mackereth	Reed	Youngblood
Ellis	Maher	Roae	Yudichak
Evans, D.	Mahoney	Rock	
Evans, J.	Major	Roebuck	O'Brien, D., Speaker
Everett	Manderino	Rohrer	
Fabrizio	Mann	Ross	

NOT VOTING—0

EXCUSED—8

Curry	Moul	Petrone	Rubley
Gerber	Pallone	Pyle	Steil

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

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

Mr. PERRY offered the following amendment No. A07664:

Amend Sec. 23 (Sec. 505), page 78, lines 11 through 20, by striking out all of said lines

Amend Sec. 23 (Sec. 505), page 78, lines 23 through 30, by striking out all of said lines

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

The SPEAKER. The Chair recognizes Representative Perry. The gentleman will suspend for one moment. Members will please take their seats. Members will take their seats.

Representative Perry.
Mr. PERRY. Thank you, Mr. Speaker.

I misread the first amendment. This is the one that actually makes the provision. It gets rid of the weighting provision for voting, municipalities and school districts, and makes it one person-one vote for a political subdivision on the tax authority.

So it would be one person-one vote. That is what this amendment does. Thank you, Mr. Speaker.

The SPEAKER. Representative Levdansky.
Mr. LEVDANSKY. Thank you, Mr. Speaker.

Mr. Speaker, this amendment simply changes the voting rights apportionment for the first meeting of the tax collection committee. When the tax collection committee sits down at the first meeting, they are going to establish bylaws. They are going to get organized and establish bylaws. So the first meeting is the most important meeting.

And the existing formula for weighting voting is a delicate balance between local governments and school districts. This amendment really undoes that balance that has been established by the Senate in the bill between the voting power of municipalities versus school districts.

This amendment would, in essence, for the first meeting, diminish the voting rights of the cities, of the townships, and of the boroughs. So I think we need to be consistent throughout. The voting rights have been established, and we ought not treat the voting rights for municipalities and school districts different for the first meeting or all the subsequent meetings.

And again, this would disrupt the delicate balance that the Senate has established, and for those reasons I would oppose the amendment.

The SPEAKER. Representative Nickol.

Mr. NICKOL. Thank you, Mr. Speaker.

Once again, I would like to join my colleague, the chairman of the Finance Committee, in opposing this amendment.

In the Senate, there was quite a bit of time and effort at coming up with some compromise. School districts went into the process wanting all the voting weighted by revenue. Of course, they generally, in any area, have the lion's share of the revenue, which is raised at the school district level.

Local governments often wanted it by one vote for each municipality, no matter how small they might be. As a result, they came up with a compromise where there would be a sharing and a blending of those two so that they could go forward in the Senate with some form of agreement.

If we, here in the House, remove this provision and substitute the voting with each political subdivision having one vote, it certainly jeopardizes the bill and jeopardizes the support of many of the groups that have joined to support it. So I urge members to stick with this compromise and vote against the amendment. Thank you.

The SPEAKER. Representative Perry.

Mr. PERRY. Thank you, Mr. Speaker.

Although for many school districts it is a huge chunk of money, for many municipalities it is the lion's share of their revenue. So by making it weighted, they get a disproportional share of the decisionmaking capacity.

Keep in mind, this is only for the initial meeting. It is only for the initial meeting. Once the initial meeting has been completed, the folks on the bureau can elect to weight the voting any way they want to. This is just for the first meeting. After that point, they have complete control of their destiny, and they can choose to weight it if they want to or leave it the way it is if they want to.

So in that regard, I would ask that you give them the ability to choose their own destiny and vote in favor of this amendment. Thank you, Mr. Speaker.

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

The following roll call was recorded:

YEAS—11

Brooks	Grell	O'Neill	Roae
Creighton	Hutchinson	Payne	Stevenson
Gabig	Kotik	Perry	

NAYS—184

Adolph	Frankel	Mantz	Sabatina
Argall	Freeman	Markosek	Sainato
Baker	Galloway	Marshall	Samuelson
Barrar	Geist	Marsico	Santoni
Bastian	George	McCall	Saylor
Bear	Gergely	McGeehan	Scavello
Belfanti	Gibbons	McI. Smith	Schroder
Benninghoff	Gillespie	McIlhattan	Seip
Bennington	Gingrich	Melio	Shapiro
Beyer	Godshall	Mensch	Shimkus
Bianucci	Goodman	Metcalfe	Siptroth
Bishop	Grucela	Micozzie	Smith, K.
Blackwell	Haluska	Millard	Smith, M.
Boback	Hanna	Miller	Smith, S.
Boyd	Harhai	Milne	Solobay
Brennan	Harhart	Moyer	Sonney
Buxton	Harkins	Mundy	Staback

Caltagirone	Harper	Murt	Stairs
Cappelli	Harris	Mustio	Stern
Carroll	Helm	Myers	Sturla
Casorio	Hennessey	Nailor	Surra
Causer	Hershey	Nickol	Swanger
Civera	Hess	O'Brien, M.	Tangretti
Clymer	Hickernell	Oliver	Taylor, J.
Cohen	Hornaman	Parker	Taylor, R.
Conklin	James	Pashinski	Thomas
Costa	Josephs	Payton	True
Cox	Kauffman	Peifer	Turzai
Cruz	Keller, M.K.	Perzel	Vereb
Cutler	Keller, W.	Petrarca	Vitali
Daley	Kenney	Petri	Vulakovich
Dally	Kessler	Phillips	Wagner
DeLuca	Killion	Pickett	Walko
Denlinger	King	Preston	Wansacz
DePasquale	Kirkland	Quigley	Waters
Dermody	Kortz	Quinn	Watson
DeWeese	Kula	Ramaley	Wheatley
DiGirolamo	Leach	Rapp	White
Donatucci	Lentz	Raymond	Williams
Eachus	Levdansky	Readshaw	Wojnaroski
Ellis	Longiotti	Reed	Yewcic
Evans, D.	Mackereth	Reichley	Youngblood
Evans, J.	Maher	Rock	Yudichak
Everett	Mahoney	Roebuck	
Fabrizio	Major	Rohrer	O'Brien, D.,
Fairchild	Manderino	Ross	Speaker
Fleck	Mann		

NOT VOTING—0

EXCUSED—8

Curry	Moul	Petrone	Rubley
Gerber	Pallone	Pyle	Steil

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

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

Mr. SCAVELLO offered the following amendment No. **A07663**:

Amend Sec. 23 (Sec. 505), page 86, lines 7 through 10, by striking out "and shall be weighted in direct proportion to" in line 7, all of lines 8 through 10 and inserting and proportioned as determined by a vote of the voting delegates on the tax collection committee.

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

The SPEAKER. On the question, the Chair recognizes Representative Scavello.

Mr. SCAVELLO. Thank you, Mr. Speaker.

My amendment, what it does is it gives local flexibility with the cost allocation. It gives them the choice on exactly how they are going to spread the costs. Who knows it better than the local municipalities? I ask the members for a positive vote.

The SPEAKER. Representative Levdansky.

Mr. LEVDANSKY. Mr. Speaker, under the language that has been crafted in the Senate, I mean, they deliberated this

whole issue on how you apportion the costs that the third-party tax collector that will be retained and hired by the countywide tax entity – the operating costs for the tax collection committee, under the bill, will be apportioned to each political subdivision according to the political subdivision's share of the total tax revenue that they receive. That would simply undo the delicate balance that the Senate put in place. This language, under this amendment, would, in essence, strike that language in the bill and let it be determined by the 69 different tax committees that are going to be formed pursuant to SB 1063.

We need one consistent, statewide set of standards relative to collection of the earned income tax. This would, in essence, throw that out and let it be a determination at the local level, which I think, again, disrupts the delicate balance that has been established in the Senate bill, and I would urge a "no" vote.

The SPEAKER. Representative Nickol.

Mr. NICKOL. Thank you, Mr. Speaker.

Once again, I join to support my colleague, the chairman of the Finance Committee.

I look at this language in the bill as a protection for the smallest municipalities. You could have a situation, if we did not determine in advance how the cost is shared, where those with the most votes, for example, in the case of York County, the school districts, joined by the city of York, could join together, because they have a majority of the votes, and determine some kind of cost allocation so that every unit of government might have to pay an equal share, and the smallest units of government would simply be outvoted and have to pay a disproportionate share, even though their revenues would be minuscule compared to the other local government units.

I feel that this is a necessary safeguard in the legislation for the smallest units of government, and so I am opposed to the amendment. Thank you, Mr. Speaker.

The SPEAKER. Representative Scavello.

Mr. SCAVELLO. Mr. Speaker, my county, Monroe County, has two regional police departments, just to give an example to everyone here, and the cost allocation that was decided by that regional board is now exactly what each one of those municipalities would be charged. It was very fair.

No one knows in each particular county exactly what those expenses are. They vary from county to county, and what we are doing is we are giving those counties, those municipalities, the option on exactly what to charge. And I have to tell you, I do not see that happening, with all due respect to the former chairman speaking, but I do not see that happening. I see them doing the right thing out there. We are giving them the option to make that decision locally on what those costs are going to be. We are not changing the bill; we are just giving a local option in those counties to make the decision on how they are going to separate those costs.

You know, you could have a small municipality but a tremendous amount of work in that particular municipality. Let them decide. They know it best. The municipalities know it best within each county.

The SPEAKER. Will the House agree to the amendment? Representative Levdansky.

Mr. LEVDANSKY. Thank you, Mr. Speaker.

Mr. Speaker, the language that is in the bill is language that all the stakeholder groups have been involved in, and the local government organizations – the Township Supervisors Association, the Boroughs Association, the League of Cities and Municipalities – they support the existing language in SB 1063.

So if you are looking for how the municipalities feel about it, this is the language that they feel comfortable with.

All the existing language does is says this: If a municipality or school district within that county, say, for example, the wage taxes that they collect are 7.29 percent of the total, then they will incur 7.29 percent of the cost of paying for the collection. I do not think there is any more way to make it more fair and necessarily giving it up to— Letting the 69 different tax bodies make that decision does not ensure that they are going to make a fair decision, and we do have a fair system in the existing bill, so I would oppose the amendment. Thank you.

The SPEAKER. Representative Perry.

Mr. PERRY. Thank you, Mr. Speaker.

May I interrogate the maker of the amendment?

The SPEAKER. The gentleman, Representative Scavello, would be most happy to stand for interrogation.

Mr. PERRY. Thank you, Mr. Speaker.

Mr. Speaker, I am not absolutely clear what this amendment does. Can you reenumerate that for me, please?

Mr. SCAVELLO. What this amendment does is gives local options to make the decision on what the costs are going to be.

Now, I just remind you, PSBA (Pennsylvania School Boards Association) does not support the bill but will support it with this amendment – the School Boards Association will support it with this amendment. They are looking for local flexibility, and who knows best but the locals? They basically know what the expense is going to be within those counties.

So again, I am asking the members for an affirmative vote. We are not changing the bill; everything is the same, but the costs incurred by each one of those municipalities will be decided locally in each one of those counties.

Mr. PERRY. Thank you, Mr. Speaker.

I would urge support of this amendment as well.

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—46

Baker	Fleck	Kenney	Perry
Barrar	Gabig	Kortz	Pickett
Benninghoff	Galloway	Kotik	Readshaw
Boback	George	Maher	Reichley
Brooks	Grell	Major	Roae
Clymer	Hanna	McIlhattan	Scavello
Conklin	Harhart	Mensch	Siptroth
Cox	Harper	Millard	Stairs
Dally	Hennessey	Nailor	Stern
DiGirolamo	Hershey	Payne	Stevenson
Ellis	Hess	Peifer	Taylor, J.
Everett	Hutchinson		

NAYS—149

Adolph	Geist	McGeehan	Saylor
Argall	Gergely	McI. Smith	Schroder
Bastian	Gibbons	Melio	Seip
Bear	Gillespie	Metcalfe	Shapiro
Belfanti	Gingrich	Micozzie	Shimkus
Bennington	Godshall	Miller	Smith, K.
Beyer	Goodman	Milne	Smith, M.
Bianucci	Grucela	Moyer	Smith, S.
Bishop	Haluska	Mundy	Solobay

Blackwell	Harhai	Murt	Sonney
Boyd	Harkins	Mustio	Staback
Brennan	Harris	Myers	Sturla
Buxton	Helm	Nickol	Surra
Caltagirone	Hickernell	O'Brien, M.	Swanger
Cappelli	Hornaman	O'Neill	Tangretti
Carroll	James	Oliver	Taylor, R.
Casorio	Josephs	Parker	Thomas
Causer	Kauffman	Pashinski	True
Civera	Keller, M.K.	Payton	Turzai
Cohen	Keller, W.	Perzel	Vereb
Costa	Kessler	Petrarca	Vitali
Creighton	Killion	Petri	Vulakovich
Cruz	King	Phillips	Wagner
Cutler	Kirkland	Preston	Walko
Daley	Kula	Quigley	Wansacz
DeLuca	Leach	Quinn	Waters
Denlinger	Lentz	Ramaley	Watson
DePasquale	Levdansky	Rapp	Wheatley
Dermody	Longietti	Raymond	White
DeWeese	Mackereth	Reed	Williams
Donatucci	Mahoney	Rock	Wojnaroski
Eachus	Manderino	Roebuck	Yewcic
Evans, D.	Mann	Rohrer	Youngblood
Evans, J.	Mantz	Ross	Yudichak
Fabrizio	Markosek	Sabatina	
Fairchild	Marshall	Sainato	O'Brien, D.,
Frankel	Marsico	Samuelson	Speaker
Freeman	McCall	Santoni	

NOT VOTING—0

EXCUSED—8

Curry	Moul	Petrone	Rubley
Gerber	Pallone	Pyle	Steil

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

On the question recurring,

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

Mr. PERRY offered the following amendment No. A07665:

Amend Sec. 23 (Sec. 505), page 77, lines 11 and 12, by striking out "Unless otherwise provided for in the bylaws of a tax collection committee, a majority" and inserting

Seventy-five percent

Amend Sec. 23 (Sec. 505), page 77, line 28, by inserting after "chapter."

If a quorum is not present for the rescheduled meeting and two consecutive rescheduled meetings following the first rescheduled meeting, the tax collection committee shall become defunct, and each taxing district shall then be responsible for the imposition, assessment, collection and distribution of income taxes within the taxing district.

(b.3) Mandatory attendance.—All delegates and alternate delegates appointed to the tax collection committee shall attend a minimum of 75% of the meetings held annually by the tax collection committee. Failure to meet the mandatory attendance requirement shall result in dismissal of the delegate with an alternate or a new appointment by the appropriate governing body of the political subdivision that was represented by the delegate or alternate within seven days of dismissal.

Amend Sec. 23 (Sec. 505), page 80, line 18, by striking out "Meetings" and inserting

Quarterly meetings

Amend Sec. 23 (Sec. 505), page 86, line 7, by inserting a period after "committee"

Amend Sec. 23 (Sec. 505), page 86, lines 7 through 10, by striking out "and shall be weighted in direct proportion to" in line 7 and all of lines 8 through 10 and inserting

Unless the bylaws adopted by the tax collection committee provide for different methods, the expenses paid by each political subdivision shall be determined and based on workload.

Amend Sec. 23 (Sec. 509), page 96, line 8, by inserting after "a" dollar-for-dollar

Amend Sec. 23 (Sec. 509), page 100, by inserting between lines 9 and 10

(3) The tax officer of each tax collection district shall ensure that the transferring of all data shall follow uniform electronic data exchange requirements. The department shall provide technical assistance to each tax collection district upon request in order to carry out this provision.

Amend Sec. 23 (Sec. 514), page 119, by inserting between lines 12 and 13

(a.1) Confidentiality safeguards.—The tax officer shall establish valid and comprehensive records and Internet policies with security audits completed annually, unless security problems have been suspected or uncovered and brought to the attention of the tax collection committee.

On the question,

Will the House agree to the amendment?

PARLIAMENTARY INQUIRY

AMENDMENT DIVIDED

The SPEAKER. The Chair recognizes Representative Perry on the amendment.

Mr. PERRY. Thank you, Mr. Speaker.

I have a point of parliamentary inquiry.

The SPEAKER. The gentleman will state his point of parliamentary inquiry.

Mr. PERRY. Is this amendment divisible between lines 4 and 5?

The SPEAKER. If the gentleman will suspend for a moment.

The amendment is divisible.

Amendment A07665-A will be lines 1 through 4; amendment A07665-B will be lines 5 through the remainder of the amendment.

Does the gentleman wish to offer amendment A or B?

Mr. PERRY. Your choice, Mr. Speaker. I just need to know which one you want to do first.

The SPEAKER. It is your choice.

Mr. PERRY. Okay. Then I am going to take A, which is the first part, and what that would do—

The SPEAKER. The Chair recognizes the gentleman from York County, Representative Perry, who offers amendment A07665-A, which the clerk will read.

The clerk read the following amendment No. A07665-A:

Amend Sec. 23 (Sec. 505), page 77, lines 11 and 12, by striking out "Unless otherwise provided for in the bylaws of a tax collection committee, a majority" and inserting

Seventy-five percent

On the question,
Will the House agree to part A of the amendment?

The SPEAKER. The gentleman, Representative Perry, is in order for an explanation.

Mr. PERRY. Thank you, Mr. Speaker.

What this amendment does is clarifies that 75 percent of the members of the taxing authority must be present to maintain a quorum or to meet a quorum – 75 percent, as opposed to a simple majority of 50 percent. The intent is to make sure that those members of the board show up for the meeting and be present for voting so that the right thing is done by their taxpayers or the people that they are representing.

That is the reason for the division, and that is the amendment. Thank you, Mr. Speaker.

The SPEAKER. Representative Levdansky, on the amendment.

Mr. LEVDANSKY. Thank you, Mr. Speaker.

Mr. Speaker, the first half of this amendment, in essence, changes the definition of "quorum" for the effectiveness of this legislation. Under the bill, a simple majority of the members of a tax committee forms a quorum. Under this amendment, it would take 75 percent of the members of the committee to constitute a quorum.

Mr. Speaker, when the Finance Committee meets in the House, we need a simple majority of members for a quorum. I do not know of any governing body where a quorum requires at least 75 percent of the members to be present to constitute a quorum.

So I think, essentially, what the effort here is is to establish the threshold for a quorum to be so high that you almost can ensure that you might not be able to get enough members present to constitute a quorum so that the committee can conduct its business. So by establishing the bar this high, I think it is just a thinly veiled effort to defeat the legislation by establishing a quorum at a level that, to my knowledge, no other public entity is required to meet.

So for those reasons, I would oppose the amendment.

The SPEAKER. Representative Nickol.

Mr. NICKOL. Thank you, Mr. Speaker.

I, too, rise to oppose the amendment. I personally would have no problem with setting a quorum at 75 percent for the first, initial meeting which gets these committees off the ground, but what this amendment does is establishes a 75 percent for all meetings. So once these county organizations are up and running, it will require 75 percent of the members to continue showing up.

Now, I have been a member of many organizations, and I know the trouble in getting people to meetings, especially when you have cut-and-dried meetings, if things are going well. This I see as sabotaging, long term, the efforts of these committees to hold together and continue operating into the future, because 75 percent is just too high a majority to require for a quorum.

So I oppose the amendment. Thank you, Mr. Speaker.

The SPEAKER. Representative Perry.

Mr. PERRY. Thank you, Mr. Speaker.

Heaven forbid, heaven forbid we set the bar high. Heaven forbid we ask most of the members of the committee that they agreed to serve on – no, that they asked to serve on – to come to the meeting. And if you are using, quite honestly and with all due respect, this place as the model for efficiency because we

do not have many of the people at committee, I have to tell you, I do not think that is the greatest mark on the wall.

I, Mr. Speaker, with all due respect, think that we should set the bar high, that we should ask the majority – 75 percent of these members that have agreed and asked to be on this committee – to come to the committee meeting and do the work of their taxpayers, and so I would urge a positive vote for this amendment. Thank you, Mr. Speaker.

On the question recurring,
Will the House agree to part A of the amendment?

The following roll call was recorded:

YEAS—18

Barrar	Gabig	Kotik	Rock
Benninghoff	Grell	Nailor	Rohrer
Cox	Hennessey	Perry	Scavello
Creighton	Hershey	Roae	Stevenson
Ellis	Hutchinson		

NAYS—177

Adolph	Freeman	Markosek	Sainato
Argall	Galloway	Marshall	Samuelson
Baker	Geist	Marsico	Santoni
Bastian	George	McCall	Saylor
Bear	Gergely	McGeehan	Schroder
Belfanti	Gibbons	McI. Smith	Seip
Bennington	Gillespie	McIlhattan	Shapiro
Beyer	Gingrich	Melio	Shimkus
Bianucci	Godshall	Mensch	Sipthroth
Bishop	Goodman	Metcalfe	Smith, K.
Blackwell	Grucela	Micozzie	Smith, M.
Boback	Haluska	Millard	Smith, S.
Boyd	Hanna	Miller	Solobay
Brennan	Harhai	Milne	Sonney
Brooks	Harhart	Moyer	Staback
Buxton	Harkins	Mundy	Stairs
Caltagirone	Harper	Murt	Stern
Cappelli	Harris	Mustio	Sturla
Carroll	Helm	Myers	Surra
Casorio	Hess	Nickol	Swanger
Causer	Hickernell	O'Brien, M.	Tangretti
Civera	Hornaman	O'Neill	Taylor, J.
Clymer	James	Oliver	Taylor, R.
Cohen	Josephs	Parker	Thomas
Conklin	Kauffman	Pashinski	True
Costa	Keller, M.K.	Payne	Turzai
Cruz	Keller, W.	Payton	Vereb
Cutler	Kenney	Peifer	Vitali
Daley	Kessler	Perzel	Vulakovich
Dally	Killion	Petrarca	Wagner
DeLuca	King	Petri	Walko
Denlinger	Kirkland	Phillips	Wansacz
DePasquale	Kortz	Pickett	Waters
Dermody	Kula	Preston	Watson
DeWeese	Leach	Quigley	Wheatley
DiGirolamo	Lentz	Quinn	White
Donatucci	Levdansky	Ramaley	Williams
Eachus	Longietti	Rapp	Wojnaroski
Evans, D.	Mackereth	Raymond	Yewcic
Evans, J.	Maher	Readshaw	Youngblood
Everett	Mahoney	Reed	Yudichak
Fabrizio	Major	Reichley	
Fairchild	Manderino	Roebuck	O'Brien, D., Speaker
Fleck	Mann	Ross	
Frankel	Mantz	Sabatina	

NOT VOTING—0

EXCUSED—8

Curry	Moul	Petrone	Rubley
Gerber	Pallone	Pyle	Steil

Less than the majority having voted in the affirmative, the question was determined in the negative and part A of the amendment was not agreed to.

On the question recurring,

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

The clerk read the following amendment No. **A07665-B**:

Amend Sec. 23 (Sec. 505), page 77, line 28, by inserting after "chapter."

If a quorum is not present for the rescheduled meeting and two consecutive rescheduled meetings following the first rescheduled meeting, the tax collection committee shall become defunct, and each taxing district shall then be responsible for the imposition, assessment, collection and distribution of income taxes within the taxing district.

(b.3) Mandatory attendance.—All delegates and alternate delegates appointed to the tax collection committee shall attend a minimum of 75% of the meetings held annually by the tax collection committee. Failure to meet the mandatory attendance requirement shall result in dismissal of the delegate with an alternate or a new appointment by the appropriate governing body of the political subdivision that was represented by the delegate or alternate within seven days of dismissal.

Amend Sec. 23 (Sec. 505), page 80, line 18, by striking out "Meetings" and inserting

Quarterly meetings

Amend Sec. 23 (Sec. 505), page 86, line 7, by inserting a period after "committee"

Amend Sec. 23 (Sec. 505), page 86, lines 7 through 10, by striking out "and shall be weighted in direct proportion to" in line 7 and all of lines 8 through 10 and inserting

Unless the bylaws adopted by the tax collection committee provide for different methods, the expenses paid by each political subdivision shall be determined and based on workload.

Amend Sec. 23 (Sec. 509), page 96, line 8, by inserting after "a"

dollar-for-dollar

Amend Sec. 23 (Sec. 509), page 100, by inserting between lines 9 and 10

(3) The tax officer of each tax collection district shall ensure that the transferring of all data shall follow uniform electronic data exchange requirements. The department shall provide technical assistance to each tax collection district upon request in order to carry out this provision.

Amend Sec. 23 (Sec. 514), page 119, by inserting between lines 12 and 13

(a.1) Confidentiality safeguards.—The tax officer shall establish valid and comprehensive records and Internet policies with security audits completed annually, unless security problems have been suspected or uncovered and brought to the attention of the tax collection committee.

On the question,

Will the House agree to part B of the amendment?

PART B OF AMENDMENT WITHDRAWN

The SPEAKER. The Chair recognizes Representative Perry on the amendment.

Mr. PERRY. Thank you, Mr. Speaker.

I wish to pull the amendment.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

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

Mr. MAHER offered the following amendment No. **A07651**:

Amend Title, page 1, lines 21 through 29; page 2, lines 1 through 8, by striking out "in" in line 21 and all of lines 22 through 29, page 1, and all of lines 1 through 8, page 2, and inserting

further providing for register for earned income and local services taxes, for collection of taxes, for audits and for earned income taxes.

Amend Bill, page 2, lines 11 through 33; pages 3 through 35, lines 1 through 30; page 36, lines 1 through 17, by striking out all of said lines on said pages and inserting

Section 1. Section 9 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended June 21, 2007 (P.L.13, No.7), is amended to read:

Section 9. Register for [Earned Income] and Withholding of Local Services Taxes.—It shall be the duty of the Department of Community and Economic Development to have available an official continuing register supplemented annually of all [earned income and] local services taxes levied under authority of this act. The register and its supplements, hereinafter referred to as the register, shall list such jurisdictions levying [earned income and] local services taxes, the rate of the tax as stated in the tax levying ordinance or resolution, and the effective rate on resident and nonresident taxpayers, if different from the stated rate because of a coterminous levy, the name and address of the officer responsible for administering the collection of the tax and from whom information, forms for reporting and copies of rules and regulations are available. With each jurisdiction listed, all jurisdictions making coterminous levies shall also be noted and their tax rates shown.

Information for the register shall be furnished by the secretary of each taxing body to the Department of Community and Economic Development in such manner and on such forms as the Department of Community and Economic Development may prescribe. The information must be received by the Department of Community and Economic Development by certified mail not later than May 31 of each year to show new tax enactments, repeals and changes. Failure to comply with this date for filing may result in the omission of the levy from the register for that year. Failure of the Department of Community and Economic Development to receive information of taxes continued without change may be construed by the department to mean that the information contained in the previous register remains in force.

The Department of Community and Economic Development shall have the register with such annual supplements as may be required by new tax enactments, repeals or changes available upon request not later than July 1 of each year. The effective period for each register shall be from July 1 of the year in which it is issued to June 30 of the following year.

Employers shall not be required by any local ordinance to withhold from the wages, salaries, commissions or other compensation of their employes any tax imposed under the provisions of this act, which is not listed in the register, or make reports of wages, salaries, commissions or other compensation in connection with taxes not so listed: Provided, That if the register is not available by July 1, the register of the previous year shall continue temporarily in effect for an additional period not to exceed one year. The provisions of this section shall not affect the liability of any taxpayer for taxes lawfully imposed under this act.

Ordinances or resolutions imposing [earned income or] local services taxes under authority of this act may contain provisions requiring employers doing business within the jurisdiction of the political subdivision imposing the tax to withhold the tax from the compensation of those of their employees who are subject to the tax: Provided, That [no employer shall be held liable for failure to withhold earned income taxes or for the payment of such withheld tax money to a political subdivision other than the political subdivision entitled to receive such money if such failure to withhold or such incorrect transmittal of withheld taxes arises from incorrect information as to the employee's place of residence submitted by the employee: And provided further, That] no employer shall be held liable for failure to withhold the local services tax or for the payment of the withheld tax money to a political subdivision if the failure to withhold taxes arises from incorrect information submitted by the employee as to the employee's place or places of employment, the employee's principal office or where the employee is principally employed: And provided further, That an employer shall not be liable for payment of the local services tax in an amount exceeding the amount withheld by the employer if the employer complies with the provisions of section 2(e) and (f)(9) and remits the amount so withheld in accordance with this section: And provided further, That the local services tax shall be applicable to employment in the period beginning January 1, of the current year and ending December 31 of the current year, except that taxes imposed for the first time shall become effective from January 1 of the year specified in the ordinance or resolution, and the tax shall continue in force on a calendar year basis: And provided further, That employers shall be required to remit the local services taxes thirty days after the end of each quarter of a calendar year.

Section 1.1. Section 10 of the act, amended November 30, 2004 (P.L.1520, No.192) and December 1, 2004 (P.L.1729, No. 222), is amended to read:

Section 10. Collection of Taxes.—(a) Administrative Personnel; Joint Agreements.—[Except as provided in subsections (b) and (c), any] Any such political subdivision is hereby authorized to provide by ordinance or resolution for the creation or designation of such bureaus or the appointment and compensation of such officers, clerks, collectors, private agencies or other person and other assistants and employes, either under existing departments, or otherwise as may be deemed necessary, for the assessment and collection of taxes imposed under authority of this act, except earned income and net profits taxes which shall be collected under section 13. Each ordinance or resolution under this section authorizing a person, public employe or private agency to act in the capacity and with the authority of a tax collector shall continue in force without annual reauthorization unless otherwise repealed or revoked by the political subdivision.

[Except as provided in subsections (b) and (c), any] Any political subdivisions imposing taxes under authority of this act are authorized to make joint agreements for the collection of such taxes or any of them. The same person or agency may be employed by two or more political subdivisions to collect any taxes imposed by them under authority of this act.

[(b) Single Collector for Earned Income Taxes When Certain School Districts Impose Such Taxes.— Except as provided in subsection (c), whenever a school district of the second, third or fourth class shall be established pursuant to section 296, act of March 10, 1949 (P.L.30), known as the "Public School Code of 1949," added August 8, 1963 (P.L. 564), and such school district shall levy, assess and collect or provide for the levying, assessment and collection of a tax upon earned income, such school district and all cities, boroughs, towns and townships within its geographical limits which levy, assess and collect or provide for the levying, assessment and collection of a tax upon earned income, may on January 1, 1967, or as soon thereafter as the school district shall provide for the levying, assessment and collection of taxes upon earned income, select one person or agency to collect the taxes upon earned income imposed by all such political subdivisions. In selecting such person or agency, each political subdivision shall share in the selection upon a basis agreed upon by each political

subdivision, or in the absence of any agreement on the basis of voting according to the proportion that the population of each bears to the entire population of the combined collection district, according to the latest official Federal census, and the majority of such votes cast shall determine the person or agency selected to collect the taxes. The provisions of this paragraph shall not prohibit school districts and other political subdivisions which levy, assess and collect or provide for the levying, assessment and collection of taxes upon earned income, under authority of this act, from selecting the same person or agency to collect such tax upon earned income in an area larger than the geographical limits of a school district established pursuant to section 296 of the "Public School Code of 1949."

(c) Single Tax Collector in Certain Home Rule Municipality.—In a municipality having a population under the 2000 Federal decennial census of at least forty thousand and less than ninety thousand located in a second class county and which municipality has adopted a home rule charter under 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government), the person or persons appointed by the board of school directors for the school district in which the municipality is located as collector or collectors of taxes levied by the school district under this act shall also serve as the collector or collectors of taxes levied by the municipality under this act.]

Amend Sec. 14, page 36, line 18, by striking out "14" and inserting

2

Amend Bill, page 37, lines 13 through 30, by striking out all of said lines and inserting

Section 3. Section 13 of the act, amended October 4, 1978 (P.L.930, No.177), July 9, 1987 (P.L.203, No.30), December 9, 2002 (P.L.1364, No. 166), April 5, 2004 (P.L.208, No.24) and November 30, 2004 (P.L.1520, No.192), is amended to read:

Amend Sec. 17 (Sec. 13), page 38, line 1, by striking out the bracket before "Section"

Amend Sec. 17 (Sec. 13), page 39, line 14, by inserting a bracket before "Person"

Amend Sec. 17 (Sec. 13), page 39, line 16, by inserting a bracket after "profits." and inserting immediately thereafter

The Department of Revenue of the Commonwealth.

Amend Sec. 17 (Sec. 13), page 44, line 4, by inserting a bracket before "(a)"

Amend Sec. 17 (Sec. 13), page 50, line 27, by inserting a bracket after "substituted."

Amend Sec. 17 (Sec. 13), page 50, by inserting between lines 27 and 28

(a) Income taxes shall be withheld, remitted and reported as follows:

(1) Every employer having an office, factory, workshop, branch, warehouse or other place of business within a tax collection district who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered, shall, within 15 days after becoming an employer, register with the tax officer the name and address of the employer and such other information as the department may require.

(2) An employer shall require each new employe to complete a certificate of residency form, which shall be an addendum to the Federal Employee's Withholding Allowance Certificate (Form W-4). An employer shall also require any employe who changes their address or domicile to complete a certificate of residency form. Upon request, certificate of residency forms shall be provided by the department. The certificate of residency form shall provide information to help identify the political subdivisions where an employe lives and works.

(3) Every employer having an office, factory, workshop, branch, warehouse or other place of business within a tax collection district that employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, shall, at the time of payment, deduct from the compensation due each employe employed at

such place of business the greater of the employe's resident tax or the employe's nonresident tax as released in the official register under Division VI.

(4) Except as set forth in paragraph (5), within 30 days following the end of each calendar quarter, every employer shall file a quarterly return and pay the amount of income taxes deducted during the preceding calendar quarter to the tax officer for the place of employment of each employe. The form shall show the name, address and Social Security number of each employe, the compensation of the employe during the preceding three-month period, the income tax deducted from the employe, the political subdivisions imposing the income tax upon the employe, the total compensation of all employes during the preceding calendar quarter, the total income tax deducted from the employes and paid with the return and any other information prescribed by the department.

(5) (Reserved).

(6) Any employer who for two of the preceding four quarterly periods has failed to deduct the proper income tax, or any part of the income tax, or has failed to pay over the proper amount of income tax as required by paragraph (3) to the tax officer, may be required by the tax officer to file returns and pay the income tax monthly. In such cases, payments of income tax shall be made to the tax officer on or before the last day of the month succeeding the month for which the income tax was withheld.

(7) On or before February 28 of the succeeding year, every employer shall file with the tax officer:

(i) An annual return showing, for the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of compensation paid, the total amount of income tax deducted, the total amount of income tax paid to the tax officer and any other information prescribed by the department.

(ii) An individual withholding statement, which may be integrated with the Federal Wage and Tax Statement (Form W-2), for each employe employed during all or any part of the period beginning January 1 of the current year and ending December 31 of the current year, setting forth the address and Social Security number, the amount of compensation paid to the employe during the period, the amount of income tax deducted, the amount of income tax paid to the tax officer and any other information required by the department. Every employer shall furnish one copy of the individual withholding statement to the employe for whom it is filed.

(8) Any employer who discontinues business prior to December 31 of the current year shall, within 30 days after the discontinuance of business, file returns and withholding statements required under this section and pay the income tax due.

(9) Except as otherwise provided in Division VI, an employer who willfully or negligently fails or omits to make the deductions required by this subsection shall be liable for payment of income taxes which the employer was required to withhold to the extent that the income taxes have not been recovered from the employe. The failure or omission of any employer to make the deductions required by this section shall not relieve any employe from the payment of the income tax or from complying with the requirements for filing of declarations and returns.

(b) (Reserved).

V. Powers and Duties of Income Tax Officer

(a) In addition to any other power and duty conferred upon the Department of Revenue pursuant to law, it shall be the duty of the Department of Revenue:

(1) To collect, reconcile, administer and enforce income taxes imposed on residents and nonresidents of each political subdivision.

(2) To receive and distribute income taxes and to enforce withholding by employers located in this Commonwealth.

(3) (Reserved).

(4) To distribute income taxes to political subdivisions as required under Division VII.

(5) To comply with all regulations adopted by the department under this act.

(6) To invest all income taxes in the custody of the Department of Revenue pursuant to this act in authorized investments. The Department of Revenue shall observe the standard of care that would be observed by a prudent person dealing with property of another.

(7) To distribute income generated from investments authorized under paragraph (6) to the political subdivisions.

(b) The Department of Revenue shall, within twenty days after the end of each month, provide a written report, on forms prescribed by the Department of Revenue, to each political subdivision for which taxes were collected during the previous month. The report shall include a breakdown of all income taxes, income generated from investments under subsection (a)(6), penalties, costs and other money received, collected, expended and distributed for each political subdivision and of all money distributed to other political subdivisions.

(c) The Department of Revenue shall refund, on petition of and proof by the taxpayer, income taxes paid in excess of income taxes rightfully due in accordance with the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971."

(d) (Reserved).

(e) (Reserved).

(f) The following apply to employer and taxpayer audits:

(1) In order to verify the accuracy of any income tax declaration or return or, if no declaration or return was filed, to ascertain the income tax due, the Department of Revenue may examine the records pertaining to income taxes due of any of the following:

(i) An employer.

(ii) A taxpayer.

(iii) A person whom the Department of Revenue reasonably believes to be an employer or taxpayer.

(2) Every employer and taxpayer or other person whom the Department of Revenue reasonably believes to be an employer or taxpayer shall provide the means, facilities and opportunity for the examination and investigation authorized under paragraph (1).

(3) For purposes of this subsection, the term "records" shall include any books, papers, and relevant Federal or State tax returns and accompanying schedules, or supporting documentation for any income taxable under this act.

(g) In addition to the powers and duties enumerated under this section, the Department of Revenue may collect taxes levied pursuant to this act, the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the "Taxpayer Relief Act," or other statutory law.

VI. Tax Registers

(a) The Department of Community and Economic Development shall maintain a tax register and an official register. All of the following shall apply:

(1) The Department of Community and Economic Development shall maintain a tax register on the department's Internet website. Information for the tax register shall be furnished by each county and each political subdivision to the Department of Community and Economic Development as prescribed by the Department of Community and Economic Development. The department shall continuously update the tax register.

(2) As part of the tax register under paragraph (1), the department shall maintain an official register. The requirement to maintain an official register in accordance with this section shall supersede the requirements for an official register in any other act.

(3) The official register shall be organized by municipality and shall list:

(i) Each municipality and coterminous school district.

(ii) The effective income tax rate on taxpayers who reside in the municipality.

(iii) The effective income tax rate on taxpayers who reside in the school district.

(iv) The combined municipal and school district income tax rate on taxpayers residing in each municipality.

(v) The income tax rate on taxpayers working within the municipality.

(vi) Whether an income tax is a personal income tax levied under the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the "Taxpayer Relief Act," or any other act.

(vii) The effective emergency and municipal services tax rate on taxpayers working within the municipality.

(viii) The effective emergency and municipal services tax rate on taxpayers working within the school district.

(ix) The combined municipal and school district emergency and municipal services tax rate.

(x) The amount of any other withholding tax.

(xi) Any other information deemed necessary by the department.

(4) Each year the Department of Community and Economic Development shall update and officially release withholding tax rates on the official register on June 15 and December 15. Tax rates released on June 15 shall become effective July 1. Tax rates released on December 15 shall become effective January 1 of the following year. The Department of Revenue may revise the notification, official release and effective dates of the register for good cause. Six months prior to the revision, the department shall notify each affected political subdivision of the revision and shall publish notice of the revision in the Pennsylvania Bulletin.

(5) Information for the official register shall be furnished by each political subdivision to the Department of Community and Economic Development as prescribed by the Department of Community and Economic Development and shall include a copy of the ordinance or resolution enacting, repealing or changing the tax. The department shall be notified of changes to the official register as follows:

(i) New withholding tax enactments, repeals and changes shall be received by the Department of Community and Economic Development no later than June 1 to require withholding of a new tax, withholding at a new rate or to suspend withholding of such tax effective July 1 of that year. All new withholding tax enactments, repeals and changes received by the Department of Community and Economic Development by June 1 shall be officially released by the department June 15 and become effective July 1. Failure of the Department of Community and Economic Development to receive information by June 1 from political subdivisions regarding current withholding tax rates, new withholding tax enactments, repeals and changes shall be construed by the Department of Community and Economic Development to mean that the information contained in the previous December 15 release of the official register is still in force. Information received by the Department of Community and Economic Development after June 1 but before December 1 shall be officially released on December 15.

(ii) New withholding tax enactments, repeals and changes shall be received by the Department of Community and Economic Development no later than December 1 to require withholding of a new tax, withholding at a new rate or to suspend withholding of such tax effective January 1 of the following year. All new withholding tax enactments, repeals and changes received by the department by December 1 shall be officially released by the Department of Community and Economic Development on December 15 and become effective January 1 of the following year. Failure of the Department of Community and Economic Development to receive information by December 1 from political subdivisions regarding current withholding tax rates, new withholding tax enactments, repeals and changes shall be construed by the Department of Community and Economic Development to mean that the information contained in the previous June 15 release of the official register is still in force. Information received by the Department of Community and Economic Development after December 1 but before June 1 shall be officially released on June 15.

(6) (i) Employers shall not be required to deduct from compensation of their employees or make reports of compensation in connection with any withholding tax that is not released on the official register as of June 15 and December 15 of each year as provided in paragraphs (4) and (5), unless the political subdivision imposing the tax

has provided written notice to the employer of the tax or tax rate and the withholding requirement.

(ii) Notwithstanding any law to the contrary, no political subdivision may require any employer to deduct a withholding tax at a rate or amount that is not released on the official register, unless the political subdivision imposing the tax has provided written notice to the employer of the tax or tax rate and the withholding requirement.

(iii) The provisions of this paragraph shall not affect the liability of any taxpayer for withholding taxes lawfully imposed under this act.

(7) An employer may withhold at the most recently available rate on the tax register even if such rate is different than the tax rate released on the official register as provided in paragraphs (4) and (5), provided that an employer shall not be required to withhold at a tax rate that is not released on the official register, unless the political subdivision imposing the tax has provided written notice to the employer of the current tax rate.

(8) No employer shall be held liable for failure to withhold an income tax from an employe if the failure to withhold the income tax arises from incorrect information submitted by the employe as to the employe's place of residence.

(9) No employer shall be held liable for failure to withhold the emergency and municipal services tax or for the payment of tax money withheld if the failure to withhold the taxes arises from incorrect information submitted by the employe as to the employe's place of employment, the employe's principal office or where the employe is principally employed.

(b) As used in this division, notwithstanding Division I, the terms "income tax" and "withholding tax" include a tax assessed on the income of a taxpayer and levied by a municipality under the act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

Amend Sec. 17 (Sec. 13), page 54, line 6, by striking out the bracket after "return."

Amend Sec. 17 (Sec. 13), page 54, by inserting between lines 6 and 7

X. Distribution of Income Taxes

(a) Subject to subsection (b), all of the following apply:

(1) As to distribution:

(i) (Reserved).

(ii) Distribution of income taxes from the Department of Revenue shall take place within thirty days of the later of:

(A) receipt; or

(B) the deadline for payment under Division IV(a)(4).

(iii) (Reserved).

(iv) Income taxes received from taxpayers shall be distributed within sixty days of receipt.

(2) (Reserved).

(3) The Department of Revenue shall maintain a record of all income taxes distributed under this division, which shall include all of the information required in the reports under Division IV(a)(4), the date of distribution, the political subdivision to which the income taxes are distributed and any other information required by the Department of Revenue.

(4) If the Department of Revenue, within two years after receiving an income tax payment after reasonable efforts, cannot identify the political subdivision entitled to the income tax payment shall make payment to the municipality in which the income tax was collected.

(b) (Reserved).

XI. Audit and Evaluation

(a) Before 2013, the Auditor General shall conduct an audit and evaluation of the impact of this division and collection of local income taxes. The audit and evaluation shall:

(1) Determine the extent to which income tax revenue losses have been minimized or eliminated by the implementation of uniform collection standards and a Statewide income tax collection system.

(2) Determine whether Statewide collection and standardized withholding and remittance of local income taxes as required under

Division IV has simplified the system, reduced fragmentation and reduced the burden of withholding, remitting and distributing the local income tax for employers.

(3) Determine if tax compliance is simpler, easier, fairer and less time-consuming for taxpayers.

(4) Determine whether the tax collection system under this section is more efficient than the prior system.

(5) (Reserved).

(6) (Reserved).

(7) (Reserved).

(8) Determine whether nonresident and resident taxes are being properly distributed among political subdivisions.

(9) (Reserved).

(10) (Reserved).

(11) (Reserved).

(12) (Reserved).

(13) (Reserved).

(14) Recommend needed improvements to the system.

(b) Copies of the audit findings of the Auditor General under subsection (a) shall be filed with the chair of the Finance Committee of the Senate, the chair of the Finance Committee of the House of Representatives and the department.

Amend Bill, page 54, lines 7 through 30; pages 55 through 137, lines 1 through 30; page 138, lines 1 through 13, by striking out all of said lines on said pages and inserting

Section 4. This act shall apply as follows:

(1) The addition of Division VI of section 13 of the act shall apply to the official register released June 15, 2008, and each year thereafter.

(2) This act shall apply to income taxes levied and collected on or after January 1, 2010.

Section 5. This act shall take effect immediately.

On the question,

Will the House agree to the amendment?

AMENDMENT WITHDRAWN

The SPEAKER. The Chair recognizes Representative Maher on the amendment.

Mr. MAHER. Thank you, Mr. Speaker.

I find myself in the usual position that for the second time in less than a week, I oppose my own amendment. But rather than going through the full situation, I am going to withdraw it.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

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

Mr. STEIL offered the following amendment No. **A07657**:

Amend Sec. 4 (Sec. 2), page 4, lines 17 and 18, by inserting a bracket before the comma after "tax" in line 17 and after "tax" in line 18 and inserting immediately thereafter

or occupation tax

Amend Sec. 4 (Sec. 2), page 4, by inserting between lines 19 and 20

(b.1) Each local taxing authority shall, by ordinance or resolution, exempt any person whose total income from all sources is less than twelve thousand dollars (\$12,000) per annum, from the earned income tax.

Amend Sec. 4 (Sec. 2), page 16, line 24, by striking out the bracket before "(g)"

Amend Sec. 4 (Sec. 2), page 16, line 26, by inserting a bracket before "Division"

Amend Sec. 4 (Sec. 2), page 16, line 26, by inserting after "13.]" section 501.

Amend Sec. 8 (Sec. 5), page 25, line 17, by inserting after "resolution"

enacting or altering the rate of any tax other than the earned income tax

Amend Sec. 8 (Sec. 5), page 25, line 19, by inserting after "desirable."

The ordinance or resolution enacting or altering the rate of an earned income tax shall be passed or adopted prior to the beginning of the calendar year and prior to the preparation of the budget when desirable.

Amend Sec. 11 (Sec. 9), page 31, line 22, by inserting a bracket before "and" where it appears the first time

Amend Sec. 11 (Sec. 9), page 31, line 24, by inserting a bracket after "levy,"

Amend Bill, page 62, lines 23 through 30; pages 63 through 137, lines 1 through 30; page 138, lines 1 through 13, by striking out all of said lines on said pages and inserting

CHAPTER 5

CONSOLIDATED COLLECTION OF LOCAL INCOME TAXES

Section 501. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Business." Any enterprise, activity, profession or any other undertaking, of an unincorporated nature conducted for profit or ordinarily conducted for profit.

"Business entity." Any sole proprietorship, corporation, joint-stock association or company, partnership, limited partnership, limited liability company, association, business trust, syndicate or other commercial or professional activity organized under the laws of this Commonwealth or any other jurisdiction.

"Certified public accountant." A certified public accountant, public accountant or firm, as provided for in the act of May 26, 1947 (P.L.318, No.140), known as the CPA Law.

"Claim." A written demand for payment made by a political subdivision for income taxes collected by the department.

"Corporation." A corporation or joint stock association organized under the laws of any domestic or foreign jurisdiction. The term includes an entity which is classified as a corporation for Federal income tax purposes.

"Current year." The calendar year for which a specified tax is levied.

"Department." The Department of Revenue of the Commonwealth.

"Domicile." As follows:

(1) For an individual, any of the following:

(i) The place where an individual lives and has a permanent home and to which the individual has the intention of returning whenever absent.

(ii) The fixed place of abode which, in the intention of the individual, is permanent rather than transitory.

(iii) The voluntarily fixed place of habitation of an individual, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce the person to adopt some other permanent home. Actual residence is not necessarily domicile.

(2) For a business, the place:

(i) considered as the center of business affairs and;

(ii) where the functions of the business are discharged.

"Earned income." The compensation as required to be reported to or as determined by the department under section 303 of the Tax Reform Code and regulations promulgated under that section. Employee business expenses as reported to or determined by the department under Article III of the Tax Reform Code shall constitute allowable deductions in determining earned income. The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income. The term does not include offsets for business losses.

"Earned income and net profits tax." The tax levied by a political subdivision on earned income and net profits.

"Effective income tax rate." The actual tax rate levied by a political subdivision on a taxpayer based on the total of all income taxes imposed under a statute, including this act, adjusted under section 311.

"Employer." Any person, business entity or other entity, employing one or more individuals for a salary, wage, commission or other compensation. The term includes the Commonwealth, a political subdivision and an instrumentality or a public authority of either.

"Income tax." An earned income and net profits tax or personal income tax which is assessed on the income of a taxpayer levied by a political subdivision under the authority of a statute, including this act.

"Local tax officer." The tax officer authorized by a political subdivision to collect income taxes levied prior to January 1, 2012.

"Municipality." Any of the following:

- (1) A city of the second class.
- (2) A city of the second class A.
- (3) A city of the third class.
- (4) A borough.
- (5) Any town, incorporated town, or township.

"Net profits." The net income from the operation of a business, other than a corporation, as required to be reported to or as determined by the department under section 303 of the Tax Reform Code, and regulations promulgated under that section. For purposes of determining net profits, business losses from one business may be offset against profits from another business as provided under the Tax Reform Code and department regulations. The term does not include income which is not paid for services provided and which is in the nature of earnings from an investment. For taxpayers engaged in the business, profession or activity of farming, the term does not include any of the following:

- (1) Interest earnings generated from any monetary accounts or investment instruments of the farming business.
- (2) Gain on the sale of farm machinery.
- (3) Gain on the sale of livestock held at least 12 months for draft, breeding or dairy purposes.
- (4) Gain on the sale of other capital assets of the farm.

"Nonresident." An individual or business domiciled outside the political subdivision levying a specified tax.

"Nonresident tax." An income tax levied by a municipality on a nonresident.

"Official register." The part of the tax register that includes withholding tax rates as provided in section 511(a)(3).

"Oversight council." The council established in section 507.

"Person." A natural person.

"Political subdivision." Any of the following:

- (1) A municipality.
- (2) A school district of the first class A.
- (3) A school district of the second class.
- (4) A school district of the third class.
- (5) A school district of the fourth class.

"Preceding year." The calendar year before the current year.

"Public accountant." A certified public accountant.

"Resident." An individual or a business domiciled in the political subdivision levying a specified tax.

"Resident tax." An income tax levied by:

- (1) a municipality on a resident of that municipality; or
- (2) a school district on a resident of that school district.

"Succeeding year." The calendar year following the current year.

"Taxable income." Includes:

(1) In the case of an earned income and net profits tax, earned income and net profits.

(2) In the case of a personal income tax, income enumerated in section 303 of the Tax Reform Code as reported to and determined by the department, subject to correction for fraud, evasion or error, as finally determined by the Commonwealth.

"Taxable year." As follows:

(1) If the taxpayer files a Federal Income Tax Return under the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), the taxable period on the basis of which a taxpayer is required to file the return.

(2) If the taxpayer does not file a Federal income tax return under the Internal Revenue Code, the calendar year.

"Tax records." Tax returns, supporting schedules, correspondence with auditors or taxpayers, account books and other documents, including electronic records, obtained or created by the department to administer or collect a tax under this chapter. The term includes documents required by section 506(d). For purposes of this definition, the term "electronic records" includes data and information which is inscribed on a tangible medium or stored in an electronic or other medium and which is retrievable in perceivable form.

"Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

"Tax register." A database of all county, municipal and school tax rates available on the Internet as provided in section 511(a)(1).

"Taxpayer." A person or business required under this chapter to file a return of an income tax or to pay an income tax.

"Withholding tax." An income tax levied by a political subdivision under the authority of a statute including this act, for which employer withholding may be required under this chapter.

Section 502. Declaration and payment of income taxes.

(a) Application.—

(1) If a taxpayer's fiscal year is a calendar year, the following apply:

(i) Except as set forth in subparagraph (i), income tax shall be applicable to taxable income earned or received based on the method of accounting used by the taxpayer in the period beginning January 1 of the current year and ending December 31 of the current year.

(ii) Taxes imposed for the first time and changes to existing tax rates shall become effective on January 1 or July 1, as specified in the ordinance or resolution; and the tax shall continue in force on the specified annual basis, without annual reenactment, unless the rate of the tax is subsequently changed.

(2) If a taxpayer's fiscal year is not a calendar year, the department shall establish deadlines for filing, reporting and payment of income taxes which provide time periods equivalent to those provided for a calendar year taxpayer.

(b) Partial domicile.—The taxable income subject to tax of a taxpayer that is domiciled in a political subdivision for only a portion of the tax year shall be determined as follows:

(1) Determine the taxpayer's taxable income.

(2) Divide the number of calendar months during the tax year that the individual is domiciled in the political subdivision by 12. A taxpayer shall include in the number of calendar months under this paragraph each calendar month during which the taxpayer is domiciled in the political subdivision for more than half the calendar month. A day that a taxpayer's domicile changes shall be included as a day the individual is in the new domicile and not the old domicile. If the number of days in the calendar month in which the individual lived in the old and new domiciles are equal, the calendar month shall be included in calculating the number of months in the new domicile.

(3) Multiply:

- (i) the amount determined under paragraph (1);
by
(ii) the quotient under paragraph (2).

(c) Declaration and payment.—Except as provided in subsection (a)(2), taxpayers shall declare and pay income taxes as follows:

(1) Every taxpayer shall, by April 15 of the succeeding year, file with the department, a final return showing the amount of taxable income received during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due on the taxable income, the amount of tax paid, the amount of tax that has been withheld under section 512 and the balance of tax due. All amounts reported shall be rounded to the nearest whole dollar. At the time of filing the final return, the taxpayer shall pay the department the balance of the tax due or shall make demand for refund or credit in the case of overpayment.

(2) The following apply:

(i) A taxpayer making net profits shall, by April 15 of the current year, file with the department a declaration of the taxpayer's estimated net profits during the period beginning January 1 and ending December 31 of the current year and shall pay to the department in four equal quarterly installments the tax due on the estimated net profits. The first installment shall be paid at the time of filing the declaration; and the other installments shall be paid on or before June 15 of the current year, September 15 of the current year and January 15 of the succeeding year, respectively.

(ii) A taxpayer that first anticipates net profit after April 15 of the current year shall file the declaration under subparagraph (i) by June 15 of the current year, September 15 of the current year or December 31 of the current year, whichever date next follows the date on which the taxpayer first anticipates the net profit; and the taxpayer shall pay to the department in equal installments the tax due on or before the quarterly payment dates that remain after the filing of the declaration.

(iii) A taxpayer shall, by April 15 of the succeeding year, file with the department a final return showing the amount of net profits earned or received based on the method of accounting used by the taxpayer during the period beginning January 1 and ending December 31 of the current year, the total amount of tax due on the net profits and the total amount of tax paid. At the time of filing the final return, the taxpayer shall pay to the department the balance of tax due or shall make demand for refund or credit in the case of overpayment.

(iv) The department, in consultation with the oversight council, shall provide by regulation for the filing of an adjusted declaration of estimated net profits and for the payment of the estimated tax if a taxpayer that has filed a declaration under subparagraph (i) anticipates additional net profits not previously declared or has overestimated anticipated net profits.

(3) A taxpayer that receives taxable income not subject to withholding under section 512 shall file with the department a quarterly return as follows:

(i) The taxpayer shall file a return by:

(A) April 15 of the current year;

(B) June 15 of the current year;

(C) September 15 of the current year;

and

(D) January 15 of the succeeding year.

(ii) The return shall set forth the aggregate amount of taxable income which:

(A) is not subject to withholding by the taxpayer during the three-month periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year and December 31 of the current year; and

(B) is subject to income tax.

(iii) The return shall set forth other information the department requires. A taxpayer filing a return shall, at the time of filing the return, pay to the department the amount of income tax due. The department, in consultation with the oversight council, shall establish criteria under which the quarterly return and payment of the income tax may be deferred and which permit a taxpayer to file the receipt of taxable income on the taxpayer's annual return and pay the income tax due on or before April 15 of the succeeding year.

(d) Identification codes.—A taxpayer shall use a political subdivision identification code prescribed by the department in filing returns and remitting income tax payments under this section.

(e) Joint returns.—Married taxpayers who file a joint return for personal income tax under Article III of the Tax Reform Code shall file a joint return of income taxes subject to collection under this chapter. Section 503. Income tax rate changes.

Notwithstanding the provisions of the act of June 27, 2006 (1st Sp. Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, or any other statute, the following apply:

(1) A change in an income tax rate:

(i) shall only be effective with the commencement of a calendar year;

(ii) shall only be effective on a calendar year basis; and

(iii) shall not change during the calendar year.

(2) A referendum question under section 332 of the Taxpayer Relief Act shall reflect the estimated per homestead tax reduction for both the first and second years following the referendum.

(3) An income tax imposed as a result of referendum approval under section 332 of the Taxpayer Relief Act shall be effective for the immediately following calendar year.

Section 504. (Reserved).

Section 505. (Reserved).

Section 506. Department powers and duties.

(a) Collection and administration generally.—Notwithstanding any other provision of law to the contrary, for taxable years commencing on or after January 1, 2012, it shall be the duty of the department:

(1) To collect, reconcile, administer and enforce income taxes imposed on residents and nonresidents of each political subdivision.

(2) To receive income tax payments from taxpayers and employers and to enforce withholding by employers.

(3) To distribute income taxes to political subdivisions under section 513.

(4) To retain the earnings generated from investments authorized under subsection (g) in an annual amount not to exceed 1.25% of the total income taxes collected annually to defray the costs incurred by the department in collecting, reconciling, administering and enforcing income taxes under this chapter.

(5) To reconcile income taxes to the individual taxpayer level.

(6) To develop and implement, in conjunction with the Department of Community and Economic Development, a system using appropriate technology whereby both the school district and municipal residence of each taxpayer may be readily ascertained.

(b) Monthly activity reports.—The department shall, within 20 days after the end of each month, provide a written report to each

political subdivision for which income taxes were collected during the previous month. The report shall include a breakdown of all income taxes, penalties, costs and other money received, collected and distributed for the political subdivision during the previous month.

(c) Overpayments.—The department shall refund, on petition of and proof by the taxpayer, income taxes paid in excess of income taxes rightfully due in accordance with the refund procedures in Article III of the Tax Reform Code. The State Treasurer is vested with the authority to distribute refunds of overpayments of income taxes as directed by the department pursuant to this subsection.

(d) Records.—It shall be the duty of the department to keep a record showing the amount of income taxes received from each taxpayer, each employer, the date of receipt, the amount and date of all other money received or distributed and any other information required by the department. Tax records under this subsection may be retained electronically as permitted by law.

(e) Employer and taxpayer audits.—The following shall apply:

(1) In order to verify the accuracy of any income tax declaration or return or, if no declaration or return was filed, to ascertain the income tax due, the department may examine or audit the records pertaining to income taxes due of any of the following:

(i) An employer.

(ii) A taxpayer.

(iii) A person whom the department reasonably believes to be an employer or taxpayer.

(2) The examination or audit conducted by the department shall conform to the requirements set forth in Article III of the Tax Reform Code.

(3) Every employer and taxpayer or other person whom the department reasonably believes to be an employer or taxpayer shall provide to the department the means, facilities and opportunity for the examination and investigation authorized under paragraph (1).

(4) For purposes of this subsection, the term "records" shall include any books, papers and relevant Federal or State tax returns and accompanying schedules, or supporting documentation for any taxable income.

(f) Enforcement action.—The department may take any appropriate action for recovery of income taxes due and unpaid which is authorized for the recovery of State personal income tax under Article III of the Tax Reform Code.

(g) Investment of income tax collections.—Upon receipt, the department shall invest all income taxes collected only in investments authorized by law for political subdivisions. The department shall observe the standard of care that would be observed by a prudent person dealing with property of another.

(h) Standardized forms.—The department shall prescribe such standardized forms, reports, notices, returns, schedules and other documents as may be necessary to perform its powers and duties, provided however, that such standardized forms, reports, notices, returns, schedules and other documents shall be placed in use by the department only after the oversight council has reviewed and approved their usage.

(i) Regulations.—The following shall apply:

(1) The department shall promulgate such permanent regulations as are necessary to carry out the provisions of this chapter.

(2) The department may promulgate temporary regulations, as necessary, which shall be published in the Pennsylvania Bulletin. Temporary regulations promulgated by the department shall expire no later than January 1, 2013. Temporary regulations shall not be subject to any of the following:

(i) Sections 201, 202, 203 and 204 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law.

(ii) The act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(3) In promulgating regulations under this subsection, the department shall afford the oversight council created under section 507 a minimum of 30 days for review and comment prior to, in the case of permanent regulations, submission to the regulatory review process or, in the case of temporary regulations, adoption of the regulation.

(j) Implementation planning.—The department shall undertake planning to implement consolidated collection of income taxes under this chapter including, but not limited to, development of a strategy to address staffing, technological needs, office space, resource allocation and other considerations necessary to achieve efficient implementation. As part of its planning, the department shall establish an identification system for political subdivisions and assign an identification code to each political subdivision.
Section 507. Oversight council.

(a) Creation.—An oversight council comprised of representatives of Statewide organizations representing political subdivisions levying an income tax collected under this chapter is established in the department, which shall provide the office space, resources and personnel necessary to enable the council to carry out its duties and responsibilities.

(b) Membership.—The council shall consist of seven members who shall serve at the pleasure of the Governor and not receive compensation, but shall be reimbursed for reasonable expenses incurred in performing official duties.

(c) Appointment.—The Governor shall appoint the members of the council, subject to Senate confirmation by majority vote, and shall make the initial appointments under this subsection by January 1, 2011. One member shall be appointed from each list of nominees, containing a minimum of three nominees, provided by the following:

(1) The Pennsylvania School Boards Association.

(2) The Pennsylvania League of Cities and Municipalities.

(3) The Pennsylvania Boroughs Association.

(4) The Pennsylvania Association of School Business Officials.

(5) The Pennsylvania State Association of Township Supervisors.

(6) The Pennsylvania State Association of Township Commissioners.

(7) The Pennsylvania Institute of Certified Public Accountants. The appointee under this paragraph shall serve as chair.

(d) Powers and duties.—It shall be the duty of the council:

(1) To offer advice and recommendations to the department regarding institution, operation and maintenance of the income tax collection system established under this chapter.

(2) To review and comment on proposed temporary and permanent departmental regulations promulgated under this chapter prior to any required submission by the department of regulations to the formal regulatory review process.

(3) To approve the disbursement of unattributed tax receipts in accordance with section 513(c).

(4) To rule on claims filed by political subdivisions under section 513(b).

(5) To establish guidelines for the reasonable efforts the department must undertake in attempting to identify the proper political subdivision recipient of tax receipts prior to the tax receipts being classified as unattributable and subject to disbursement under section 513(c).

(6) To review and approve standardized forms and other documents under section 506(h).

(7) To annually provide for the examination of the accounts, compliance reports and records of the department for a representative sampling of political subdivisions having income taxes collected under this chapter. The examination shall include

an audit of all records relating to the receipt and disbursement of tax receipts by the department and a reconciliation of the monthly reports required by section 506(b). The examination shall be conducted according to generally accepted governmental auditing standards. The certified public accountant or public accountant retained shall issue a report, in a format prescribed by the council, which shall include an auditor's opinion letter, a financial statement, a reconciliation of the monthly reports required by section 506(b) with the receipts and disbursements, a report on the tax department's compliance with this chapter and a list of any findings of noncompliance with this chapter. If there are findings of noncompliance, a copy of the report shall be filed with the Department of the Auditor General and the department. A copy of the report shall be filed with the political subdivisions that comprised the representative sampling. The report shall be filed on or before July 1 of the succeeding year.

(e) Qualified majority vote.—

(1) Except as provided in paragraph (2), the affirmative vote of four council members shall be required to take any action.

(2) Any action taken by the council under subsection (d)(3) or (4) shall require a qualified majority vote consisting of at least five council members.

Section 508. Interest.

The following shall apply:

(1) Except as provided in paragraph (2), if the income tax is not paid when due, interest at the rate the taxpayer is required to pay to the Commonwealth under section 806 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, on the amount of the income tax, and an additional penalty of 1% of the amount of the unpaid income tax for each month or fraction of a month during which the income tax remains unpaid shall be added and collected but the amount shall not exceed 15% in the aggregate. Where an action is brought for the recovery of the income tax, the taxpayer liable for the income tax shall, in addition, be liable for the costs of collection, interest and penalties.

(2) The department may establish conditions under which interest or penalties that would otherwise be imposed for nonreporting or underreporting of income tax liabilities or for nonpayment of income taxes previously imposed and due if the taxpayer voluntarily files delinquent returns and pays the income taxes in full may be abated.

(3) The provisions of paragraph (2) shall not affect or terminate any petitions, investigations, prosecutions or other proceedings pending under this chapter, or prevent the commencement or further prosecution of any proceedings by the department for violations of this act.

Section 509. Taxpayer appeals.

A taxpayer may appeal any determination of the department relating to the assessment, collection, refund, withholding or remittance of income taxes in accordance with the appeal procedures set forth for the State personal income tax in Articles III and XXVII of the Tax Reform Code.

Section 510. Fines and penalties.

The following shall apply to violations of this chapter:

(1) Upon conviction, the following persons shall be sentenced to pay a fine of not more than \$2,500 for each offense, along with reasonable costs, and in default of payment of the fine and costs, to imprisonment for not more than six months:

(i) A taxpayer who fails, neglects or refuses to make a declaration or return required by this chapter.

(ii) An employer who fails, neglects or refuses to register, keep or supply records or returns required by section 512, to pay the income tax deducted from employees or to deduct or withhold income tax from employees.

(iii) A taxpayer or employer who refuses to permit the department to examine books, records and papers.

(iv) A taxpayer or employer who knowingly makes an incomplete, false or fraudulent return, or attempts to do anything whatsoever to avoid the full disclosure of the amount of income in order to avoid the payment of income taxes.

(2) An employer required under this chapter to collect, account for and distribute income taxes who willfully fails to collect or truthfully account for and distribute income taxes, commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine not exceeding \$25,000 or to imprisonment not exceeding two years, or both.

(3) Penalties imposed under this subsection shall be in addition to any other costs and penalties imposed by this act.

(4) The failure of any person to obtain forms required for making a declaration or return required by this chapter shall not excuse the person from making the declaration or return.

Section 511. Tax registers.

(a) Requirement.—The Department of Community and Economic Development shall maintain a tax register and an official register. All of the following shall apply:

(1) The Department of Community and Economic Development shall maintain a tax register on the department's Internet website. Information for the tax register shall be furnished by each county and each political subdivision to the department as prescribed by the Department of Community and Economic Development, which shall continuously update the tax register.

(2) As part of the tax register under paragraph (1), the Department of Community and Economic Development shall maintain an official register. The requirement to maintain an official register under this section shall supersede the requirements for an official register in any other act.

(3) The official register shall be organized by municipality and shall list:

(i) Each municipality and coterminous school district.

(ii) The effective income tax rate on taxpayers who reside in the municipality.

(iii) The effective income tax rate on taxpayers who reside in the school district.

(iv) The combined municipal and school district income tax rate on taxpayers residing in each municipality.

(v) The income tax rate on taxpayers working within the municipality.

(vi) Whether an income tax is a personal income tax levied under the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, or any other act.

(vii) Any other information deemed necessary by the department.

(4) Each year, the Department of Community and Economic Development shall update and officially release withholding tax rates on the official register on June 15 and December 15. Tax rates released on June 15 shall become effective July 1. Tax rates released on December 15 shall become effective January 1 of the following year. The Department of Community and Economic Development may revise the notification, official release and effective dates of the register for good cause. Six months prior to revision, the Department of Community and Economic Development shall notify each affected political subdivision of the revision and shall publish notice of the revision in the Pennsylvania Bulletin.

(5) Information for the official register shall be furnished by each political subdivision to the department as prescribed by

the Department of Community and Economic Development and shall include a copy of the ordinance or resolution enacting, repealing or changing the tax. The Department of Community and Economic Development shall be notified of changes to the official register as follows:

(i) New withholding tax enactments, repeals and changes shall be received by the Department of Community and Economic Development no later than June 1 to require withholding of a new tax or withholding at a new rate, or to suspend withholding of such tax, effective July 1 of that year. All new withholding tax enactments, repeals and changes received by the Department of Community and Economic Development by June 1 shall be officially released by June 15 and become effective July 1. Failure of the Department of Community and Economic Development to receive information by June 1 from political subdivisions regarding current withholding tax rates, new withholding tax enactments, repeals and changes shall be construed to mean that the information contained in the previous December 15 release of the official register is still in force. Information received after June 1 but before December 1 shall be officially released on December 15.

(ii) New withholding tax enactments, repeals and changes shall be received by the Department of Community and Economic Development no later than December 1 to require withholding of a new tax, withholding at a new rate or to suspend withholding of such tax effective January 1 of the following year. All new withholding tax enactments, repeals and changes received by December 1 shall be officially released by the department on December 15 and become effective January 1 of the following year. Failure of the Department of Community and Economic Development to receive information by December 1 from political subdivisions regarding current withholding tax rates, new withholding tax enactments, repeals and changes shall be construed to mean that the information contained in the previous June 15 release of the official register is still in force. Information received after December 1 but before June 1 shall be officially released on June 15.

(6) (i) Employers shall not be required to deduct from compensation of their employees or make reports of compensation in connection with any withholding tax that is not released on the official register as of June 15 and December 15 of each year as provided in paragraphs (4) and (5), unless the political subdivision imposing the tax has provided written notice to the employer of the tax or tax rate and the withholding requirement.

(ii) Notwithstanding any law to the contrary, no political subdivision or tax officer may require any employer to deduct a withholding tax at a rate or amount that is not released on the official register, unless the political subdivision imposing the tax has provided written notice to the employer of the tax or tax rate and the withholding requirement.

(iii) The provisions of this paragraph shall not affect the liability of any taxpayer for withholding taxes lawfully imposed under this act.

(7) An employer may withhold at the most recently available rate on the tax register even if such rate is different than the tax rate released on the official register as provided in paragraphs (4) and (5), provided that an employer shall not be required to withhold at a tax rate that is not released on the official register, unless the political subdivision imposing the tax has provided written notice to the employer of the current tax rate.

(8) No employer shall be held liable for failure to withhold an income tax from an employee if the failure to withhold the income tax arises from incorrect information submitted by the employee as to the employee's place of residence.

(b) (Reserved).

Section 512. Employer withholding and remittance.

For taxable years commencing on and after January 1, 2012, income taxes shall be withheld, remitted and reported as follows:

(1) Every employer having an office, factory, workshop, branch, warehouse or other place of business who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered, shall, within 15 days after becoming an employer, register with the department the name and address of the employer and other information as the department may require.

(2) An employer shall require each new employee to complete a certificate of residency form, which shall be an addendum to the Federal Employee's Withholding Allowance Certificate (Form W-4). An employer shall also require any employee who changes their address or domicile to complete a certificate of residency form. Upon request, certificate of residency forms shall be provided by the department. The certificate of residency form shall provide information to help identify the political subdivisions where an employee lives and works.

(3) Every employer having an office, factory, workshop, branch, warehouse or other place of business that employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, shall, at the time of payment, deduct from the compensation due each employee employed at the place of business the greater of the employee's resident tax or the employee's nonresident tax as released in the official register under section 511.

(4) Except as set forth in paragraph (5), within 30 days following the end of each calendar quarter, every employer shall file a quarterly withholding return with and pay the amount of income taxes deducted during the preceding calendar quarter to the department. The return shall show the name, address and Social Security number of each employee, the compensation of the employee during the preceding three-month period, the income tax deducted from the employee, the political subdivisions imposing the income tax upon the employee, the total compensation of all employees during the preceding calendar quarter, the total income tax deducted from the employees and any other information prescribed by the department.

(5) Any employer who for two of the preceding four quarterly periods has failed to deduct the proper income tax, or any part of the income tax, or has failed to pay over the proper amount of income tax as required by paragraph (4) to the department, may be required by the department to file returns and pay the income tax monthly. In this case, payments of income tax shall be made to the department on or before the last day of the month succeeding the month for which the income tax was withheld.

(6) On or before February 28 of the succeeding year, every employer shall file with the department:

(i) An annual return showing, for the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of compensation paid, the total amount of income tax deducted, the total amount of income tax remitted to the department and any other information prescribed by the department.

(ii) An individual withholding statement, which may be integrated with the Federal Wage and Tax

Statement (Form W-2), for each employee employed during all or any part of the period beginning January 1 of the current year and ending December 31 of the current year, setting forth the address and Social Security number, the amount of compensation paid to the employee during the period, the amount of income tax deducted, the amount of income tax remitted to the department, the identification codes prescribed by the department representing the political subdivisions for which tax was remitted and any other information required by the department. Every employer shall furnish one copy of the individual withholding statement to the employee for whom it is filed.

(7) Except as otherwise provided in section 511, an employer who willfully or negligently fails to make or omits the deductions required by this subsection shall be liable for payment of income taxes which the employer was required to withhold to the extent that the income taxes have not been recovered from the employee. The failure or omission of any employer to make the deductions required by this section shall not relieve any employee from the payment of the income tax or from complying with the requirements for filing of declarations and returns.

(8) Employers shall use political subdivision identification codes prescribed by the department in deducting, withholding and remitting income taxes and filing returns pursuant to this section.

(9) Employers required to remit withheld State personal income tax and file reports and returns associated with that tax electronically, shall also remit income tax withheld under this chapter and file reports and returns associated therewith electronically.

Section 513. Distribution of income taxes.

(a) General rule.—Subject to subsections (b) and (c), all of the following apply:

(1) Distribution of income taxes from the department to political subdivisions shall be as follows:

(i) Except as provided under subparagraph (ii), income taxes received by the department from employers on or after January 1, 2012, under section 512 shall be distributed within 30 days of the later of:

(A) receipt; or

(B) the deadline for payment under section 512(4).

(ii) Income taxes received by the department from employers on or after January 1, 2012, under section 512(5) shall be distributed within 30 days of the last day of the month following receipt.

(iii) Income taxes received by the department from taxpayers on or after January 1, 2012, shall be distributed within 30 days of receipt.

(2) Income taxes received from employers and taxpayers shall be distributed based on the information submitted by the employers, taxpayers and political subdivisions.

(3) The department shall maintain a record of all income taxes distributed under this section, which shall include all of the information required in the reports under section 512(4) and (5), the date of distribution, the political subdivisions to which the income taxes are distributed and such other information as deemed warranted by the department. The record shall be provided to the political subdivision at the time of distribution.

(b) Claims by political subdivisions.—The following shall apply:

(1) If income taxes are not distributed to the appropriate political subdivision as required under subsection (a), the political subdivision may make a claim for income taxes attributable to it and provide supporting documentation. The department shall, within 20 days:

(i) pay the claim if it is undisputed; or

(ii) respond in writing stating the reasons why the claim cannot be paid.

(2) If the department acts under paragraph (1)(ii), the claim, along with the documentation supplied by the department and the political subdivision, shall be referred to the oversight council, which shall within 30 days of the referral order the claim to be paid to the political subdivision making the claim, order the tax receipts involved to be paid to another political subdivision that is properly entitled to the tax receipts or order the tax receipts to be considered unattributed and to be distributed pursuant to subsection (c).

(c) Unattributed tax receipts.—If the department, within one year after receiving an income tax payment after reasonable efforts meeting conditions established by the oversight council, cannot identify the political subdivision entitled to the income tax payment, it shall distribute the payment equally to the municipality and school district in which the income tax was collected, provided each levies an income tax. In the event the a school district cannot be identified, the payment shall be made to the municipality. No disbursement pursuant to this subsection may occur until approval of the oversight council has been obtained.

Section 514. Confidentiality.

(a) General rule.—Any information gained by the department as a result of any declarations, returns, investigations, hearings or verifications shall be confidential tax information.

(b) Prohibited conduct.—It shall be unlawful, except for official purposes or as provided by law, for the department or political subdivision to do any of the following:

(1) Divulge or make known confidential tax information.

(2) Permit confidential tax information or a book containing an abstract or particulars of the abstract to be seen or examined by any person.

(3) Print, publish or otherwise make known any confidential tax information.

(c) Penalties.—A person that violates subsection (b) commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$2,500 or to imprisonment for not more than one year, or both. If the offender is an employee of the department or a political subdivision, the employee shall be discharged from employment. The offender shall pay the costs of prosecution.

Section 515. Transition.

(a) Remittance and filing.—Every employer shall remit 2011 income taxes and file the quarterly and annual reports required by former Division IV(b) and (c) of section 13 to the local tax officer.

(b) Department transition plan.—By January 1, 2011, the department shall develop a plan to transition from the collection provisions of former section 13 to the provisions of this chapter for 2012 income taxes, and, during the year 2011, disseminate the specifics of the plan to political subdivisions and the general public.

(c) Certain tax records.—The local tax officer shall deliver all tax records pertaining to income taxes levied prior to January 1, 2012, to the political subdivision by June 30, 2012, unless otherwise agreed to by the political subdivision.

(d) Responsibility of local tax officer.—Any delinquent income taxes or reports from 2011, or previous years, which have not been remitted or provided to the political subdivision by June 30, 2012, shall remain the responsibility of the local tax officer. A political subdivision which has made other provisions for the collection of delinquent income taxes or reports for 2011, or previous years, shall notify the local tax officer.

(e) Duty of employer.—Beginning with the first quarter of 2012, employers shall remit income taxes withheld and make reports as required by section 512 to the department.

(f) Duty of taxpayer.—Beginning with the first quarter of 2012, taxpayers shall remit income taxes and make reports as required by section 502 to the department.

Section 516. Regulatory conflict.

In the event of a conflict between a regulation under this chapter and a regulation under the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, in the area of tax collection, the regulation under this chapter shall prevail.

Section 517. Audit and evaluation.

(a) General rule.—Before 2017, the Legislative Budget and Finance Committee and the Local Government Commission shall jointly conduct an audit and evaluation of the impact of this chapter and consolidated collection of local income taxes. The committee and the commission shall jointly consult with the Auditor General in the course of the audit and evaluation. The audit and evaluation shall:

(1) Determine the extent to which income tax revenue losses have been minimized or eliminated by the implementation of uniform collection standards and a Statewide income tax collection system.

(2) Determine whether consolidated collection and standardized withholding and remittance of local income taxes as required in section 512 has simplified the system, reduced fragmentation and reduced the burden of withholding, remitting and distributing the local income tax for employers.

(3) Determine if tax compliance is simpler, easier, more fair and less time consuming for taxpayers.

(4) Determine whether the tax collection system under this chapter is more efficient than the prior system.

(5) Determine whether nonresident and resident taxes are being properly distributed among political subdivisions.

(6) Determine whether the reporting, audit, accountability, transparency and oversight requirements for taxes collected, distributed and administered in this chapter are adequate and being met.

(7) Determine if the oversight council created under section 507 has carried out its duties in an impartial, fair and efficient fashion.

(8) Recommend needed improvements to the system.

(b) Filing requirement.—Copies of the joint audit findings of the Legislative Budget and Finance Committee and the Local Government Commission under subsection (a) shall be filed with the chair of the Finance Committee of the Senate, the chair of the Finance Committee of the House of Representatives, the department, the Auditor General and with the oversight council.

Section 24. The act is amended by adding a chapter heading to read:

CHAPTER 7COLLECTION OF DELINQUENT TAXES

Section 25. The act is amended by adding a section to read:

Section 701. Definitions.—As used in this chapter:

"Business entity" means a sole proprietorship, corporation, joint-stock association or company, partnership, limited partnership, limited liability company, association, business trust, syndicate or other commercial or professional activity organized under the laws of this Commonwealth or any other jurisdiction.

"Employer" means a person, business entity or other entity, including the Commonwealth, its political subdivisions and instrumentalities and public authorities, employing one or more persons for a salary, wage, commission or other compensation.

"Private agency" means a business entity or person appointed as a tax collector by a political subdivision.

Section 26. Section 18 of the act is renumbered and amended to read:

Section [18] 701.1. Distress and Sale of Goods and Chattels of Taxpayer.—Every tax collector under Chapter 3 shall have power, in case of the neglect or refusal of any person[, copartnership, association, or corporation] or business entity, to make payment of the amount of any tax due [by him] from the person or the business entity, after two months from the date of the tax notice, to levy the amount of such tax, any penalty due thereon and costs, not exceeding costs and charges allowed constables for similar services by distress and sale of the goods

and chattels of such delinquent, wherever situate or found, upon giving at least ten days' public notice of such sale, by posting ten written or printed notices, and by one advertisement in a newspaper of general circulation published in the county.

No failure to demand or collect any taxes by distress and sale of goods and chattels shall invalidate any return made, or lien filed for nonpayment of taxes, or any tax sale for the collection of taxes.

Section 27. Sections 19 and 20 of the act, amended June 21, 2007 (P.L.13, No.7), are renumbered and amended to read:

Section [19] 702. Collection of Delinquent Per Capita, Occupation, Occupational Privilege, Emergency and Municipal Services, and Local Services [and Earned Income] Taxes from Employers, etc.—The tax collector under Chapter 3 shall demand, receive and collect from all [corporations, political subdivisions, associations, companies, firms or individuals,] employers, other than the Commonwealth, employing persons owing delinquent per capita, [or] occupation, occupational privilege, emergency and municipal services, and local services [and earned income] taxes, or whose spouse owes delinquent per capita, occupation, occupational privilege, emergency and municipal services, and local services [and earned income] taxes, or having in possession unpaid commissions or earnings belonging to any person or persons owing delinquent per capita, occupation, occupational privilege, emergency and municipal services, and local services [and earned income] taxes, or whose spouse owes delinquent per capita, occupation, occupational privilege, emergency and municipal services, and local services [and earned income] taxes, upon the presentation of a written notice and demand certifying that the information contained therein is true and correct and containing the name of the taxable or the spouse thereof and the amount of tax due. Upon the presentation of such written notice and demand, it shall be the duty of any [such corporation, political subdivision, association, company, firm or individual] employer to deduct from the wages, commissions or earnings of such individual employees, then owing or that shall within sixty days thereafter become due, or from any unpaid commissions or earnings of any such taxable in [its or his] the employer's possession, or that shall within sixty days thereafter come into [its or his] the employer's possession, a sum sufficient to pay the respective amount of the delinquent [per capita, occupation, occupational privilege, emergency and municipal services, local services and earned income] taxes and costs, shown upon the written notice or demand, and to pay the same to the tax collector of the taxing district in which such delinquent tax was levied within sixty days after such notice shall have been given. No more than ten percent of the wages, commissions or earnings of the delinquent taxpayer or spouse thereof may be deducted at any one time for delinquent [per capita, occupation, occupational privilege, emergency and municipal services, local services and earned income] taxes and costs. [Such corporation, political subdivision, association, firm or individual] The employer shall be entitled to deduct from the moneys collected from each employe the costs incurred from the extra bookkeeping necessary to record such transactions, not exceeding two percent of the amount of money so collected and paid over to the tax collector. Upon the failure of any [such corporation, political subdivision, association, company, firm or individual] employer to deduct the amount of such taxes or to pay the same over to the tax collector, less the cost of bookkeeping involved in such transaction, as herein provided, within the time hereby required, [such corporation, political subdivision, association, company, firm or individual] the employer shall forfeit and pay the amount of such tax for each such taxable whose taxes are not withheld and paid over, or that are withheld and not paid over together with a penalty of ten percent added thereto, to be recovered by an action of assumpsit in a suit to be instituted by the tax collector, or by the proper authorities of the taxing district, as debts of like amount are now by law recoverable, except that such person shall not have the benefit of any stay of execution or exemption law. The tax collector shall not proceed against a spouse or [his] the spouse's employer until [he] the tax collector has pursued collection remedies against the delinquent taxpayer and his employer under this section.

Section [20] 703. Collection of Delinquent Per Capita, Occupation, Occupational Privilege, Emergency and Municipal Services, and Local Services [and Earned Income] Taxes from the Commonwealth.—Upon presentation of a written notice and demand under oath or affirmation, to the State Treasurer or any other fiscal officer of the State, or its boards, authorities, agencies or commissions, it shall be the duty of the treasurer or officer to deduct from the wages then owing, or that shall within sixty days thereafter become due to any employe, a sum sufficient to pay the respective amount of the delinquent per capita, occupation, occupational privilege, emergency and municipal services, and local services [and earned income] taxes and costs shown on the written notice. The same shall be paid to the tax collector of the taxing district in which said delinquent tax was levied within sixty days after such notice shall have been given.

Section 28. Section 20.1 of the act, added October 18, 1975 (P.L.425, No.118), is renumbered and amended to read:

Section [20.1] 704. Notice.—The tax collector shall, at least fifteen days prior to the presentation of a written notice and demand to the State Treasurer or other fiscal officer of the State, or to any [corporation, political subdivision, association, company or individual] employer, notify the taxpayer owing the delinquent tax by registered or certified mail that a written notice and demand shall be presented to [his] the taxpayer's employer unless such tax is paid. The return receipt card for certified or registered mail shall be marked delivered to addressee only, and the cost of notification by certified or registered mail shall be added to the costs for collecting taxes.

Section 29. Section 21 of the act, amended November 30, 2004 (P.L.1520, No.192), is renumbered and amended to read:

Section [21] 705. Collection of Taxes by Suit.—Each taxing district or person, public employe or private agency designated by the taxing district under Chapter 3 shall have power to collect unpaid taxes from the persons owing such taxes by suit in assumpsit or other appropriate remedy. Upon each such judgment, execution may be issued without any stay or benefit of any exemption law. The right of each such taxing district to collect unpaid taxes under the provisions of this section shall not be affected by the fact that such taxes have been entered as liens in the office of the prothonotary, or the fact that the property against which they were levied has been returned to the county commissioners for taxes for prior years.

Section 30. Section 22 of the act is renumbered and amended to read:

Section [22] 706. Penalties.—Except as otherwise provided in Chapter 5 in the case of any tax levied and assessed upon earned income, any such political subdivision shall have power to prescribe and enforce reasonable penalties for the nonpayment, within the time fixed for their payment, of taxes imposed under authority of this act and for the violations of the provisions of ordinances or resolutions passed under authority of this act.

[If for any reason any tax levied and assessed upon earned income by any such political subdivision is not paid when due, interest at the rate of six percent per annum on the amount of said tax, and an additional penalty of one-half of one percent of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. When suit is brought for the recovery of any such tax, the person liable therefor shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.]

Section 31. Section 22.1 of the act, amended June 21, 2007 (P.L.13, No.7), is renumbered and amended to read:

Section [22.1] 707. Costs of Collection of Delinquent Per Capita, Occupation, Occupational Privilege, Emergency and Municipal Services, and Local Services [and Earned Income] Taxes.—(a) A [person, public employe] bureau, political subdivision or private agency designated by a governing body of a political subdivision to collect and administer [a] per capita, occupation, occupational privilege, emergency and municipal services, and local services [or earned income tax] taxes may impose and collect the reasonable costs incurred to provide notices of delinquency or to implement similar

procedures utilized to collect delinquent taxes from a taxpayer as approved by the governing body of the political subdivision. Reasonable costs collected may be retained by the [person, public employe or private agency designated to collect the tax as agreed to by the governing body of the political subdivision] tax collector. An itemized accounting of all costs collected shall be remitted to the political subdivision on an annual basis.

(b) Costs related to the collection of unpaid per capita, occupation, occupational privilege, emergency and municipal services or local services taxes may only be assessed, levied and collected for five years from the last day of the calendar year in which the tax was due.

(c) A delinquent taxpayer may not bring an action for reimbursement, refund or elimination of reasonable costs of collection assessed or imposed prior to the effective date of this section. Additional costs may not be assessed on delinquent taxes collected prior to the effective date of this section.

Section 32. Sections 22.2 and 22.3 of the act, added November 30, 2004 (P.L.1520, No.192), are renumbered and amended to read:

Section [22.2] 708. Clarification of Existing Law.—The addition of section [22.1 of this act] 707 is intended as a clarification of existing law and is not intended to:

- (1) establish new rights or enlarge existing rights of political subdivisions or employes or agents of political subdivisions; or
- (2) establish new obligations or enlarge existing obligations of taxpayers.

Section [22.3] 709. Legal Representation.—When bringing a suit under any provision of this [act] chapter, the taxing district, officer, person, public employe or private agency designated by the taxing district shall be represented by an attorney.

Section 33. Section 22.6 of the act, added June 21, 2007 (P.L.13, No.7), is repealed:

[Section 22.6. Restricted Use.—(a) Any municipality deriving funds from the local services tax may only use the funds for:

- (1) Emergency services, which shall include emergency medical services, police services and/or fire services.
- (2) Road construction and/or maintenance.
- (3) Reduction of property taxes.
- (4) Property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S. Ch. 85 Subch. F (relating to homestead property exclusion).

(a.1) A municipality shall use no less than twenty-five percent of the funds derived from the local services tax for emergency services.

(b) In the event that a municipality decides to implement a homestead and farmstead exclusion for purposes of providing property tax relief in accordance with subsection (a)(4), the following shall apply:

(1) The decision to provide a homestead and farmstead exclusion shall be made, by ordinance, prior to December 1, with the homestead and farmstead exclusion to take effect for the fiscal year beginning the first day of January following adoption of the ordinance. Upon adopting an ordinance in accordance with this paragraph, a municipality shall, by first class mail, notify the assessor, as defined in 53 Pa.C.S. § 8582 (relating to definitions), of its decision to provide a homestead and farmstead exclusion.

(2) The assessor shall provide a municipality that will be imposing a homestead and farmstead exclusion in accordance with subsection (a)(4) with a certified report, as provided in 53 Pa.C.S. § 8584(i) (relating to administration and procedure), listing information regarding homestead and farmstead properties in the municipality as determined pursuant to applications filed with the assessor in connection with this or any other law under which a homestead or farmstead exclusion has been adopted. In the year in which an ordinance is adopted in accordance with paragraph (1), the assessor shall provide the certified report after being notified by the municipality of its decision to provide a homestead and farmstead exclusion. In each succeeding year, the assessor shall provide the

certified report by December 1 or at the same time the tax duplicate is certified to the municipality, whichever occurs first. Any duty placed on an assessor in accordance with this paragraph shall be in addition to those established in 53 Pa.C.S. Ch. 85 Subch. F and the act of June 27, 2006 (1st Sp.Sess. P.L.1873, No.1), known as the "Taxpayer Relief Act."

(3) Only homestead or farmstead properties identified in the certified report of the assessor obtained in any year shall be eligible to receive the exclusion for the next fiscal year.

(4) In the year in which a municipality adopts the ordinance evidencing its decision to implement a homestead and farmstead exclusion, the municipality shall notify by first class mail the owner of each parcel of residential property within the municipality which is not approved as a homestead or farmstead property or for which the approval is due to expire of the following:

(i) That the homestead and farmstead exclusion program is to be implemented to provide property tax relief as authorized by subsection (a)(4), beginning in the next fiscal year.

(ii) That only properties currently identified in the certified report of the assessor as having been approved in whole or in part as homestead or farmstead properties shall be entitled to an exclusion in the next fiscal year.

(iii) That owners of properties that have not been approved by the assessor as homestead or farmstead properties may file an application in accordance with 53 Pa.C.S. § 8584(a) by the annual application deadline of March 1 in order to qualify for the program in the year following the next fiscal year.

(5) The one-time notice required by paragraph (4) may be combined and made together with the annual notice required by paragraph (7) or with an annual notice by a coterminous political subdivision that has implemented a homestead and farmstead exclusion.

(6) In the year in which the initial decision to provide a homestead and farmstead exclusion is made and in each succeeding year, a municipality shall, by resolution, fix the dollar amount that is to be excluded from the assessed value of each homestead and farmstead property for the next fiscal year, consistent with 53 Pa.C.S. §§ 8583 (relating to exclusion for homestead property) and 8586 (relating to limitations). This determination of the amount of the homestead and farmstead exclusion shall be made, after receipt of the tax duplicate and the certified report from the assessor, at the time the governing body of a municipality determines the municipal budget and estimates revenues to be derived from the local services tax for the next fiscal year.

(7) Each year after the year in which the municipality implements a homestead and farmstead exclusion and no later than one hundred twenty days prior to the application deadline, the municipality shall give notice of the existence of the municipality's homestead and farmstead exclusion program; the need to file an application in accordance with 53 Pa.C.S. § 8584(a) in order to qualify for the program; and the application deadline which, notwithstanding 53 Pa.C.S. § 8584(b), shall be December 15. This annual notice, which shall be given by first class mail, need only be sent to the owner of each parcel of residential property in the municipality which is not approved as homestead or farmstead property or for which the approval is due to expire.

(c) For purposes of this section, the term "municipality" does not include a school district.]

Section 34. The act is amended by adding a chapter heading to read:

CHAPTER 9

MISCELLANEOUS PROVISIONS

Section 35. Section 23 of the act is renumbered and amended to read:

Section [23] 901. Repeals.—(a) (1) The act of June 25, 1947 (P.L.1145), entitled, as amended, "An act empowering cities of the second class, cities of the second class A, cities of the third class, boroughs, towns, townships of the first class, townships of the second class, school districts of the second class, school districts of the

third class and school districts of the fourth class to levy, assess and collect or to provide for the levying, assessment and collection of certain additional taxes subject to maximum limitations for general revenue purposes; authorizing the establishment of bureaus and the appointment and compensation of officers and employees to assess and collect such taxes; and permitting penalties to be imposed and enforced; providing an appeal from the ordinance or resolution levying such taxes to the court of quarter sessions and to the Supreme Court and Superior Court," is repealed.

(2) All other acts and parts of acts are repealed in so far as they are inconsistent herewith.

(b) The following acts and parts of acts are repealed to the extent specified:

(1) Section 224 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, insofar as it is inconsistent with this act.

(2) The act of August 24, 1961 (P.L.1135, No.508), referred to as the First Class A School District Earned Income Tax Act, insofar as it is inconsistent with this act.

(3) Sections 322, 326, 351 and 5004.1 of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, insofar as it is inconsistent with this act.

(4) 53 Pa.C.S. Ch. 84 Subch. C (relating to taxation and assessments), insofar as it relates to any tax on income or on earned income and net profits.

Section 36. Any ordinance or resolution providing for the levying, assessment or collection of a tax on individuals for the privilege of engaging in an occupation which has been enacted by a political subdivision prior to December 1, 2004, shall continue in full force and effect, without reenactment, as if such tax had been levied, assessed or collected as a local services tax under section 301.1(f)(9) of the act. All references in any ordinance or resolution to a tax on the privilege of engaging in an occupation shall be deemed to be a reference to a local services tax for the purposes of the act.

Section 37. All emergency and municipal services taxes levied for the calendar year beginning on January 1, 2007, shall remain in effect for the calendar year beginning on January 1, 2007, and ending December 31, 2007, and are not otherwise altered.

Section 38. This act shall apply as follows:

(1) The repeal of section 13 of the act shall not apply to income taxes levied and collected prior to January 1, 2012.

(2) The addition of Chapter 5 of the act shall apply to income taxes levied and collected after December 31, 2011.

(3) The addition of section 511 of the act shall apply to the official register released June 15, 2009, and each year thereafter.

Section 39. This act shall take effect as follows:

(1) The following provisions shall take effect immediately:

(i) The amendment or addition of sections 506(a), (h), (i) and (j), 507(a), (b) and (c), 511 and 515 of the act.

(ii) Sections 36, 37 and 38 of this act.

(iii) This section.

(2) The remainder of this act shall take effect January 1, 2012.

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes Representative Maher. Mr. MAHER. Thank you, Mr. Speaker.

I cannot claim credit for authoring this amendment. This amendment, which is an excellent piece of work, was authored by the gentleman, Mr. Steil. And what it does, in a nutshell, is to accelerate efficiency. If Pennsylvania is prepared to streamline from hundreds of tax collectors, the obvious and simplest

solution is to consolidate to one, that all employers would simply send their payroll withholdings to the same address, that the State would then immediately turn around and distribute these funds to local governments. And at the end of the year, the local taxpayers would not even have to file local returns, but could simply have two boxes added on to their PA-40 – completely eliminate filing local tax returns as separate documents is possible under this amendment, completely streamlining to a single source of collection, distribution, paperwork processing.

The economy is to be accomplished by allowing that if a return is to be audited, all three jurisdictions can be audited simultaneously. The efficiencies are huge. I hope that those who embrace streamlining government will appreciate that using our Department of Revenue to accomplish very much the same sort of work they already do is a significantly better answer than creating 69 units of government in the name of streamlining. I hope you will join me in supporting Mr. Steil's very worthy effort that dates back to the beginning of this decade.

At the beginning of this decade, this legislature took the very important step of conforming all local earned income tax calculations to the same basis. So no matter which town you lived in, your income that was subject to the earned income tax was equivalent, regardless of the town you lived in. The Department of Community and Economic Development undertook a study, I think it began, or concluded around 2004, and that study reached the conclusion that if efficiencies were going to be achieved, the best solution was to go to a single point. I think they were right then, and I think Mr. Steil is right now, and I would hope to have your support.

The SPEAKER. Representative Levdansky.

Mr. LEVDANSKY. Mr. Speaker, the effort to consolidate the collection of the earned income tax was initiated by a study about 4 years ago by the Department of Community and Economic Development. They studied the fragmented system of collecting wage taxes in Pennsylvania. And understand that there are over 2,800 municipalities and school districts that levy a wage tax, and presently there are approximately 560 wage-tax collectors that collect that wage tax for the over 2,800 municipalities and school districts.

The original report from DCED did, in fact, recommend that we do a statewide collection of the earned income tax, that essentially, we piggyback on the PIT (personal income tax) system. However, Mr. Speaker, when I went to introduce that legislation, there was a relentless and almost unanimous opposition to that from all the local government groups, the township supervisors and all the local governments and all the school boards and even the Department of Revenue. So there was a near-unanimous opposition to instituting one statewide, centralized effort to collect the wage tax. It reminds me of a debate that we had about 10 years ago, when I introduced similar legislation to call for a statewide, centralized voter registration registry, and we heard all sorts of opposition from people at the local level.

So recognizing that there was all this opposition at the local level, we decided that the best way to proceed towards consolidation was not to try to do it all in one fell swoop, but rather to require the consolidation to be done and achieved on a countywide basis, so that we could consolidate from 560 wage-tax collectors to 69 wage-tax collectors, under this legislation. This legislation crafts that delicate balance and those two goals, sometimes competing goals, of wanting to streamline

and consolidate and achieve efficiencies with, at the same time, providing for a reasonable degree of local control. This legislation is the compromise between those two competing goals, and we have done that because we recognize that there was no support amongst all the stakeholder groups to provide for a statewide, centralized collection of this tax.

An additional point, Mr. Speaker, is you require the State to do this. Not only is the Department of Revenue not capable of doing it right now, they would have to change all the State income tax forms – they are going to have to change the forms – and in addition, there are going to be numerous costs that the department is going to incur in terms of manpower. The fiscal note alone says an additional \$20 million would be incurred by the State to comply with this amendment. For those reasons, Mr. Speaker, I would oppose the amendment.

LEAVES OF ABSENCE CANCELED

The SPEAKER. The Chair recognizes the presence of Representative Pallone and Representative Gerber on the floor. Their names will be added to the master roll.

CONSIDERATION OF SB 1063 CONTINUED

The SPEAKER. The Chair recognizes Representative Kotik. Mr. KOTIK. Thank you, Mr. Speaker.

As someone who grew up in local government, I think I have a pretty good appreciation of how much municipalities depend on the revenue they derive from their local tax collectors. And I am a firm believer in local control of the tax collection process. However, I believe that oftentimes there are good ideas, oftentimes there are better ideas, and oftentimes there are superior ideas, and the Steil amendment is a superior idea. We talk about wanting to reduce the cost of government, maximize efficiency. Well, the Steil amendment does that. It provides for one central collection agency to collect and remit it to our school districts and municipalities.

If we really want to do that and we really want to control costs, that is the proper way to go rather than creating a county bureaucracy with solicitors, with advisors, with councils, with all kind of bureaucracy that are eventually going to cost tons of money for the local municipalities. I urge adoption of the Steil amendment.

The SPEAKER. Representative Ross.

Mr. ROSS. Thank you.

The SPEAKER. If the gentleman will suspend. The Chair, again, will ask members to hold their conversations to a minimum.

Representative Ross.

Mr. ROSS. Thank you, Mr. Speaker.

I believe that the chairman of the Finance Committee had it right in the first place. Let us keep this simple. Let us keep it uncomplicated. This is a business-generating idea, this amendment. The business community wants simplicity. They have screamed at us over the years that we are overly complicated at the local level, that our tax system from State down to local is too much. This resolves it, and I would also urge the members to look carefully at this amendment because it has been carefully crafted. There is a reasonable period of time for this to be implemented – 3 1/2 years. That is sufficient time

for the Department of Revenue to absorb the changes that we are asking them to do.

This is a very good idea. I am glad to hear it has some bipartisan support. I also believe that the Senate will, if we were to institute this, reconsider their position, because I know some of the Senators agree with us, and we can go to the best solution directly.

Now, there is fear out there among some of the current entities that are receiving these taxes. There is some anxiety, and I understand any change creates anxiety. But I think when they actually see how this system would be implemented, that they will be grateful to us in the future because it is going to give them more revenue. It is going to resolve some of the problems they currently have, and it is going to reduce the complications and the complexities that are currently inherent in the system.

It is a better answer, and I urge an affirmative vote.

The SPEAKER. Representative Nickol.

Mr. NICKOL. Thank you, Mr. Speaker.

I rise, once again, to agree with one of the gentlemen from Allegheny County, except this time it is not the chairman of the Finance Committee, it is the gentleman from Coraopolis. I, too, feel that statewide collection of this earned income tax would be a marked improvement over what we have now.

Secretary Yablonsky came to the Finance Committee and told us how earned income tax collection is one of the largest business climate issues in the Commonwealth of Pennsylvania, because in many areas, it takes a business more time to complete their earned income tax reports and the division of all the revenues than it does for them to deal with the very complicated Federal income tax return.

We have counties in this State right now which have 27 or more collectors – 6 of them. We have 16 counties with 11 to 26. Certainly, 69 is an improvement on those numbers, but in my mind, the ultimate has always been one – to simplify it for one tax form, eliminate the need to complete several different tax forms to correspond with the earned income tax collection agencies locally. For all our citizens, it will simplify their lives each year when they have to file their taxes, and I think this is the preferred alternative.

I realize that the county system, with all the weighted voting and the cost sharing, is quite complicated. I mean, we are establishing all these miniconventions with hundreds of delegates and alternate delegates, trying to meet to come together to create those tax collection districts, and even though it is better than what we have now, it is uncomfortable in my mind, and this is the preferred alternative. So I urge members to support the Maher amendment, which was drafted by Representative Steil. Thank you.

The SPEAKER. Representative Denlinger.

Mr. DENLINGER. Thank you, Mr. Speaker.

I am wondering if the maker would stand for brief interrogation?

The SPEAKER. Representative Levdansky indicates that he will stand for interrogation.

Representative Denlinger is in order and may proceed.

Mr. DENLINGER. Thank you, Mr. Speaker.

Mr. Speaker, I am wondering, this is a challenging point that has been raised, and we do respect the maker of this amendment and his motives, but we have come a long way – you mentioned a 4-year journey to try to get us to this point in time. And I am wondering, could you educate us in the House of

Representatives on what the impact of this amendment, going in, would be on the process of streamlining and modernizing our tax collection system?

Mr. LEVDANSKY. Mr. Speaker, it has taken us 4 years since the report, over the course of two sessions, for both chambers to essentially come up with a compromise that is fair to all the stakeholder groups. I do not see how in the course of 1 week— So it has taken us 4 years to get a consensus amongst the stakeholders for the existing language in SB 1063, and that has been through a lot of public hearings and just a lot of meetings, working through all of that.

I think it is unreasonable to expect the Senate and the House to be able to work on, to craft language to put in place as statewide, comprehensive collection of the earned income tax. I do not mean anything disparaging to the sponsor of the amendment, Representative Steil from Bucks County, because I have the utmost respect for his commitment to reform here in the House. But I think even he would recognize that this is an extraordinarily complex issue, and it is just unreasonable to expect the Senate – the Senate – to take anything that we send to them and to try to work out a statewide system in the context of 1 week. So for all practical intent, adopting this amendment would, in fact, kill the delicate balance that has been struck amongst all the stakeholder groups, as exemplified in the language in the bill.

Mr. DENLINGER. Thank you, Mr. Speaker.

If I could speak on the Steil amendment, please?

THE SPEAKER PRO TEMPORE (JENNIFER L. MANN) PRESIDING

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

Mr. DENLINGER. Thank you.

I do want to ask my members to think carefully about this next vote, and it is a vote that is challenging, because, frankly, I can see a lot of the arguments behind going all the way to statewide collection. However, the choice that we have here, I am afraid, is really not to go all the way to statewide. It is, in fact, to get nothing at all after 4 years of very hard work. It is a delicate balance because, as we know, all politics is local, and if the structure of the compromise coming out of the Senate is such that moving towards statewide would end the fragile agreement, then, Madam Speaker, I am afraid that we would lose. We would lose as a State in such a vote.

So I am going to encourage my fellow members here to vote against the Steil amendment. I am going to encourage them to stand for modernization of the system. And let us do it today. Let us get it done. We have been working at this for so very long. This is a deal breaker, Madam Speaker, and so I encourage a "no" vote on the Steil amendment. Thank you.

The SPEAKER pro tempore. The Chair recognizes Representative Perry.

Mr. PERRY. Thank you, Madam Speaker.

I want to speak on the amendment. I do not see it as a deal breaker. And I understand what the Senate put together, and I understand also that the closest they could get to, I think, was countywide collection, and I think that is laudable, and for the sake of all those who have been working for years and years on this thing to get it done, I applaud you, and I join in that effort. However, I think it is also important that we send a clear

message to the Senate, that we do not go halfway if we have the choice to go all the way, that we actually fix it instead of fooling around with it, that we do not take half a loaf if we can get a full loaf.

Now, maybe we cannot, maybe we cannot get a full loaf, but we are never going to know until we try. We are never going to know that. So I think we ought to try it. And the Senate, if they do not like what we send them, as they have done many times in the past, will change it and do what they will anyhow. But I think it is important that we send a strong message, that we fix it once and for all, that we have collection at one point, that we save the employers all the different points of collection, and that we do this right, while we have the opportunity.

So I ask you for an affirmative vote to do what is right in this case, and if the Senate chooses to do something else, let that be their will but not yours. Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Hennessey.

Mr. HENNESSEY. Thank you, Madam Speaker.

I rise in support of the Maher amendment. Some of our municipalities across the Commonwealth do a very good job in terms of collecting the earned income tax. If they were all operating that well, that efficiently, we might not be having this discussion, but we have to realize, we have a very complex tax collection system here in the Commonwealth.

So if we are going to change it and take it away from municipalities that are doing a good job, it makes sense, if we are going to make that step, let us go all the way and turn it into the most efficient and practically economical system that is possible. If we are going to change, a single, statewide collection is the way to go. So I would support the amendment and ask my colleagues to do as well.

Thank you.

The SPEAKER pro tempore. The Chair recognizes Representative Maher.

Mr. MAHER. Thank you, Madam Speaker.

I was not seeking recognition at this time. In accordance with our normal practices, I would like to be the last voice on this amendment. If there is anyone else seeking recognition – I think, perhaps, Mr. Levdansky is.

The SPEAKER pro tempore. The Chair thanks the gentleman. I did not notice anybody else seeking recognition, but do now, and see Representative Smith.

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

On this amendment, Madam Speaker, I just frankly think that given the impetus and the disparity between going from the current system to going to 501 collections to 67 that to pass up the opportunity to make it the ultimate simplicity of a single collection agent is the direction to go. We really should support this amendment.

I would note for the record that while a previous speaker had spoken about this issue having been worked on for 3 years, I happen to know, Madam Speaker, that the gentleman from Yardley in Bucks County has actually been working on this for at least 4 years. It is an issue that is not new. It is not something that is being rushed through this system. There has been plenty of discussion and research done on this. There is adequate amount of time for transition for the Department of Revenue to move into this to allow the local municipalities to make their adjustments that will be necessary.

To pass up this opportunity, Madam Speaker, to not just simplify the local tax collection system but to make it as simple

as it possibly could be would be a major oversight on the part of this House, and I would urge the members to support the amendment.

Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair recognizes Representative Levdansky.

Representative McCall.

Mr. McCALL. Thank you, Madam Speaker.

Madam Speaker, I would ask that the members vote "no" on this amendment. The current bill before us is a work product of at least 4 years. The Senate certainly will not support this measure in this final week that we are here debating our State budget. Stakeholders have not been given an opportunity to weigh in on the impact of this legislation. And all of the members that are really worried about the loss of local control, this amendment is the ultimate loss of local control.

It actually will, more than likely, increase property taxes as well, because contained in this legislation, there is a mandate that all incomes under \$12,000 would be exempt from the wage tax, and that is a good concept. But the reality is, with the loss of those wage tax revenues, those revenues are going to have to be made up somewhere else, and they are going to be made up with an increase in local property taxes. Add to that the cost that it is going to translate to our State budget and the cost for this centralized system is going to cost our State \$20 million, and it is \$20 million we cannot afford at this time. This is a work product that has been worked on by a lot of people. It has been a matter of 4 years of work and deliberation, and because of all of the issues raised, I would ask that we vote against this amendment.

Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman. Is there anyone else seeking recognition?

Representative Levdansky.

Mr. LEVDANSKY. Thank you, Madam Speaker.

Madam Speaker, again, this process has been a delicate balance between the desire of people at the local level to retain control over the collection of wage taxes versus the desire to consolidate and achieve efficiencies in the collection of those taxes. It is a delicate balance, and I am just amazed to hear how many people I have heard speak over the last several weeks saying, I am happy with the existing system. My school district, my local government does a really good job of collecting taxes, so I support the existing system, Dave, and 1063 is the wrong way to go. Now what I hear some of the same people saying is that they are happy with this fragmented, crazy, quilt-work system. Now they are saying that they are happy with that, but they will be happy with a statewide system as well.

Madam Speaker, I think it is pretty obvious that what this is, this is just an effort to derail a well-crafted compromise that is on its way, if we pass this, it will be on its way to the Governor's desk for his signature. This amendment – make no mistake about it – this amendment kills this bill for this session. That is what it does. And if the advocates think that the consolidation on a statewide basis was such a good idea, that amendment could have been offered in the Senate, but it was not. That amendment was not offered in the Senate and probably for good reason. The good reason being that this bill, as it is written, does strike that delicate balance between consolidation to reduce costs, at the same time giving local schools and municipalities a significant degree of control over the selection of the local wage-tax collector.

Madam Speaker, this is really, this just reminds me of the old saying, "if it sounds too good to be true, it is probably because it is." This amendment – make no mistake about it – would kill this bill for this session. This is a compromise, and in the nature of compromises, not all parties get everything that they want, but this will provide for a better tax collection system that is fair for taxpayers, principally, and fair for employers across the Commonwealth as well.

So for those reasons, Madam Speaker, I would urge a "no" vote to this amendment. Thank you.

The SPEAKER pro tempore. The Chair recognizes Representative Maher.

Mr. MAHER. Thank you, Madam Speaker.

In August 2004, the Governor's Center for Local Government Services of the Department of Community and Economic Development issued a report, "Pennsylvania's Earned Income Tax Collection System," and it made recommendations, and I am going to read one brief paragraph.

"State Collection of the Earned Income Tax," that is the top recommendation. "State collection of the local earned income tax would be the highest level of consolidation, and the most efficient form of collection from the perspective of most employers and tax preparers. Collection of the local income tax by the Department of Revenue would streamline the system and virtually eliminate problems with coordination and inconsistency among collectors. State collection of local earned income taxes would maximize the simplicity of collection, increase the efficiency and fairness of the system and provide significant relief to employers. Employers would only be required to withhold, report and remit state and local income taxes to one entity. The administrative burden of state and local tax administration on employers would be considerably reduced, and Pennsylvania would no longer stand out as the state with the most complicated and onerous system of state and local income tax collection in the nation." End quote.

I think the study was right. And Representative Steil, who had been toiling on this issue even before this study was initiated, and I feel like we are in a bidding war, but I believe Representative Steil has been working on the language that is before us for 5 years, for 5 years, ever since we consolidated the definition of earned income across Pennsylvania. But just imagine the joy your constituents will have when that day comes that you can put in your newsletter, good news, you will never, ever need to file another local income tax form. Never again will you have to file and prepare a local income tax form – never again. Now, I think most of your constituents would be delighted to not have to file another income tax form.

Now, if you do not vote for this amendment, they will be faced with the alternative of filing an income tax form with some tax collector who is probably not situated in their community, to whom they really do not have any accountability or appeal. I will remind the members that there is a notion that a quarter of a billion dollars is being lost by a failure to collect because of all the multijurisdictional issues. Going to a single collector will ensure that every one of those quarter of a billion dollars is actually collected.

In terms of efficiency, I have heard concerns expressed that the Department of Revenue would need some time to get up and running, and I think that is fair, and this bill provides them 3 1/2 years to do that. But if the Department of Revenue cannot get the job done in 3 1/2 years, why are we expecting 69 county-level organizations to be able to do it in less time?

Sixty-nine times, 69 new tax forms, 69 new computer systems, 69 new government units.

How can you have a straight face and say, if you are faced with the choice of streamlining it all into our existing Department of Revenue versus creating 69 new government units, how can the 69 new government units be streamlining? That is making government bigger, not smaller. It is creating some level that will only confuse your constituents as opposed to the natural association of just adding two new boxes on their PA-40 form.

Folks speak of balance; I would like to know who it is who is actually against this efficiency. Let us go to one, if we are going to be efficient, let us actually do it. Let us do what makes the most sense, which has made the most sense since 2004. Please join me in recognizing Representative Steil's years and years of work to hone this legislation, hone this amendment in a way that, I think if you have had the opportunity to read it, you will see a simple, straightforward, easy to understand, and something that will make your constituents' lives simpler, will make collection of taxes by your local governments quicker, will make the processing of payments by employers the easiest possible. Everybody wins under this amendment; I am not sure who wins under the alternative.

Thank you, Madam Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—97

Adolph	Gingrich	Marsico	Raymond
Argall	Godshall	McIlhattan	Readshaw
Baker	Grell	Melio	Reed
Barrar	Harhart	Mensch	Reichley
Bastian	Harris	Micozzie	Roae
Benninghoff	Helm	Millard	Rock
Boback	Hennessey	Miller	Ross
Causar	Hershey	Milne	Saylor
Civera	Hess	Moyer	Smith, M.
Clymer	Hickernell	Murt	Smith, S.
Costa	Hutchinson	Mustio	Solobay
Cox	Kauffman	Nailor	Sonney
Creighton	Keller, M.K.	Nickol	Stairs
DeLuca	Kenney	O'Neill	Stern
DiGrolamo	Killion	Payne	Stevenson
Ellis	King	Peifer	Swanger
Evans, J.	Kortz	Perry	Taylor, J.
Everett	Kotik	Perzel	True
Fairchild	Lentz	Petri	Turzai
Fleck	Mackereth	Phillips	Vereb
Gabig	Maher	Pickett	Vulakovich
Galloway	Major	Quigley	Walko
Geist	Mantz	Quinn	Wansacz
Gergely	Marshall	Rapp	Watson
Gillespie			

NAYS—100

Bear	Eachus	Manderino	Schroder
Belfanti	Evans, D.	Mann	Seip
Bennington	Fabrizio	Markosek	Shapiro
Beyer	Frankel	McCall	Shimkus
Bianucci	Freeman	McGeehan	Sipthoth
Bishop	George	McI. Smith	Smith, K.
Blackwell	Gerber	Metcalfe	Staback
Boyd	Gibbons	Mundy	Sturla

Brennan	Goodman	Myers	Surra
Brooks	Grucela	O'Brien, M.	Tangretti
Buxton	Haluska	Oliver	Taylor, R.
Caltagirone	Hanna	Pallone	Thomas
Cappelli	Harhai	Parker	Vitali
Carroll	Harkins	Pashinski	Wagner
Casorio	Harper	Payton	Waters
Cohen	Hornaman	Petrarca	Wheatley
Conklin	James	Preston	White
Cruz	Josephs	Ramaley	Williams
Cutler	Keller, W.	Roebuck	Wojnarowski
Daley	Kessler	Rohrer	Yewcic
Dally	Kirkland	Sabatina	Youngblood
Denlinger	Kula	Sainato	Yudichak
DePasquale	Leach	Samuelson	
Dermody	Levdansky	Santoni	O'Brien, D.,
DeWeese	Longietti	Scavello	Speaker
Donatucci	Mahoney		

NOT VOTING—0

EXCUSED—6

Curry	Petrone	Rubley	Steil
Moul	Pyle		

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

ANNOUNCEMENT BY MR. REED

The SPEAKER pro tempore. For what purpose does the gentleman, Representative Reed, rise?

Mr. REED. Point of personal privilege.

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

Mr. REED. Thank you very much, Madam Speaker.

I just want to say that I am very proud to announce that on June 13, my wife Heather and I became very proud parents for the first time when our son, Joshua David, was born. Thank you.

The SPEAKER pro tempore. The Chair extends congratulations to the Representative and his family.

CONSIDERATION OF SB 1063 CONTINUED

On the question recurring,

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

Mr. PAYNE offered the following amendment No. **A07660**:

Amend Sec. 23 (Sec. 504), page 74, by inserting between lines 17 and 18

(d) Applicability for certain school districts.—A school district with a single coterminous municipality that is served by one tax officer on the effective date of this section shall not be included in a tax collection district.

Amend Sec. 23 (Sec. 505), page 88, by inserting between lines 27 and 28

(n) Applicability for certain school districts.—This section shall not apply to a school district with a single coterminous municipality that is served by one tax officer on the effective date of this section.

Amend Sec. 23 (Sec. 507), page 91, by inserting between lines 26 and 27

(f) Applicability for certain school districts.—This section shall not apply to a school district with a single coterminous municipality that is served by one tax officer on the effective date of this section.

Amend Sec. 23, page 125, by inserting between lines 1 and 2 **Section 518. Applicability for certain school districts.**

This chapter shall only apply to a tax officer that only serves a school district with a coterminous municipality on the effective date of this act to the extent that additional powers and duties are conferred upon the tax officer. This chapter shall not apply to a tax officer that only serves a school district with a coterminous municipality on the effective date of this act to the extent that it consolidates the collection of income taxes levied by the school district and municipality and provides for a new tax officer to serve the school district and municipality.

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On the amendment, the Chair recognizes Representative Payne.

Mr. PAYNE. Thank you, Madam Speaker.

My amendment simply takes any municipality and school district that share the same boundaries and allows them to stand as one agency.

Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question, Representative Levdansky.

Mr. LEVDANSKY. Madam Speaker, under the present language in the bill, we are going to go from 560 wage-tax collectors to 69. What this amendment does is says this, it says that, well, if the school district and municipality borders are the same, then they are exempt from being included in the legislation. I do not understand the rationale for that. We are going to exempt a school district and municipality, just because they are coterminous, from participation in the countywide wage-tax collection efforts. There are 56 such exclusions in the Commonwealth. So instead of going from 560 wage-tax collectors to 69, we are going to go to 69 plus 56 – 105 or 115. That makes no sense whatsoever.

It just seems like a special effort to exempt 56 particular school districts and municipalities for no good reason that I can see, and thus, I would urge a negative vote.

The SPEAKER pro tempore. Representative Nickol.

Mr. NICKOL. Thank you, Madam Speaker.

I return, once again, to endorse the views of the chairman of the Finance Committee in opposition to this amendment. I might point out to members, if they read it, the language says that a school district and a municipality that are coterminous shall not be included. It is not a "may" bill; it does not just give them an out. It means any municipalities in that situation shall not be included in the tax collection district. I happen to live in Hanover Borough, which is coterminous with the Hanover Public School District. That means, if this amendment passes, whether or not we want in the York County tax collection district, we are out. We do not have an option; we are out.

I think the amendment is flawed, and I would urge members to vote against it.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—14

Baker	Grell	Major	Reichley
Brooks	Hutchinson	Payne	Roae
Everett	Kotik	Pickett	Stevenson
Gabig	Longietti		

NAYS—183

Adolph	Freeman	Markosek	Sabatina
Argall	Galloway	Marshall	Sainato
Barrar	Geist	Marsico	Samuelson
Bastian	George	McCall	Santoni
Bear	Gerber	McGeehan	Saylor
Belfanti	Gergely	McI. Smith	Scavello
Benninghoff	Gibbons	McIlhattan	Schroder
Bennington	Gillespie	Melio	Seip
Beyer	Gingrich	Mensch	Shapiro
Biancucci	Godshall	Metcalfe	Shimkus
Bishop	Goodman	Micozzie	Siptroth
Blackwell	Grucela	Millard	Smith, K.
Boback	Haluska	Miller	Smith, M.
Boyd	Hanna	Milne	Smith, S.
Brennan	Harhai	Moyer	Solobay
Buxton	Harhart	Mundy	Sonney
Caltagirone	Harkins	Murt	Staback
Cappelli	Harper	Mustio	Stairs
Carroll	Harris	Myers	Stern
Casorio	Helm	Nailor	Sturla
Causer	Hennessey	Nickol	Surra
Civera	Hershey	O'Brien, M.	Swanger
Clymer	Hess	O'Neill	Tangretti
Cohen	Hickernell	Oliver	Taylor, J.
Conklin	Hornaman	Pallone	Taylor, R.
Costa	James	Parker	Thomas
Cox	Josephs	Pashinski	True
Creighton	Kauffman	Payton	Turzai
Cruz	Keller, M.K.	Peifer	Vereb
Cutler	Keller, W.	Perry	Vitali
Daley	Kenney	Perzel	Vulakovich
Dally	Kessler	Petrarca	Wagner
DeLuca	Killion	Petri	Walko
Denlinger	King	Phillips	Wansacz
DePasquale	Kirkland	Preston	Waters
Dermody	Kortz	Quigley	Watson
DeWeese	Kula	Quinn	Wheatley
DiGirolamo	Leach	Ramaley	White
Donatucci	Lentz	Rapp	Williams
Eachus	Levdansky	Raymond	Wojnaroski
Ellis	Mackereth	Readshaw	Yewcic
Evans, D.	Maher	Reed	Youngblood
Evans, J.	Mahoney	Rock	Yudichak
Fabrizio	Manderino	Roebuck	
Fairchild	Mann	Rohrer	O'Brien, D., Speaker
Fleck	Mantz	Ross	
Frankel			

NOT VOTING—0

EXCUSED—6

Curry	Petrone	Rubley	Steil
Moul	Pyle		

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

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

Mr. ELLIS offered the following amendment No. **A07661**:

Amend Sec. 4 (Sec. 2), page 16, by inserting between lines 23 and 24

(17) To levy, assess or collect an amusement or admissions tax on the charge imposed upon a patron for the sale of admission to or for the privilege of admission to a fixed site amusement or fixed site water park.

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On the amendment, the Chair recognizes Representative Ellis.

Mr. ELLIS. Thank you, Madam Speaker.

As we sit in here and debate today, one of the things that I think we are losing focus on 1063 is that if this, in fact, goes into law, we are looking at a major revenue windfall, and we are not doing anything to reduce taxes. All these municipalities and school districts will benefit greatly; the Governor's number that he is throwing around right now is \$237 million. What I have done in my amendment is very simple. It is something the House has already done 2 years ago – almost 2 years to the date, Madam Speaker. June 28, 2006, we passed an amendment, a bill in this House, that would reduce and actually totally eliminate the amusement tax on fixed-site amusement parks and water parks. That is what my amendment does today.

Now, as I am sure you are aware, there are currently 16 fixed-site amusement parks in Pennsylvania. Out of that 16, only 7 of them are currently paying an amusement tax. That means that there are only seven municipalities and seven school districts that are currently collecting this tax. So what we have done is, essentially, created an uneven playing field for our amusement parks here in Pennsylvania. Some of them pay a tax and some of them do not. You know, Madam Speaker, if we applied this same philosophy across the board to all industries, then perhaps we would only be paying a gas tax at Hess or Texaco or Sunoco, but you know what? We stand here today to protect the Constitution that we swore to uphold, and one of the things we do not want to do is tax people unfairly, and right now we have selected one industry and we are taxing them unfairly across the State.

On that basis, I urge support for this measure that does nothing more than treat everyone on a level playing field. There are other reasons, though, Madam Speaker. The fact that the communities that host these parks are getting all the benefits from the amusement tax, that means folks from my district, who travel during their vacation period in the summertime and maybe stop at one of the amusement parks in Pennsylvania, are paying the tax for that municipality.

And you know what? When folks come in from out of State, they are paying that tax. Pennsylvania prides itself on being a great place to come for tourism. Well, this is an exact reason why we need to eliminate this tax – to make our amusement parks here in Pennsylvania competitive with those in Ohio or West Virginia or Virginia or Maryland or New York, all our bordering States, and we can continue to attract thousands and thousands of visitors to Pennsylvania every single year.

You know what, Madam Speaker? These are the facts. This body has deemed that this amusement tax was a failure. If somebody wanted to come to Pennsylvania right now and build an amusement park, the municipality where they built it in would not be afforded the opportunity to put an amusement tax on that amusement park. So if it is good for future generations that we do not need the tax, why are we still penalizing those that have been bringing people to Pennsylvania for years and years and years?

I understand that there are some folks in this chamber that call this a – if this bill gets amended – that we are going to be producing a poison pill. Well, that may have been the case for some of the other amendments, I would agree. But like I said, Madam Speaker, this is a \$237 million revenue windfall to the Commonwealth, and the cost of this amendment would be a mere \$4.23 million. I urge support for the amendment because it is the right thing to do for Pennsylvania.

The SPEAKER pro tempore. The Chair recognizes Representative Levdansky.

The Chair stands corrected, and Representative Kortz is in order.

Mr. KORTZ. Thank you, Madam Speaker.

Would the maker of the amendment stand for brief interrogation?

The SPEAKER pro tempore. Is the gentleman willing to stand for interrogation?

The gentleman indicates he will stand for interrogation. You may proceed.

Mr. KORTZ. Thank you, Madam Speaker.

Madam Speaker, can you tell me, you had mentioned that there were seven municipalities and seven school districts impacted by this. Can you tell me the amount of money they intend to lose because of this?

Mr. ELLIS. I cannot determine the amount they are going to lose because I do not know the windfall revenue that they are going to generate.

Mr. KORTZ. Madam Speaker, can you tell me how many of these amusement parks and/or fixed-water parks are in your district?

Mr. ELLIS. None.

Mr. KORTZ. You have none.

Madam Speaker, do you know that this amusement tax is a pass-through tax?

Mr. ELLIS. I am aware of that.

Mr. KORTZ. And that this pass-through tax is paid by the people that actually pay for the ticket?

Mr. ELLIS. That is correct, Madam Speaker. His last question is correct. The people in my district pay this tax in his district. That is correct.

Mr. KORTZ. Madam Speaker, do you know that this tax will cost my district of West Mifflin – the West Mifflin Borough and the West Mifflin School District – \$1 million? Are you aware of that, Madam Speaker?

Mr. ELLIS. I did not see the exact number. I thought it was a little bit higher than that.

Mr. KORTZ. That impact is \$1 million.

Mr. ELLIS. Like I said, Madam Speaker, I cannot determine that because I do not know the revenue windfall that they are going to benefit from going to 67 countywide collectors.

Mr. KORTZ. Madam Speaker, this tax— If I could speak on the bill; I am sorry. That concludes my interrogation.

The SPEAKER pro tempore. The gentleman is in order on the amendment.

Mr. KORTZ. Madam Speaker, I am opposed to this amendment. This has a drastic, negative impact to the West Mifflin Borough – \$500,000 impact to the school district, \$500,000 to the borough.

Last December West Mifflin raised their taxes \$1 million to compensate for this shortfall because there was ongoing litigation with the Kennywood Amusement Park that is in my district. They have since come to an agreement. Approximately 4 weeks ago they had settled out of court, they came to an understanding that they would throttle back this tax from the 5 percent, which they can tax, and they throttled it back to half that amount, about 2.5 percent. They reached that agreement between counsel and Kennywood.

Now that we have done that and we have throttled it back, now here we are going to say, we are going to get rid of this tax. Oh, by the way, let me state also that Kennywood Park was just recently bought by a Spanish company, Parques Reunidos, from Spain. So it is no longer under the control of an American company. So here we are going to give this amusement tax away, this \$1 million, to a Spanish company. Again, it is a pass-through tax; people that buy the ticket pay that tax. So now we are going to impact the mostly senior citizens of West Mifflin unfairly again and have another million added to them to compensate for this.

This is absolutely unbelievable, and I think this is totally unfair. Madam Speaker, I would urge all my colleagues to please vote in the negative. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Godshall.

Mr. GODSHALL. Thank you, Madam Speaker.

This issue over the last number of years has come up numerous times. We have passed this type of legislation abolishing the amusement tax in total for everybody on at least two or three different occasions. It has passed this body. There are a couple of things that we do not want to forget. The only way that amusement parks can be successful is if they keep upgrading their amusements, with new events, upgrading their parks, and so forth, to encourage people year after year to come out.

There have been few, if any, new amusement parks coming to Pennsylvania. They pay the same kind of taxes that any other business in this State pays, which are property taxes. They pay this. They provide employment for thousands of our school kids. They charge, when it was said if this is a pass-through tax – it absolutely, totally is. If there is a ticket to get into an amusement park of \$50, there is a \$5 add-on, which is the amusement tax. That add-on is paid by your and my constituents to that municipality and that school district where the amusement park is located.

And again, I say it is the same as any other business that pays property tax. Our constituents are paying that 10 percent extra on top of that ticket, which goes to that individual municipality or individual school district. As I said before, to start, we have passed this legislation in total, eliminating the tax totally. On numerous occasions, it has died in the Senate. I understand there is another understanding at this point in the Senate of the legislation. I would urge an affirmative vote on this issue. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative DeLuca.

Mr. DeLUCA. Thank you, Madam Speaker.

Madam Speaker, I rise to oppose the Ellis amendment. I do so, Madam Speaker, because twice before I voted for this type of amendment because I thought, at that time, it was the right thing to do, until I realized what it would do to the local municipalities in one of the amusement park's districts.

And I also voted for it because of the fact that it was a family-run business, and I know how important family-run businesses are in this Commonwealth, coming from one. Then I found out an out-of-the-country corporation bought this family-owned business and now is going to be running it. When we talk about the amusement parks and they need to have this tax removed, it reminds me, Madam Speaker, we said the same thing in the city of Pittsburgh. We told the motorists and the people who were going down there to park, cut the parking tax because the prices will go down. Well, guess what, Madam Speaker? The prices have gone up.

There is no guarantee that the consumers are going to get any benefit from doing away with this amusement tax. The only guarantee that we have is that the owners will put more money in their pockets. It is about time we worry about the citizens who live in these communities, because they are the ones that are going to have to raise the taxes, and they cannot afford anymore school and property taxes.

We continue to talk about reducing property taxes, yet we want to eliminate an amusement tax where people come in to pay. They know they are going to pay the price, because it is one price anymore, and they are going there, but yet, we will eliminate it so that the school district can raise it on their property owners and the municipalities can do that.

That makes no sense at all, Madam Speaker. Therefore, I oppose this Ellis amendment.

Thank you.

The SPEAKER pro tempore. The Chair recognizes Representative Payton.

Mr. PAYTON. Madam Speaker, I would like to interrogate the maker.

The SPEAKER pro tempore. The gentleman indicates he will stand for interrogation. You may proceed.

Mr. PAYTON. Madam Speaker, could you explain to me what your definition of a fixed-site water amusement park is?

Mr. ELLIS. Yes, I can, Madam Speaker. A fixed-site park would be one that is permanently located, unlike a traveling carnival or a fair.

Mr. PAYTON. Okay. And could you name the fixed-site amusement parks within the Commonwealth?

Mr. ELLIS. I am sorry, Madam Speaker; I could not hear the speaker.

Mr. PAYTON. Madam Speaker, could you name the fixed-site amusement—

The SPEAKER pro tempore. Will the gentleman please suspend. May we just have some order here in the hall so these two and everyone else can hear them.

Mr. PAYTON. Madam Speaker, could you please name the fixed-site amusement parks within the Commonwealth?

Mr. ELLIS. Madam Speaker, does he want all of them or the ones that would be affected by this legislation?

Mr. PAYTON. The ones that would be affected by the legislation.

Mr. ELLIS. Yes, I can. The ones that would be affected by this legislation, Dorney Park – no, that is not true – Dutch Wonderland, Idlewild and SoakZone, Kennywood Park,

Lakemont Park, Sandcastle, and Sesame Place. There were two that would have been, but unfortunately, probably because of the high tax burden, they went out of business in the last couple years.

Mr. PAYTON. That concludes my interrogation, Madam Speaker. May I speak on the amendment?

The SPEAKER pro tempore. You are in order and may proceed on the amendment.

Mr. PAYTON. Certainly.

I see that this amendment affects Sesame Place, and in my district, there are a number of summer camps and groups that visit Sesame Place, and if there was a requirement to lower prices, I would love for them to have a tax break, as times are getting hard with the rising fuel costs and other things.

So I would urge some of the members to support this amendment.

Thank you, Madam Speaker.

The SPEAKER pro tempore. Is there anybody else other than the sponsor of the amendment seeking recognition?

Representative Levdansky.

Mr. LEVDANSKY. Thank you, Madam Speaker.

Madam Speaker, would the sponsor of the amendment stand for brief interrogation?

The SPEAKER pro tempore. The gentleman indicates he will stand for interrogation. You may proceed.

Mr. LEVDANSKY. Madam Speaker, you have read off a quick list of parks, of amusement parks in the State that would be eligible for the repeal of the amusement tax. Would you name those parks again?

Mr. ELLIS. Dutch Wonderland, Idlewild and SoakZone, Kennywood Park, Lakemont Park, Sandcastle Waterpark, and Sesame Place.

Mr. LEVDANSKY. Madam Speaker, would you identify in your amendment where you define the term "fixed-site amusement" or "fixed-site water park"?

Mr. ELLIS. Madam Speaker, we do not actually define "fixed site" in the amendment, just in the way we do not define a bowling alley or a ski resort or a camping facility or a racetrack – things that are clearly defined for themselves – we do not define that in this amendment. Like those other ones that I mentioned that we have already previously eliminated the amusement tax for, in this case we have not clearly defined it.

Mr. LEVDANSKY. Madam Speaker, then why is Dorney Park not covered by this amendment and why is Hersheypark not covered by this amendment?

Mr. ELLIS. Madam Speaker, in 2007 both of those aforementioned parks entered into payment in lieu of tax contracts with their municipalities.

Mr. LEVDANSKY. Well, Madam Speaker, how does that differ from the agreement that Kennywood Park reached with West Mifflin Borough relative to the amusement tax in West Mifflin?

Mr. ELLIS. Madam Speaker, the contracts were written up differently between the first two parks and Kennywood, from my understanding. Kennywood's contract says that if, in fact, the State ever went about doing the right thing and eliminating the amusement park forum permanently, they would continue to pay their payment for 2 consecutive years.

Mr. LEVDANSKY. Madam Speaker, so some amusement parks, if they have a local agreement for payment in lieu of taxes, you are saying that they are not a fixed-site amusement park, but if they do not have a local agreement, they are a

fixed-site amusement tax. If they do have a local payment in lieu of tax agreement, then they are not a fixed-site amusement tax. Is that the interpretation of your amendment?

Mr. ELLIS. I believe that is an inaccurate interpretation. It would depend on the individual contracts that they have entered into.

Mr. LEVDANSKY. Is there anything in the bill or in the amendment that specifies that if they have a payment-in-lieu-of-taxes agreement with their local municipalities, then they would be exempt from the provisions of your amendment?

Mr. ELLIS. No, Madam Speaker, it does not, but the contracts that they have entered into specifically probably do; no, they do.

Mr. LEVDANSKY. Madam Speaker, if the amusement tax were to be repealed in all of these municipalities covered by your amendment, what would be the impact on park visitors that go to these parks?

Mr. ELLIS. Madam Speaker, one of the immediate costs associated with ticket prices are the taxes that an amusement park pays. So one would anticipate that in the future, when they pay less, that there will not be a natural increase as there has been year after year after year at most parks across the country.

Mr. LEVDANSKY. Madam Speaker, wait; let me make sure I understand this. So you anticipate that they will not increase their prices if we cut the amusement tax today? But there is nothing in your amendment that requires the owner of the park that is going to have a tax cut, there is nothing to require them to pass on that savings to the ticket buyers. Is that not correct?

Mr. ELLIS. That is correct.

Mr. LEVDANSKY. So, in essence, say, for example, in my area, Kennywood Park was sold to a Spanish firm for \$570 million; \$570 million is what a Spanish firm paid, and by the way, Spain left Iraq.

Mr. ELLIS. Madam Speaker, is he done with the interrogation?

Mr. LEVDANSKY. No.

Mr. ELLIS. Okay.

Mr. LEVDANSKY. So under this amendment, Kennywood, which was just sold to a Spanish firm for \$570 million, they would not be required, under your amendment, to lower their prices by the amusement tax, and instead, all that would do would really be to increase Kennywood's profit margin, which would enable us to export people's hardworking dollars that they paid the tax for to buy the ticket, we will be able to export those revenues to some owner in Spain. Is that not correct?

Mr. ELLIS. Well, Madam Speaker, I cannot speak to the motivations of why Kennywood would choose to reduce or increase their ticket prices, but I do know, as a businessperson, if I am paying less for my product, I do not go out and raise the price to my consumer. That does not make good business sense. This is a competitive market that they are competing in with a lot of parks over in Ohio and in the other neighboring States. Will they ultimately be allowed to? Yes. Would it be a good business decision on their part with gas prices going up and electricity prices going up? Do you think Kennywood is going to want to steer more people away from the entertainment industry? I would guess not, Madam Speaker, but I cannot say that they will not.

Mr. LEVDANSKY. But, Madam Speaker, just to make sure I understand this, under your amendment, if this amendment

were to become law, amusement parks, the six of them that you identified – and I still do not understand why some are defined to be eligible for this special benefit and others are not – but that notwithstanding, essentially six parks in the Commonwealth would no longer be able to collect the amusement tax, but under your amendment they also would not be required to lower their ticket prices. Is that not correct?

Mr. ELLIS. Madam Speaker, that is correct, just in much a similar way that the municipalities that will have a revenue windfall from SB 1063 will not be required to reduce taxes.

Mr. LEVDANSKY. No other questions, Madam Speaker. I would just like to speak on the amendment.

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

Mr. LEVDANSKY. Madam Speaker, I want to make sure everyone understands this. If this amendment becomes law, no longer will the amusement tax be able to be collected by municipalities and school districts where these venues are located. So they will not be able to collect it anymore. But what the maker of the amendment acknowledges is there is no requirement for the owners of the amusement parks to roll back their prices. I mean, if they are being able to eliminate a tax, you would think in this really competitive world that they would lower their prices, and that is how things work under perfect competition. Okay? In a perfectly competitive world, if their costs were reduced by the elimination of the amusement tax, in a competitive world, they would be required, because of competition, to lower their prices, but the maker of the amendment acknowledged and Kennywood Park acknowledged last year when the Finance Committee held a hearing at West Mifflin that they had no intention of lowering prices, they had no intention of lowering ticket prices. So our constituents would pay the same, would pay the same ticket price, and the municipality would get no revenue. That would have two practical impacts: One, the local municipality and school district would have to raise other taxes to make up for that loss in revenue, and two, the owners of the amusement park's profits would go up substantially, and in the case of Kennywood, it is no longer owned by local families. It is owned by a Spanish company who bought Kennywood Park, who, by the way, last year visitors totaled 22 million— I am sorry; the Spanish company called Parques Reunidos, based in Madrid, last year they managed 61 amusement parks and water parks in the United States and Europe with total annual visitors exceeding 22 million and revenues exceeding \$570 million.

Madam Speaker, this is not your little mom-and-pop company that needs help coming up with revenue to invest back in their operations. This company is obviously pretty able to do that. Under this amendment, my constituents and the people that live in the Mon Valley and the people that visit Kennywood Park would see their ticket prices stay the same, the local school district and municipality would have to raise their revenues to make up for that revenue loss, and the extra profit margin that this company is going to realize is going to be exported to their owners in Spain; their owners in Spain, you know, our good allies from Spain that have turned tail and run in the war in Iraq.

This makes absolutely no sense whatsoever. This is special interest legislation if I have ever seen it. This is an amendment that ought to be met with a swift and confirming "no."

Madam Speaker, for those reasons, I would urge the rejection of this amendment. Thank you.

LEAVE OF ABSENCE

The SPEAKER pro tempore. The Chair recognizes the minority whip, who asks that Representative BENNINGHOFF be put on leave for the remainder of the day. The Chair hears no objection, and leave will be granted.

CONSIDERATION OF SB 1063 CONTINUED

The SPEAKER pro tempore. The Chair recognizes Representative Nickol.

Mr. NICKOL. Thank you, Madam Speaker.

I rise to oppose the amendment. The underlying bill, SB 1063, amends the Local Tax Enabling Act. Normally, the Local Tax Enabling Act is a magnet for various and sundry tax amendments. Because of the importance of this bill changing the earned income tax collection statewide and the significance of this as a business climate issue, the Senate and the House, to this point, have avoided adding all kinds of amendments on other tax issues to complicate this issue.

Therefore, my feeling is this is not the proper place or time to consider this issue, not that I disagree with the amendment or have feelings one way or another except that this is just not the appropriate vehicle for the amendment.

I urge members to oppose it. Thank you.

The SPEAKER pro tempore. The Chair recognizes Representative King.

Mr. KING. Thank you, Madam Speaker.

Madam Speaker, may I interrogate the maker of the amendment?

The SPEAKER pro tempore. The gentleman indicates he will stand for interrogation. Please proceed.

Mr. KING. Thank you, Madam Speaker.

Madam Speaker, I have one of these establishments in my district. This particular establishment is owned by Anheuser-Busch. According to your amendment, Anheuser-Busch's profits will increase as a result of this legislation, but what I am curious, and I am wondering if you may be able to inform me, is what impact this will have on the taxpayers of my district?

Mr. ELLIS. Madam Speaker, it is hard for me to give an answer to that because, again, as I had mentioned to the gentleman who had an amusement park in his district and spoke earlier, when you are talking about a revenue windfall, how are we going to say— The municipality is going to get additional revenue and they are going to lose revenue. I cannot foresee the future and tell you exactly what that would be. They are going to probably get more jobs, create more tax revenue from personal income tax or wage taxes, the local income tax. So for me to give an exact answer to that is almost impossible, Madam Speaker.

Mr. KING. Thank you, Madam Speaker.

If I may speak on the amendment?

The SPEAKER pro tempore. The gentleman is in order.

Mr. KING. Madam Speaker, while I certainly appreciate the answer to that question, the fact of the matter is that in order for this amendment, if this amendment passes, there is going to have to be a replacement for the revenue that is lost and the taxpayers of my district are going to see their property taxes increase in order to trade off increased profits for Anheuser-Busch, and I cannot stand here and tell my

constituents that they are going to have to have increased property taxes so we can provide more money for Anheuser-Busch.

I appreciate the idea, I appreciate the thought, but I would ask the members, certainly on both sides of the aisle, to oppose this amendment.

Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair recognizes Representative Stevenson.

Mr. STEVENSON. Thank you, Madam Speaker.

It is very easy for me to rise to support this amendment. Amendment 7661 is a very simple fairness amendment. Businesses who happen to be in the amusement park business are taxed in an unfair way. This amusement tax is imposed on these businesses yet it is not imposed on other businesses across the Commonwealth. These are businesses which pay all their other fair taxes as they are imposed whether it be property tax or employee taxes or other business taxes which might be imposed by either the Commonwealth or the local municipality. This amusement tax is over and above those taxes and imposed, I believe, unfairly on this one segment of the business community. For that reason, I think we need to eliminate this tax, and we can do that very simply by supporting this amendment.

I urge an affirmative vote. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes Representative Quigley.

Mr. QUIGLEY. Thank you, Madam Speaker.

Will the maker of the amendment stand for brief interrogation?

The SPEAKER pro tempore. The gentleman indicates he will stand for interrogation. You may proceed.

Mr. QUIGLEY. Madam Speaker, with the assertions here about moneys being raised or profits being raised, you as, I believe, a third-generation businessman, you would comment on that that there is no way that you can assert what has been asserted here that these companies will increase their profits through this?

Mr. ELLIS. Absolutely not.

Mr. QUIGLEY. How many citizens— Of all these amusement parks that were mentioned, do you have any figures on the attendance from Pennsylvania residents going to these amusement parks?

Mr. ELLIS. Madam Speaker, I cannot speak with 100-percent certainty for all the amusement parks, but I have had a conversation with a gentleman who owns a park in western Pennsylvania, who indicated to me that roughly 80 to 85 percent of the people attending were from Pennsylvania.

Mr. QUIGLEY. So in other words, Madam Speaker, we have constituents that all of us represent going to these parks and paying this tax for the amenities in those respective townships?

Mr. ELLIS. That is correct, Madam Speaker.

Mr. QUIGLEY. And the constituents that we represent in our respective districts are paying for their own amenities through property tax or a wage tax?

Mr. ELLIS. That is also correct.

Mr. QUIGLEY. So in other words, Madam Speaker, to wrap it up, if people were for this amendment—

Mr. ELLIS. You are for lowering taxes.

Mr. QUIGLEY. Are for lower taxes.

All right, Madam Speaker. Thank you very much for your time.

The SPEAKER pro tempore. Seeing no one else seeking recognition, would the sponsor of the amendment like to be recognized?

Representative Ellis.

Mr. ELLIS. Thank you, Madam Speaker.

I think in the debate we heard on amendment A07661, we have heard some very logical points that make it very obvious that this is the right thing to do. It was the right thing to do 2 years ago when this House voted, 158 members of the House, many of which are still here today, but more importantly, what we have here is an opportunity to put one type of business on this same playing field as all other businesses in Pennsylvania.

Now, these folks choose to be in the amusement business. They could have been in manufacturing or a retail business, but because they are in an amusement business, they are paying a tax that no other business in Pennsylvania currently pays. This is the right thing to do to put them on an even playing field.

One of the things that one of the previous speakers said is that they are worried about the citizens of their district. Well, so am I and so should everybody in this chamber, and if we think of the citizens in our districts and we vote our district, then I think we will be successful on this amendment.

Now, Madam Speaker, one thing that I cannot leave go was the previous speaker who mentioned that instead of doing something like this when we get a revenue windfall and reducing a tax, we should be looking at property tax reduction. Are you kidding me, Madam Speaker? We have been talking about property taxes since the day I got here. We passed amendments and they have been put away on the shelf. Now, if they are really serious about doing property tax reductions, we will come back and do that, but let us not make a mistake about it: We have an opportunity today, in face of a \$237 million windfall revenue that we are going to create, to reduce taxes by \$4.3 million and to level the playing field for some of the greatest businesses in Pennsylvania.

Madam Speaker, I urge support for the amendment because it is the right thing to do.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—84

Adolph	Gabig	Marshall	Rapp
Argall	Geist	Marsico	Raymond
Baker	Gergely	McIlhattan	Reed
Bastian	Gingrich	Mensch	Reichley
Bear	Godshall	Metcalfe	Roae
Boback	Grell	Micozzie	Rock
Brooks	Harhart	Millard	Rohrer
Casorio	Harris	Milne	Scavello
Causar	Helm	Moyer	Schroder
Civera	Hennessey	Murt	Smith, M.
Cox	Hershey	Mustio	Smith, S.
Creighton	Hess	Nailor	Sonney
Cutler	Hickernell	Pallone	Stern
Dally	Hutchinson	Payton	Stevenson
Denlinger	Kauffman	Peifer	Swanger
DePasquale	Keller, M.K.	Perry	Taylor, J.
Ellis	Kenney	Perzel	True
Evans, J.	Killion	Petrarca	Turzai
Everett	Kotik	Phillips	Vereb
Fairchild	Major	Pickett	Wansacz
Fleck	Mantz	Quigley	Wojnaroski

NAYS—111

Barrar	Galloway	Mann	Seip
Belfanti	George	Markosek	Shapiro
Bennington	Gerber	McCall	Shimkus
Beyer	Gibbons	McGeehan	Sipthroth
Bianucci	Gillespie	McI. Smith	Smith, K.
Bishop	Goodman	Melio	Solobay
Blackwell	Grucela	Miller	Staback
Boyd	Haluska	Mundy	Stairs
Brennan	Hanna	Myers	Sturla
Buxton	Harhai	Nickol	Surra
Caltagirone	Harkins	O'Brien, M.	Tangretti
Cappelli	Hornaman	O'Neill	Taylor, R.
Carroll	James	Oliver	Thomas
Clymer	Josephs	Parker	Vitali
Cohen	Keller, W.	Pashinski	Vulakovich
Conklin	Kessler	Payne	Wagner
Costa	King	Petri	Walko
Cruz	Kirkland	Preston	Waters
Daley	Kortz	Quinn	Watson
DeLuca	Kula	Ramaley	Wheatley
Dermody	Leach	Readshaw	White
DeWeese	Lentz	Roebuck	Williams
DiGirolamo	Levdansky	Ross	Yewcic
Donatucci	Longiatti	Sabatina	Youngblood
Eachus	Mackereth	Sainato	Yudichak
Evans, D.	Maher	Samuelson	
Fabrizio	Mahoney	Santoni	O'Brien, D., Speaker
Frankel	Manderino	Saylor	
Freeman			

NOT VOTING—1

Harper

EXCUSED—7

Benninghoff	Moul	Pyle	Steil
Curry	Petrone	Rubleay	

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

On the question recurring,

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

Mr. KORTZ offered the following amendment No. A07711:

Amend Bill, page 138, by inserting between lines 4 and 5 Section 40. This act shall expire five years from the effective date of this section.

Amend Sec. 40, page 138, line 5, by striking out "40" and inserting

41

On the question,

Will the House agree to the amendment?

AMENDMENT WITHDRAWN

The SPEAKER pro tempore. The Chair recognizes Representative Kortz on the amendment.

Mr. KORTZ. Thank you, Madam Speaker.

I wish to pull this amendment.

The SPEAKER pro tempore. Does the gentleman intend to offer any of his other amendments, and if so, could you indicate which ones?

Mr. KORTZ. A07712 and A07646.

On the question recurring,

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

Mr. KORTZ offered the following amendment No. A07712:

Amend Sec. 23 (Sec. 501), page 65, line 4, by inserting after "either."

For purposes of penalties under this chapter, the term includes a corporate officer.

Amend Sec. 29 (Sec. 21), page 129, line 26, by inserting after "Suit.—"

(a)

Amend Sec. 29 (Sec. 21), page 130, by inserting between lines 8 and 9

(b) (1) All taxes deducted and withheld from employes pursuant to this chapter or under cover of this chapter, plus any penalties and interest with respect thereto, shall constitute a trust fund for the political subdivision and shall be enforceable against such employer, his representative or any other person receiving any such fund.

(2) When suit is brought for the recovery of any such tax, the person liable therefore shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On the amendment, the Chair recognizes Representative Kortz.

Mr. KORTZ. Thank you, Madam Speaker.

This amendment gives a political subdivision a remedy to collect taxes from a company who had withheld these moneys from their employees but then went out of business and failed to remit these taxes to a political subdivision, and I would ask for an affirmative vote.

The SPEAKER pro tempore. Representative Levdansky.

Mr. LEVDANSKY. Thank you, Madam Speaker.

Madam Speaker, what this amendment does is it treats wage taxes that have been collected but not forwarded to the respective tax collecting entity and treats it just like and consistently like we treat other taxes that are collected, and for that, I would support the amendment.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—117

Baker	Freeman	Markosek	Seip
Barrar	Galloway	Marshall	Shapiro
Bear	George	McCall	Shimkus
Belfanti	Gerber	McGeehan	Siptroth
Bennington	Gergely	McI. Smith	Smith, K.
Beyer	Gibbons	Melio	Smith, M.
Biancucci	Goodman	Mundy	Solobay
Bishop	Grucela	Myers	Staback
Blackwell	Haluska	O'Brien, M.	Sturla
Brennan	Hanna	Oliver	Surra

Buxton	Harhai	Pallone	Tangretti
Caltagirone	Harkins	Parker	Taylor, R.
Cappelli	Hornaman	Pashinski	Thomas
Carroll	James	Payton	Vitali
Casorio	Josephs	Perzel	Wagner
Civera	Keller, W.	Petrarca	Walko
Cohen	Kenney	Petri	Wansacz
Conklin	Kessler	Phillips	Waters
Costa	King	Pickett	Watson
Cruz	Kirkland	Preston	Wheatley
Daley	Kortz	Quinn	White
DeLuca	Kotik	Ramaley	Williams
DePasquale	Kula	Raymond	Wojnarowski
Dermody	Leach	Readshaw	Yewcic
DeWeese	Lentz	Roebuck	Youngblood
Donatucci	Levdansky	Ross	Yudichak
Eachus	Longiotti	Sabatina	
Evans, D.	Mahoney	Sainato	O'Brien, D.,
Fabrizio	Manderino	Samuelson	Speaker
Frankel	Mann	Santoni	

NAYS—79

Adolph	Geist	Mantz	Reed
Argall	Gillespie	Marsico	Reichley
Bastian	Gingrich	McIlhattan	Roae
Boback	Godshall	Mensch	Rock
Boyd	Grell	Metcalfe	Rohrer
Brooks	Harhart	Micozzie	Saylor
Causer	Harper	Millard	Scavello
Clymer	Harris	Miller	Schroder
Cox	Helm	Milne	Smith, S.
Creighton	Hennessey	Moyer	Sonney
Cutler	Hershey	Murt	Stairs
Dally	Hess	Mustio	Stern
Denlinger	Hickernell	Nailor	Stevenson
DiGirolamo	Hutchinson	Nickol	Swanger
Ellis	Kauffman	O'Neill	Taylor, J.
Evans, J.	Keller, M.K.	Payne	True
Everett	Killion	Peifer	Turzai
Fairchild	Mackereth	Perry	Vereb
Fleck	Maher	Quigley	Vulakovich
Gabig	Major	Rapp	

NOT VOTING—0

EXCUSED—7

Benninghoff	Moul	Pyle	Steil
Curry	Petrone	Rubley	

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

On the question recurring,

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

Mr. KORTZ offered the following amendment No. A07646:

Amend Title, page 1, lines 22 through 29; page 2, lines 1 through 8, by striking out all of said lines on said pages and inserting local taxes, further providing for collection of taxes, for audits of earned income taxes, for earned income taxes, for suits for tax collection, for penalties and for delinquent tax collection costs.

Amend Bill, page 2, lines 11 through 33; pages 3 through 137, lines 1 through 30; page 138, lines 1 through 13, by striking out all of said lines on said pages and inserting

Section 1. Section 10 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended November 30, 2004 (P.L.1520, No.192) and December 1, 2004 (P.L.1729, No.222), is amended to read:

Section 10. Collection of Taxes.—(a) Administrative Personnel; Joint Agreements.—Except as provided in subsections (b) and (c), [any such] a political subdivision is hereby authorized to provide by ordinance or resolution for the creation of bureaus or the designation [of such bureaus or the], appointment and compensation of [such] officers, [clerks, collectors,] public employes, private agencies or other [person and other assistants] persons, and their employes[, either under existing departments, or otherwise] as [may be deemed] necessary, for the assessment and collection of taxes imposed under authority of this act. Each ordinance or resolution under this section authorizing a person, public employe or private agency to act [in the capacity and with the authority of] as a tax collector for the political subdivision shall continue in force without annual reauthorization unless otherwise repealed or revoked by the political subdivision. A political subdivision must enter into a written contract with an officer, private agency or other person, appointed or designated to collect the earned income tax.

Except as provided in subsections (b) and (c), any political subdivisions imposing taxes under authority of this act are authorized to make joint agreements for the collection of such taxes or any of them. The same person or agency may be employed by two or more political subdivisions to collect any taxes imposed by them under authority of this act.

(b) Single Collector for Earned Income Taxes [When Certain School Districts Impose Such Taxes] Imposed by a School District.—Except as provided in subsection (c), whenever a school district of the second, third or fourth class shall be established pursuant to section 296[,] of the act of March 10, 1949 (P.L.30), known as the "Public School Code of 1949," added August 8, 1963 (P.L. 564), and [such school district shall levy, assess and collect or provide for the levying, assessment and collection of] the school district levies a tax upon earned income, such school district and all cities, boroughs, towns and townships within its geographical limits which levy, assess and collect [or provide for the levying, assessment and collection of] a tax upon earned income[, may on January 1, 1967, or] shall as soon [thereafter] as the school district [shall provide for the levying, assessment and collection of taxes upon earned income, select one person or agency] has levied, assessed or collected an earned income tax, designate or appoint an officer, public employe or private agency to collect the taxes upon earned income imposed by all [such] political subdivisions within the geographic limits of the school district. In [selecting such person] order to designate or appoint the officer, public employe or private agency, each political subdivision shall share in the [selection] designation or appointment upon a basis agreed upon by each political subdivision, [or in] including the school district. In the absence of any agreement [on the basis of voting] at least ninety days prior to the end of the appointment or the expiration of a contract for earned income tax collection of all political subdivisions within the school district and including the school district, the board of school directors shall convene a meeting with at least ten days' notice by first class mail. The meeting shall be convened no less than sixty days prior to the end of the appointment or the expiration of a contract for earned income tax collection of all political subdivisions. Voting shall be conducted according to the proportion that the population of each bears to the entire population of the combined collection district, according to the latest official Federal census, and the majority of such votes cast shall determine the [person or agency selected] bureau, officer, public employe or private agency designated to collect the [taxes] earned income tax. The provisions of this paragraph shall not prohibit school districts and other political subdivisions which levy, assess and collect [or provide for the levying, assessment and collection of] taxes upon earned income, under authority of this act, from [selecting] designating or appointing the same [person] officer, public employe or private agency to collect such tax upon earned

income in an area larger than the geographical limits of a school district established pursuant to section 296 of the "Public School Code of 1949."

(c) Single Tax Collector in Certain Home Rule Municipality.—In a municipality having a population under the 2000 Federal decennial census of at least forty thousand and less than ninety thousand located in a second class county which municipality has adopted a home rule charter under 53 Pa.C.S. Pt. III Subpt. E (relating to home rule and optional plan government), the person or persons appointed by the board of school directors for the school district in which the municipality is located as collector or collectors of taxes levied by the school district under this act shall also serve as the collector or collectors of taxes levied by the municipality under this act.

(d) Records.—

(1) All tax collection records shall be a property of the political subdivision in which the taxes were collected. The political subdivision or its tax collector shall retain all records for at least seven years. Unclaimed tax records shall be retained for fifteen years.

(2) This subsection shall not be construed to preclude a tax collector from retaining copies of tax collection records.

Section 2. Section 11 of the act is amended to read:

Section 11. Audits of Earned Income Taxes.—Except in cities of the second class, [the governing body of] each political subdivision which levies, assesses and collects [or provides for the levying, assessment and collection of] a tax upon earned income, shall provide for not less than one examination each year of the books, accounts, financial statements, compliance reports and records of the income tax collector, by a certified public accountant, a firm of certified public accountants, a competent independent public accountant, or a firm of independent public accountants appointed by the [governing body] political subdivision. Whenever one person or agency is selected to collect earned income taxes for more than one political subdivision, the books, accounts and records of such person or agency shall be examined as provided above in the case of a tax collector for each political subdivision, except that the accountant shall be selected in the manner provided for selection of one person or agency to collect earned income taxes for the school district established under section 296 of the "Public School Code of 1949," and the cities, boroughs, towns and townships within the geographical limits of such school district. The examination shall be conducted according to generally accepted governmental auditing standards and shall include a financial statement, a report on the income tax officer's compliance with this act, a list of any findings of noncompliance with this act and a copy of a management letter if one is issued by the auditor. The reports of the audit shall be sent to the governing body [or bodies] of the political subdivision [or political subdivisions] employing the accountant. If there are findings of noncompliance, a copy of the report shall be filed with the Office of Attorney General and the Department of Community and Economic Development. No further or additional audit shall be performed by elected or appointed auditors.

Section 3. Division I, Subdivision A of Division III, Division IV and Division V of section 13 of the act, amended October 4, 1978 (P.L.930, No.177), December 9, 2002 (P.L.1364, No.166), April 5, 2004 (P.L.208, No.24), and November 30, 2004 (P.L.1520, No.192), are amended and the section is amended by adding a division to read:

Section 13. Earned Income Taxes.—On and after the effective date of this act the remaining provisions of this section shall be included in or construed to be a part of each tax levied and assessed upon earned income by [any] a political subdivision [levying and assessing such tax pursuant to this act]. The definitions contained in this section shall be exclusive for any tax upon earned income and net profits levied and assessed pursuant to this act, and shall not be altered or changed by [any] a political subdivision [levying and assessing such tax].

I. Definitions

"Association." A partnership, limited partnership, or any other unincorporated group of two or more persons.

"Business." An enterprise, activity, profession or any other undertaking of an unincorporated nature conducted for profit or ordinarily conducted for profit whether by a person, partnership, association, or any other entity.

"Corporation." A corporation [or], joint stock association or limited liability company organized under the laws of the United States, the Commonwealth of Pennsylvania, or any other state, territory, foreign country or dependency.

"Current year." The calendar year for which the tax is levied.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Domicile." The place where one lives and has his permanent home and to which he has the intention of returning whenever he is absent. Actual residence is not necessarily domicile, for domicile is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntarily fixed place of habitation of a person, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce him to adopt some other permanent home. In the case of businesses, or associations, the domicile is that place considered as the center of business affairs and the place where its functions are discharged.

"Earned income." Compensation as determined under section 303 of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," and regulations in 61 Pa. Code Pt. I Subpt. B Art. V (relating to personal income tax), not including, however, wages or compensation paid to individuals on active military service. Employee business expenses are allowable deductions as determined under Article III of the "Tax Reform Code of 1971." The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income. In determining earned income, the taxpayer may not offset business losses.

"Income tax officer or officer." [Person] A bureau, person, public employe or private agency designated by [governing body] a political subdivision to collect and administer the tax on earned income and net profits authorized under this act.

"Employer." A person, partnership, association, business, corporation, limited liability company, institution, governmental body or unit or agency, or any other entity employing one or more persons for a salary, wage, commission or other compensation.

"Net profits." The net income from the operation of a business, profession, or other activity, except corporations, determined under section 303 of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," and regulations in 61 Pa. Code Pt. I Subpt. B Art. V (relating to personal income tax). In determining net profits, the taxpayer may offset business losses from one business, profession or activity against profits from another business, profession or activity. The term does not include income which is not paid for services provided and which is in the nature of earnings from an investment. For taxpayers engaged in the business, profession or activity of farming, the term shall not include:

- (1) any interest earnings generated from any monetary accounts or investment instruments of the farming business;
- (2) any gain on the sale of farm machinery;
- (3) any gain on the sale of livestock held twelve months or more for draft, breeding or dairy purposes; and
- (4) any gain on the sale of other capital assets of the farm.

"Nonresident." A person, partnership, association, business, corporation, limited liability company or any other entity domiciled outside the taxing district.

"Person or individual." A natural person.

"Political subdivision." A city of the second class, city of the second class A, city of the third class, borough, town, township of the first class, township of the second class, school district of the second class, school district of the third class or school district of the fourth class.

"Preceding year." The calendar year before the current year.

"Private agency." Any person, partnership, association, business corporation or limited liability company, engaged in the business of collecting or administering a tax under this act.

"Resident." A person, partnership, association or any other entity domiciled in the taxing district.

"Succeeding year." The calendar year following the current year.

"Taxpayer." A person, partnership, association[,] or any other entity, required hereunder to file a return of earned income or net profits, or to pay a tax thereon.

"Tax records." Tax returns, supporting schedules, correspondence with auditors or taxpayers, account books and other documents obtained or created by the officer to implement the collection of a tax under this act. The officer may submit computerized summaries of tax returns and other documents in lieu of the actual documents.

III. Declaration and Payment of Tax

A. Net Profits.

(1) Every taxpayer making net profits shall, as the [governing body] political subdivision elects, (i) pay to the officer an annual payment of tax due on or before April 15[,] of the succeeding year for the period beginning January 1[,] and ending December 31[,] of the current year, or (ii) on or before April 15[,] of the current year, make and file with the officer on a form prescribed [or approved by the officer] by the department, a declaration of his estimated net profits during the period beginning January 1[,] and ending December 31[,] of the current year, and pay to the officer in four equal quarterly installments the tax due thereon as follows: the first installment at the time of filing the declaration, and the other installments on or before June 15[,] of the current year, September 15[,] of the current year, and January 15[,] of the succeeding year, respectively.

(2) Where the [governing body] political subdivision elects to require the filing of a declaration and quarterly payments, any taxpayer who first anticipates any net profit after April 15[,] of the current year, shall make and file the declaration hereinabove required on or before June 15[,] of the current year, September 15[,] of the current year, or December 31[,] of the current year, whichever of these dates next follows the date on which the taxpayer first anticipates such net profit, and pay to the officer in equal installments the tax due thereon on or before the quarterly payment dates which remain after the filing of the declaration.

(3) Where the [governing body] political subdivision requires a declaration of estimated net profits and quarterly payments of tax due on such profits, every taxpayer shall, on or before April 15[,] of the succeeding year, make and file with the officer on a form prescribed or approved by the officer a final return showing the amount of net profits earned during the period beginning January 1[,] of the current year, and ending December 31[,] of the current year, the total amount of tax due thereon and the total amount of tax paid thereon. At the time of filing the final return, the taxpayer shall pay to the officer the balance of tax due or shall make demand for refund or credit in the case of overpayment.

Any taxpayer may, in lieu of paying the fourth quarterly installment of his estimated tax, elect to make and file with the officer on or before January 31, of the succeeding year, the final return as hereinabove required.

(4) [The officer may be authorized to provide by regulation for the making and filing of] The department may adopt a regulation authorizing the officer to make and file adjusted declarations of estimated net profits, and for the payments of the estimated tax in cases where a taxpayer who has filed [the declaration hereinabove required] under paragraph (1), (2) or (3) anticipates additional net profits not previously declared or finds that he has overestimated his anticipated net profits.

(5) Every taxpayer who discontinues business prior to December 31[,] of the current year[,] shall, within thirty days after the discontinuance of business, file his final return as [hereinabove] required under this division and pay the tax due.

* * *

IV. Collection at Source

(a) Every employer having an office, factory, workshop, branch, warehouse, or other place of business within the taxing jurisdiction imposing a tax on earned income or net profits within the taxing district who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered, shall, within fifteen days after becoming an employer, register with the officer his name and address and such other information as the officer may require.

(b) Every employer having an office, factory, workshop, branch, warehouse, or other place of business within the taxing jurisdiction imposing a tax on earned income or net profits within the taxing district who employs one or more persons, other than domestic servants, for a salary, wage, commission, or other compensation, shall deduct at the time of payment thereof, the tax imposed by ordinance or resolution on the earned income due to his employe or employes, and shall, on or before April 30, of the current year, July 31, of the current year, October 31, of the current year, and January 31, of the succeeding year, file a return and pay to the officer the amount of taxes deducted during the preceding three-month periods ending March 31, of the current year, June 30, of the current year, September 30, of the current year, and December 31, of the current year, respectively. Such return unless otherwise agreed upon between the officer and employer shall show the name and social security number of each such employe, the earned income of such employe during such preceding three-month period, the tax deducted therefrom, the political subdivisions imposing the tax upon such employe, the total earned income of all such employes during such preceding three-month period, and the total tax deducted therefrom and paid with the return.

Any employer who for two of the preceding four quarterly periods has failed to deduct the proper tax, or any part thereof, or has failed to pay over the proper amount of tax to the taxing authority, may be required by the officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the officer on or before the last day of the month succeeding the month for which the tax was withheld.

(c) On or before February 28, of the succeeding year, every employer shall file with the officer:

(1) An annual return showing the total amount of earned income paid, the total amount of tax deducted, and the total amount of tax paid to the officer for the period beginning January 1, of the current year, and ending December 31, of the current year.

(2) A return withholding statement for each employe employed during all or any part of the period beginning January 1, of the current year, and ending December 31, of the current year, setting forth the employe's name, address and social security number, the amount of earned income paid to the employe during said period, the amount of tax deducted, [the political subdivisions imposing the tax upon such employe,] each political subdivision to which the withheld tax is remitted and the amount of tax paid to the officer. Every employer shall furnish two copies of the individual return to the employe for whom it is filed.

(d) Every employer who discontinues business prior to December 31, of the current year, shall, within thirty days after the discontinuance of business, file the returns and withholding statements hereinabove required and pay the tax due.

(e) Except as otherwise provided in section 9, every employer who wilfully or negligently fails or omits to make the deductions required by this section shall be liable for payment of the taxes which he was required to withhold to the extent that such taxes have not been recovered from the employe.

(f) The failure or omission of any employer to make the deductions required by this section shall not relieve any employe from the payment of the tax or from complying with the requirements of the ordinance or resolution relating to the filing of declarations and returns.

V. Powers and Duties of Officer

(a) It shall be the duty of the income tax officer to collect and receive [the] resident and nonresident taxes, fines and penalties imposed by the ordinance or resolution. It shall also be [his duty] the duty of the officer to keep a record showing the amount received [by him] from each person or business paying the tax and the date of such receipt.

(b) Each officer, before entering upon his official duties shall give and acknowledge a bond to the political subdivision [or political subdivisions] appointing him. If such political subdivision [or political subdivisions] shall by resolution designate any bond previously given by the officer as adequate, such bond shall be sufficient to satisfy the requirements of the subsection. The bond shall be renewed annually.

Each such bond shall be joint and several, with one or more corporate sureties which shall be surety companies authorized to do business in this Commonwealth and duly licensed by the Insurance Commissioner of this Commonwealth.

Each bond shall be conditioned upon the faithful discharge by the officer, his clerks, assistants and appointees of all trusts confided in him by virtue of his office, upon the faithful execution of all duties required of him by virtue of his office, upon the just and faithful accounting or payment over, according to law, of all moneys and all balances thereof paid to, received or held by him by virtue of his office and upon the delivery to his successor [or successors] in office of all books, papers, documents or other official things held in right of his office.

Each such bond shall be taken in the name of the appointing authority [or authorities], and shall be for the use of the political subdivision [or political subdivisions] appointing the officer, and for the use of such other person [or persons] for whom money shall be collected or received, or as his or her interest shall otherwise appear, in case of a breach of any of the conditions thereof by the acts or neglect of the principal on the bond.

The political subdivision [or political subdivisions] appointing the officer, or any person may sue upon the [said] bond in its or his own name for its or his own use.

Each such bond shall contain the name [or names] of the surety company [or companies] bound thereon. The political subdivision [or political subdivisions] appointing the officer shall fix the amount of the bond at an amount [equal to the maximum amount of taxes which may be in the possession] sufficient to secure the financial responsibility of the officer [at any given time.] in accordance with guidelines relating to the amount of the bond adopted by the department. Copies of the bond shall be filed with the political subdivision appointing the officer.

The political subdivision [or political subdivisions] appointing the officer may, at any time, upon cause shown and due notice to the officer, and his surety [or sureties], require or allow the substitution or the addition of a surety company acceptable to such political subdivision [or political subdivisions] for the purpose of making the bond sufficient in amount, without releasing the surety [or sureties] first approved from any accrued liability or previous action on such bond.

The political subdivision [or political subdivisions] appointing the officer shall designate the custodian of the bond required to be given by the officer. A copy of the bond shall be made available upon request to a political subdivision, or the officer collector appointed by the political subdivision, seeking payment or distribution of a tax authorized by this act.

(b.1) The department shall promulgate regulations relating to the administration, collection, enforcement, removal of officers from office and appeal process under this act. The regulations shall include required forms, including a certificate of residency form, returns and declarations.

(c) The officer charged with the administration and enforcement of the [provisions of the] ordinance or resolution [is hereby empowered to prescribe, adopt, promulgate and enforce, rules and regulations relating to any matter pertaining to the administration and enforcement

of the ordinance or resolution, including provisions for the re-examination and correction of declarations and returns, and of payments alleged or found to be incorrect, or as to which an overpayment is claimed or found to have occurred, and to make refunds in case of overpayment, for any period of time not to exceed six years subsequent to the date of payment of the sum involved, and to prescribe forms necessary for the administration of the ordinance or resolution. No rule or regulation of any kind shall be enforceable unless it has been approved by resolution by the governing body. A copy of such rules and regulations currently in force shall be available for public inspection.] shall comply with all regulations adopted by the department under this act. The officer may use rules and regulations previously adopted by the officer or the political subdivision in accordance with this act until the adoption of regulations by the department.

(c.1) An officer shall make refunds for overpayment of taxes under this act for a period not to exceed three years subsequent to the date of payment.

(d) The officer shall refund, on petition of, and proof by the taxpayer, earned income tax paid on the taxpayer's ordinary and necessary business expenses, to the extent that such expenses are not paid by the taxpayer's employer.

(e) The officer and agents designated by him are hereby authorized to examine the books, papers, and records of any employer [or of any taxpayer or of any], taxpayer or other person whom the officer reasonably believes to be an employer or taxpayer, in order to verify the accuracy of any declaration or return, or if no declaration or return was filed, to ascertain the tax due. Every employer [and every taxpayer and every person], taxpayer or other person whom the officer reasonably believes to be an employer or taxpayer, is hereby directed and required to give to the officer, or to any agent designated by [him] the officer, the means, facilities and opportunity for such examination and investigations[, as are hereby] authorized under this act.

(f) Any information gained by the officer, his agents, or by any other official or agent of the [taxing district] political subdivision, as a result of any declarations, returns, investigations, hearings or verifications required or authorized by the ordinance or resolution, shall be confidential, except for official purposes and except in accordance with a proper judicial order, or as otherwise provided by law.

(g) The officer is authorized to establish different filing, reporting and payment dates for taxpayers whose fiscal years do not coincide with the calendar year.

(h) The officer shall distribute earned income taxes to the appropriate political subdivisions within sixty days of the deadline for payment by an employer as set forth in Division IV(b). [The political subdivisions] A political subdivision shall not be required to request the officer to distribute the funds collected but shall at least annually reconcile their receipts with the records of the officer and return to or credit the officer with any overpayment. A political subdivision shall not be required to pay a fee or commission to the other political subdivision or its tax officer for tax revenue distributed under this subsection. If the officer, within one year after receiving a tax payment, cannot identify the taxing jurisdiction entitled to a tax payment, he shall make payment to the municipality in which the tax was collected. If earned income taxes are not distributed to the appropriate political subdivision within one year of receipt, the political subdivision may make a written demand on a tax officer or political subdivision for tax revenues collected and attributable to residents of the political subdivision making the demand. If the taxes attributable to the residents of the political subdivision making the demand are not paid within thirty days from the date of the demand, the political subdivision, person, public employe or private agency designated by the political subdivision may enter into an arbitration agreement with the officer under 42 Pa.C.S. Ch. 73 Subch. A (relating to statutory arbitration) or bring an action in [an appropriate] the court of common pleas where the officer is a resident or where the political subdivision is located in the name of the taxing district for the recovery of taxes not

distributed in accordance with this subsection. The action must be brought within seven years of the collection of the taxes.

(i) The officer shall, on or before the tenth day of each month, provide a written report, on a form adopted by the department, to the appropriate official of each political subdivision for which taxes were collected during the previous month and to the department. The report shall include the names of taxpayers and employers, the date of collection, penalties and interest on collections, costs of collection, amounts owed to other political subdivisions, refunds, recoveries and overpayments.

(j) An income tax officer shall file an annual report with the political subdivision and the department. The report shall include all tax collection information for the most recently completed tax year as required by the department. The report shall be filed by June 15 of the year following the close of the reporting year.

* * *

X. Fines and Penalties Against Income Tax Officers

(a) A political subdivision which brings an action under Division V(h) may seek equitable relief, including an accounting of all undistributed taxes and monetary damages in the form of recovery of the taxes not previously distributed plus interest calculated from the date that the taxes should have been distributed. In addition, the court may impose a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each tax quarter for which taxes were not distributed in accordance with Division V(h), plus reasonable costs and attorney fees. If an officer fails to distribute earned income taxes to the appropriate political subdivision as required under Division V(h), for four consecutive tax quarters, the court may impose a civil penalty not to exceed five thousand dollars (\$5,000).

(b) If an officer fails to submit the report required under Division V(i) or (j), a political subdivision entitled to receive the report may bring an action in the court of common pleas of that political subdivision and the court may impose a penalty of twenty dollars (\$20) a day for each day that the report is overdue, not to exceed five hundred dollars (\$500). If a report submitted under Division V(j) includes any findings of noncompliance, the officer is responsible for a civil penalty of not less than five hundred dollars (\$500) but not more than two thousand five hundred dollars (\$2,500).

(c) An officer who violates any other provision of this act shall be subject to a civil penalty of up to two thousand five hundred dollars (\$2,500) for each violation.

(d) An action against an officer for a violation of this act may be brought by a political subdivision in which the officer collects taxes, a political subdivision owed taxes by the officer, by a surety or by the department.

(e) A political subdivision shall remove or rescind the appointment of an income tax official who has been penalized under subsection (c) more than three times.

Section 4. Section 21 of the act, amended November 30, 2004 (P.L.1520, No.192), is amended to read:

Section 21. Collection of Taxes by Suit.—Each [taxing district or person,] political subdivision, bureau, officer, public employe [or], private agency or other person designated by the taxing district shall have power to collect unpaid taxes from the persons owing such taxes by suit in assumpsit or other appropriate remedy. Upon each such judgment, execution may be issued without any stay or benefit of any exemption law. The right of each [such taxing district] political subdivision to collect unpaid taxes under [the provisions of] this section shall not be affected by the fact that such taxes have been entered as liens in the office of the prothonotary, or the fact that the property against which they were levied has been returned to the county commissioners for taxes for prior years.

Section 5. Section 22 of the act is amended to read:

Section 22. Penalties.—Except as otherwise provided in the case of any tax levied and assessed upon earned income, any such political subdivision shall have power to prescribe and enforce reasonable penalties for the nonpayment, within the time fixed for their payment, of taxes imposed under authority of this act and for the violations of the

provisions of ordinances or resolutions passed under authority of this act.

If for any reason any tax levied and assessed upon earned income by any such political subdivision is not paid when due, interest at the rate of six percent per annum on the amount of said tax, and an additional penalty of one-half of one percent of the amount of the unpaid tax or, if more than twenty-five percent of the amount reported is underreported, an additional penalty of twenty-five percent of the amount of the unreported tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. When suit is brought for the recovery of any such tax, the person liable therefor shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

Section 6. Section 22.1 of the act, amended June 21, 2007 (P.L.13, No.7), is amended to read:

Section 22.1. Costs of Collection of Delinquent Per Capita, Occupation, Occupational Privilege, Emergency and Municipal Services, Local Services and Earned Income Taxes.—(a) A person, public employe or private agency designated by [a governing body of] a political subdivision to collect and administer a [per capita, occupation, occupational privilege, emergency and municipal services, local services or earned income] tax under this act may impose and collect the reasonable costs incurred to provide notices of delinquency or to implement [similar] other procedures utilized to collect delinquent taxes from a taxpayer as approved by [the governing body of] the political subdivision. Reasonable costs collected may be retained by the officer, person, public employe or private agency designated to collect the tax as agreed to by [the governing body of] the political subdivision. An itemized accounting of all costs collected shall be remitted to the political subdivision on an annual basis.

(b) Costs related to the collection of unpaid per capita, occupation, occupational privilege, emergency and municipal services or local services taxes may only be assessed, levied and collected for five years from the last day of the calendar year in which the tax was due.

(c) A delinquent taxpayer may not bring an action for reimbursement, refund or elimination of reasonable costs of collection assessed or imposed prior to the effective date of this section. Additional costs may not be assessed on delinquent taxes collected prior to the effective date of this section.

Section 7. This act shall take effect in 60 days.

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On the amendment, the Chair recognizes Representative Kortz.

Mr. KORTZ. Thank you, Madam Speaker.

Madam Speaker, I bring amendment A07646 before the House for consideration, and let me state for the record that I am for improving the way we collect taxes. Tax collection consolidation is a logical step to gain efficiencies and cut costs.

Madam Speaker, I believe that SB 1063 is a good bill and there are many good improvements in this bill. Some of the things that we have with this is employer payroll withholding be mandatory; standardization; uniform tax filing; uniform rules regulation; business friendly, in that we only cut one check; mandates disbursement of tax dollars to the proper jurisdictions. We are going to capture the lost funds and force tax collectors who have, in the past, sometimes refused to take money, they will be forced to take it. Those are all good points of this bill, Madam Speaker, and I am all for it.

The one thing that my amendment does, it changes it from a countywide to a school district-wide, and the reason I am doing this, I am bringing it forward because of the local control. All the municipalities I have – I have eight municipalities and

five school districts – and the majority of them have come to me and said, we want to maintain local control, and that is why I brought this amendment before you.

The SPEAKER pro tempore. Will the gentleman please suspend.

PARLIAMENTARY INQUIRY

The SPEAKER pro tempore. For what purpose does the gentleman, Representative Ellis, rise?

Mr. ELLIS. Parliamentary inquiry, Madam Speaker.

The SPEAKER pro tempore. The gentleman will state his point of inquiry.

Mr. ELLIS. Madam Speaker, I was curious, if an amendment is run in a committee and it does not pass the committee, is it allowed to be offered again on the House floor?

The SPEAKER pro tempore. Yes, it is.

Mr. ELLIS. Okay. Thank you very much.

The SPEAKER pro tempore. Representative Kortz, you are in order and may proceed.

Mr. KORTZ. Thank you, Madam Speaker.

The local control is the issue. The other issue is about costs. Right now it costs our district 1.5 percent to collect the taxes. Under the countywide, the expected costs – I have heard numbers anywhere from 4 to 6 percent, the layoffs, local layoffs to the tax collectors that we have.

So for these reasons, I offer this amendment for the House's consideration. Thank you.

The SPEAKER pro tempore. Representative Nickol.

Mr. NICKOL. Thank you, Madam Speaker.

I rise to oppose the amendment. This amendment had been offered in committee but died for lack of a second. But here on the floor, I should point out, as we did in committee, that currently there are about 560 earned income tax collection agencies in Pennsylvania. This amendment would reduce the number to somewhere in the vicinity of between 160 and 180, we do not have an exact count – much more than the 69 that would be created with the bill as it currently stands.

So yes, there is a little bit more local control, but I am not sure that the purpose of this bill is to create jobs in local tax collection agencies. I think the purpose of the bill is to make tax collection more efficient, and I strongly would prefer the countywide collection.

I urge members to oppose the amendment.

The SPEAKER pro tempore. Representative Levdansky.

Mr. LEVDANSKY. Thank you, Madam Speaker.

Madam Speaker, this amendment does, in addition to what my colleague, Representative Nickol, mentioned, there are a couple of other points I want to make relative to this amendment. We have heard a lot of concern by the school districts and municipalities that right now they get their tax revenue and they are able to invest it over the short run and collect the interest on the float, and they noted that they are concerned about the timeliness of the school districts and municipalities receiving their revenue. Under this bill, the employer must forward the wage taxes withheld – within 30 days of the end of every quarter is when he has to forward it – to the countywide wage-tax collector. That is under the bill. Under this amendment, he would have up to 60 days, up to 60 days to do that. So when this bill is fully implemented, the

employer has 30 days to forward it to the countywide wage-tax collection entity, but under this amendment, it will delay that another 30 days and give the employer 60 days to forward that.

Now, we have heard concerns from the locals about the concern of collecting the interest. This exacerbates that particular concern that they have.

Secondly, this amendment also provides that voting shall be conducted according to the proportion that the population of each bears to the entire population of the combined collection district. Obviously, if you do voting based on a population basis, school districts are bigger than our municipalities, generally speaking. So this really gives a weight and more influence for school districts to control the vote, and I do not think that that is fair, and that goes back to the earlier discussion we had on some of the other amendments. So those are a couple of reasons I think why we ought to vote "no."

Finally, Madam Speaker, this whole effort is designed to streamline the collection of wage taxes to make it more friendly to the business community, more cost effective, and more friendly to taxpayers. So under this bill, we are going to go from 560 wage tax collectors to 69, but under this amendment, we will go from 560 to 501. That is not consolidation at all. That is more of the same is really what it is.

It is clearly those that have worked to forge this compromise between all the stakeholder groups who are opposed to this amendment. This amendment will clearly, clearly undo what we are trying to achieve with this legislation. This is the antithesis of cost savings and streamlining the collection process. It is not reform of the wage- tax collection process.

For those reasons, I would urge a negative vote.

The SPEAKER pro tempore. Representative Kortz.

Mr. KORTZ. Thank you, Madam Speaker.

I would ask my colleagues to vote in the affirmative as this amendment allows for local collection and local control of local taxes. We are not going to lay off the local people. We are going to have the benefits of SB 1063 – the uniformity, standardization, all of those things. We are going to cut down on that \$230 million that we lose. So I would urge all the members to vote in the affirmative.

Thank you.

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

The following roll call was recorded:

YEAS—12

Hanna	Kortz	Longiotti	Petrarca
Harhai	Kotik	Maher	Readshaw
Harper	Lentz	Mahoney	Stevenson

NAYS—184

Adolph	Fleck	Marsico	Sabatina
Argall	Frankel	McCall	Sainato
Baker	Freeman	McGeehan	Samuelson
Barrar	Gabig	McI. Smith	Santoni
Bastian	Galloway	McIlhattan	Saylor
Bear	Geist	Melio	Scavello
Belfanti	George	Mensch	Schroder
Bennington	Gerber	Metcalfe	Seip
Beyer	Gergely	Micozzie	Shapiro
Bianucci	Gibbons	Millard	Shimkus

Bishop	Gillespie	Miller	Siptroth
Blackwell	Gingrich	Milne	Smith, K.
Boback	Godshall	Moyer	Smith, M.
Boyd	Goodman	Mundy	Smith, S.
Brennan	Grell	Murt	Solobay
Brooks	Grucela	Mustio	Sonney
Buxton	Haluska	Myers	Staback
Caltagirone	Harhart	Nailor	Stairs
Cappelli	Harkins	Nickol	Stern
Carroll	Harris	O'Brien, M.	Sturla
Casorio	Helm	O'Neill	Surra
Causer	Hennessey	Oliver	Swanger
Civera	Hershey	Pallone	Tangretti
Clymer	Hess	Parker	Taylor, J.
Cohen	Hickernell	Pashinski	Taylor, R.
Conklin	Hornaman	Payne	Thomas
Costa	Hutchinson	Payton	True
Cox	James	Peifer	Turzai
Creighton	Josephs	Perry	Vereb
Cruz	Kauffman	Perzel	Vitali
Cutler	Keller, M.K.	Petri	Vulakovich
Daley	Keller, W.	Phillips	Wagner
Dally	Kenney	Pickett	Walko
DeLuca	Kessler	Preston	Wansacz
Denlinger	Killion	Quigley	Watson
DePasquale	King	Quinn	Wheatley
Dermody	Kirkland	Ramaley	White
DeWeese	Kula	Rapp	Williams
DiGirolamo	Leach	Raymond	Wojnaroski
Donatucci	Levdansky	Reed	Yewcic
Eachus	Mackereth	Reichley	Youngblood
Ellis	Major	Roae	Yudichak
Evans, D.	Manderino	Rock	
Evans, J.	Mann	Roebuck	
Everett	Mantz	Rohrer	O'Brien, D.,
Fabrizio	Markosek	Ross	Speaker
Fairchild	Marshall		

NOT VOTING—0

EXCUSED—7

Benninghoff	Moul	Pyle	Steil
Curry	Petrone	Rubley	

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

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

The SPEAKER pro tempore. We have a number of amendments that were filed late and would require a rules suspension in order to be offered.

The first of these is that of Representative Maher. Do you intend to offer these amendments?

The Chair recognizes the gentleman.

Mr. MAHER. Thank you, Madam Speaker.

I will withdraw those amendments.

The SPEAKER pro tempore. The Chair thanks the gentleman.

The Chair also has a couple of amendments from Representative Perry that also would require a rules suspension. Does the gentleman intend to offer these amendments?

The gentleman waives off and withdraws the amendments, and the Chair thanks the gentleman.

MOTION TO RECONSIDER AMENDMENT A07657

The SPEAKER pro tempore. The Chair is in receipt of a reconsideration motion from Representatives Maher and Ross, who move that the vote on amendment 7657 that was defeated to SB 1063, PN 2186, on the 23d day of June be reconsidered.

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

The SPEAKER pro tempore. On the motion, the Chair recognizes Representative Maher.

Mr. MAHER. Thank you, Madam Speaker.

I know there were a number of members who had commented that with all the discussion that has transpired here that their evaluation of the correct answer on this question may have changed, and for that reason, I have offered the motion to reconsider. I will not speak on the underlying question, rather, to say, I know there are some folks who want to make sure their votes get recorded in the correct column.

Thank you, Madam Speaker.

The SPEAKER pro tempore. Representative Levdansky, on the motion.

Mr. LEVDANSKY. Thank you, Madam Speaker.

Madam Speaker, I think this is the appropriate time to give a quote from former Governor Tom Ridge. When he worked with the legislature on legislation, I often heard him say, never let your quest for the perfect be an enemy of the good.

This is a good bill. If we strive for perfection, we will likely fail and end up with no reform of the collection of the wage tax.

You have heard the debate. This amendment simply kills the progress of the last 3 1/2 years. We have got a good bill. We need to put it in place for our taxpayers and our employment community as well.

Thank you. Vote "no."

The SPEAKER pro tempore. Representative Maher.

Mr. MAHER. Thank you, Madam Speaker.

And I do agree with my good friend and neighbor from Allegheny County that the pursuit of perfection should not be the enemy of the good, but in this case, what is very good is within our grasp. Let us grab it. Please support the motion for reconsideration.

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

The following roll call was recorded:

YEAS-97

Table with 4 columns of names: Adolph, Geist, Marsico, Raymond, Argall, Gillespie, McIlhatten, Readshaw, Baker, Gingrich, Mensch, Reed, Barrar, Godshall, Metcalfe, Reichley, Bastian, Grell, Micozzie, Roae, Bear, Harhart, Millard, Rock, Beyer, Harper, Miller, Rohrer, Boback, Harris, Milne, Ross, Boyd, Helm, Moyer, Saylor, Brooks, Hennessey, Murt, Scavello, Causer, Hershey, Mustio, Schroder, Civera, Hess, Nailor, Smith, S.

Table with 4 columns of names: Clymer, Hickernell, Nickol, Sonney, Cox, Hutchinson, O'Neill, Stairs, Creighton, Kauffman, Payne, Stern, Cutler, Keller, M.K., Peifer, Stevenson, Dally, Kenney, Perry, Swanger, DeLuca, Killion, Perzel, Taylor, J., DiGirolamo, Kotik, Petri, True, Ellis, Mackereth, Phillips, Turzai, Evans, J., Maher, Pickett, Vereb, Everett, Major, Quigley, Vulakovich, Fairchild, Mantz, Quinn, Walko, Fleck, Marshall, Rapp, Watson, Gabig

NAYS-99

Table with 4 columns of names: Belfanti, Galloway, Manderino, Shimkus, Bennington, George, Mann, Siptroth, Biancucci, Gerber, Markosek, Smith, K., Bishop, Gergely, McCall, Smith, M., Blackwell, Gibbons, McGeehan, Solobay, Brennan, Goodman, McI. Smith, Staback, Buxton, Grucela, Melio, Sturla, Caltagirone, Haluska, Mundy, Surra, Cappelli, Hanna, Myers, Tangretti, Carroll, Harhai, O'Brien, M., Taylor, R., Casorio, Harkins, Oliver, Thomas, Cohen, Hornaman, Pallone, Vitali, Conklin, James, Parker, Wagner, Costa, Josephs, Pashinski, Wansacz, Cruz, Keller, W., Payton, Waters, Daley, Kessler, Petrarca, Wheatley, Denlinger, King, Preston, White, DePasquale, Kirkland, Ramaley, Williams, Dermody, Kortz, Roebuck, Wojnaroski, DeWeese, Kula, Sabatina, Yewcic, Donatucci, Leach, Sainato, Youngblood, Eachus, Lentz, Samuelson, Yudichak, Evans, D., Levdansky, Santoni, Fabrizio, Longiotti, Seip, O'Brien, D., Frankel, Mahoney, Shapiro, Speaker, Freeman

NOT VOTING-0

EXCUSED-7

Table with 4 columns of names: Benninghoff, Moul, Pyle, Steil, Curry, Petrone, Rubley

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 bill on second consideration as amended?

Bill as amended was agreed to.

(Bill as amended will be reprinted.)

The SPEAKER pro tempore. The House will be at ease.

The House will come to order.

GUEST INTRODUCED

The SPEAKER pro tempore. The Chair is very pleased today to welcome a special guest, the son of Eric Fillman, the director of floor operations for the House Democratic Caucus, and a guest of Representative DeWeese today, Adam Fillman. He is serving as a guest page. He is here on the bench in the well. Please rise, and welcome, Adam.

ANNOUNCEMENT BY MR. SURRA

The SPEAKER pro tempore. The Chair recognizes Representative Surra.

Mr. SURRA. Thank you, Madam Speaker.

I have a little announcement to make that on Sunday, 4:30 Sunday morning, June 22, Sophia Elizabeth Surra was brought into the world. She is the daughter of my son, Dominic, and his wife, Kelli. She weighed 7 pounds 8 ounces. She is our second grandchild, and they are all doing well.

Thank you, Madam Speaker.

The SPEAKER pro tempore. Congratulations, Grandpa.

CALENDAR CONTINUED

BILLS ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 2167, PN 3950**, entitled:

An Act amending the act of December 21, 1998 (P.L.1307, No.174), known as the Community and Economic Improvement Act, authorizing the Philadelphia hospitality promotion tax; providing for apportionment of revenue; and making editorial changes.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER pro tempore. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER pro tempore. The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS-123

Adolph	Freeman	Manderino	Ross
Argall	Geist	Mann	Sabatina
Belfanti	George	Markosek	Sainato
Bennington	Gergely	Marsico	Samuelson
Beyer	Gibbons	McCall	Santoni
Bianucci	Godshall	McGeehan	Scavello
Bishop	Goodman	McI. Smith	Seip
Blackwell	Grucela	Melio	Shimkus
Boyd	Haluska	Micozzie	Siptroth
Brennan	Hanna	Millard	Smith, K.

Buxton	Harkins	Mundy	Solobay
Caltagirone	Harper	Mustio	Staback
Cappelli	Harris	Myers	Stern
Carroll	Helm	Nailor	Sturla
Civera	Hennessey	O'Brien, M.	Surra
Cohen	Hershey	Oliver	Tangretti
Costa	Hornaman	Pallone	Taylor, J.
Cruz	James	Parker	Thomas
Daley	Josephs	Pashinski	Vitali
Dally	Keller, W.	Payne	Wagner
DeLuca	Kenney	Payton	Walko
Denlinger	Kessler	Perzel	Wansacz
DePasquale	Killion	Petrarca	Waters
Dermody	Kirkland	Petri	Wheatley
DeWeese	Kortz	Preston	Williams
DiGirolamo	Kula	Quinn	Wojnaroski
Donatucci	Leach	Ramaley	Youngblood
Eachus	Lentz	Raymond	Yudichak
Evans, D.	Levdansky	Readshaw	
Fabrizio	Longietti	Reichley	O'Brien, D., Speaker
Fleck	Mahoney	Roebuck	
Frankel			

NAYS-73

Baker	Gerber	McIlhattan	Rohrer
Barrar	Gillespie	Mensch	Saylor
Bastian	Gingrich	Metcalfe	Schroder
Bear	Grell	Miller	Shapiro
Boback	Harhai	Milne	Smith, M.
Brooks	Harhart	Moyer	Smith, S.
Casorio	Hess	Murt	Sonney
Causer	Hickernell	Nickol	Stairs
Clymer	Hutchinson	O'Neill	Stevenson
Conklin	Kauffman	Peifer	Swanger
Cox	Keller, M.K.	Perry	Taylor, R.
Creighton	King	Phillips	True
Cutler	Kotik	Pickett	Turzai
Ellis	Mackereth	Quigley	Vereb
Evans, J.	Maher	Rapp	Vulakovich
Everett	Major	Reed	Watson
Fairchild	Mantz	Roae	White
Gabig	Marshall	Rock	Yewcic
Galloway			

NOT VOTING-0

EXCUSED-7

Benninghoff	Moul	Pyle	Steil
Curry	Petrone	Rubley	

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

* * *

The House proceeded to third consideration of **HB 2546, PN 3795**, entitled:

An Act amending the act of August 7, 1936 (1st Sp.Sess., P.L.106, No.46), referred to as the Flood Control Law, further providing for purpose of act; adding definitions; further providing for plans, for proceedings, for powers and duties of the Department of Environmental Protection, for eminent domain, for flood control works and for financing; and making editorial changes.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER pro tempore. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER pro tempore. The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—162

Adolph	Galloway	Markosek	Samuelson
Argall	Geist	Marshall	Santoni
Baker	George	McCall	Scavello
Bastian	Gerber	McGeehan	Schroder
Belfanti	Gergely	McI. Smith	Seip
Bennington	Gibbons	McIlhattan	Shapiro
Beyer	Godshall	Melio	Shimkus
Bianucci	Goodman	Mensch	Siptroth
Bishop	Grucela	Micozzie	Smith, K.
Blackwell	Haluska	Millard	Smith, M.
Boback	Hanna	Milne	Smith, S.
Brennan	Harhai	Moyer	Solobay
Buxton	Harkins	Mundy	Sonney
Caltagirone	Harper	Murt	Staback
Cappelli	Harris	Mustio	Stairs
Carroll	Helm	Myers	Stern
Casorio	Hennessey	Nickol	Sturla
Causer	Hershey	O'Brien, M.	Surra
Civera	Hess	O'Neill	Swanger
Clymer	Hornaman	Oliver	Tangretti
Cohen	James	Pallone	Taylor, J.
Conklin	Josephs	Parker	Taylor, R.
Costa	Keller, W.	Pashinski	Thomas
Cruz	Kenney	Payne	Vereb
Daley	Kessler	Payton	Vitali
Dally	Killion	Peifer	Vulakovich
DeLuca	King	Perzel	Wagner
DePasquale	Kirkland	Petrarca	Walko
Dermody	Kortz	Petri	Wansacz
DeWeese	Kotik	Phillips	Waters
DiGirolamo	Kula	Pickett	Watson
Donatucci	Leach	Preston	Wheatley
Eachus	Lentz	Quinn	White
Evans, D.	Levdansky	Ramaley	Williams
Evans, J.	Longietti	Raymond	Wojnaroski
Everett	Maher	Readshaw	Yewcic
Fabrizio	Mahoney	Reed	Youngblood
Fairchild	Major	Roebuck	Yudichak
Fleck	Manderino	Ross	
Frankel	Mann	Sabatina	O'Brien, D.,
Freeman	Mantz	Sainato	Speaker

NAYS—34

Barrar	Gabig	Mackereth	Reichley
Bear	Gillespie	Marsico	Roe
Boyd	Gingrich	Metcalfe	Rock
Brooks	Grell	Miller	Rohrer
Cox	Harhart	Nailor	Saylor
Creighton	Hickernell	Perry	Stevenson
Cutler	Hutchinson	Quigley	True
Denlinger	Kauffman	Rapp	Turzai
Ellis	Keller, M.K.		

NOT VOTING—0

EXCUSED—7

Benninghoff	Moul	Pyle	Steil
Curry	Petrone	Rubley	

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

* * *

The House proceeded to third consideration of **HB 2539, PN 3776**, entitled:

An Act amending the act of June 5, 1947 (P.L.422, No.195), entitled, "An act authorizing the Department of Forests and Waters to provide for stream clearance and stream channel rectifications; to construct and maintain dams, reservoirs, lakes and other works and improvements for impounding flood waters, and conserving the water supply of the Commonwealth; and for creating additional recreational areas; to acquire by purchase, condemnation or otherwise, certain lands for such purposes; to construct and maintain flood forecasting and warning systems," further providing for the purposes of the act and for the authority of the Department of Environmental Protection; and making editorial changes.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER pro tempore. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER pro tempore. The question is, shall the bill pass finally?

The Chair recognizes Representative Reichley.
Mr. REICHLEY. Thank you, Madam Speaker.
Would the sponsor of the legislation stand for brief interrogation?

The SPEAKER pro tempore. The gentleman indicates he will stand for interrogation. You may proceed.

Mr. REICHLEY. Thank you, Madam Speaker.

Madam Speaker, is the gentleman able to describe in clear language whether, as the prime sponsor of this legislation, he believes that the ability for DEP (Department of Environmental Protection) to implement and maintain nonstructural flood protection measures and to permit nonstructural flood protection projects to be acquired and the variety of powers that are given, would this be, in any way, construed by the Department of Environmental Protection in their issuance of NPDES (National Pollutant Discharge Elimination System) permits that are granted throughout Pennsylvania?

Mr. SEIP. I am sorry, Madam Speaker. What type of permit was that?

Mr. REICHLEY. NPDES. I am trying to remember what the acronym stands for. Maybe one of the staffers can— The National Pollutant Discharge and the ES part we cannot remember. It might be erosion sedimentation.

Mr. SEIP. I would believe that it would not, as that is under Federal law, Madam Speaker.

Mr. REICHLEY. And I respect the gentleman's belief, but I want to create a legislative record here in case this does become a matter of controversy in years in the future that you as the prime sponsor – I want to be able to place on the record – are stating it is not your intention that this legislation would be construed to give powers to the Department of Environmental Protection here in Pennsylvania to require nonstructural flood protection measures as an element before an NPDES permit would be granted. Is that correct?

Mr. SEIP. It is correct. It allows the department to work in collaboration with Federal agencies but not to override them.

Mr. REICHLEY. I respect that, what the speaker is stating, Madam Speaker, but I need to create a record here from the gentleman from Schuylkill. I understand that DEP works in collaboration with Federal authorities, but the determination by the department over granting permits to allow construction of any facility which would disturb more than 1 acre of land now allows for the department to, more or less, hold up that construction, and certainly, in the western part of the State, as I understand it, where the economy has been so desperate for economic development, they do not want to do anything which would unnecessarily prevent development. In the northeastern part of the State, where we have roughly a 200-permit backlog right now – and I see the gentleman from Monroe speaking next to you; he is very familiar with the backlog of NPDES permits in the northeast region – we, as the legislature, need to have some assurance that this legislation would not be utilized by DEP as another step in holding up the issuance of NPDES permits, and I am asking for a simple, declarative statement that you, as the prime sponsor, do not want this legislation utilized by DEP in that manner.

Mr. SEIP. If you could just give me a moment, Madam Speaker.

The SPEAKER pro tempore. The House will be at ease.

The House will come to order.

Representative Seip.

Mr. SEIP. Thank you, Madam Speaker.

This legislation would not exceed – would not have DEP's authority exceed any Federal authority whatsoever. It would, in fact, streamline the process for permitting.

Mr. REICHLEY. And, Madam Speaker, I am not trying to be difficult, but can you explain how this would streamline the permitting process?

Mr. SEIP. Madam Speaker, because DEP will be providing direct financial assistance to the municipalities, that should help speed up the process and make permitting go more smoothly and have the process move more rapidly.

Thank you, Madam Speaker.

Mr. REICHLEY. Madam Speaker, would the gentleman from Schuylkill agree that, as the prime sponsor of this legislation, he would state on the record that he does not want DEP utilizing any State funds either that the department would utilize or grant to a municipality to in any way add nonstructural flood protection measures and stream channel environmental improvement projects as an element in the consideration of

whether an NPDES permit would be granted, whether it is a single-home construction entity or a municipality looking to engage in infrastructure improvements?

Mr. SEIP. Madam Speaker, the bill specifically says that any funding would be authorized by the General Assembly.

Mr. REICHLEY. While I recognize the funding may be granted by the General Assembly, Madam Speaker, I am really not trying to be difficult, but I need to create a legislative record here because I think this will ensue litigation in years to come. The maker of the legislation needs to be clear and on the record that he does not want this legislation utilized by the Department of Environmental Protection in Pennsylvania to add nonstructural flood protection measures and/or stream channel environmental improvement projects as an element before granting an NPDES permit in Pennsylvania. Can he state that; yes or no?

Mr. SEIP. Could the gentleman repeat the question, please?

Mr. REICHLEY. I will do my best, Madam Speaker.

What I am asking for is a simple, declarative statement for the record in the House Journal so that when this matter is litigated in coming years, we can look back to the Journal from this date, and the gentleman from Schuylkill, as the prime sponsor of this legislation, will state for the record that he does not intend or want the Department of Environmental Protection in Pennsylvania to utilize – as I understand the legislation – to utilize nonstructural flood protection measures or stream channel environmental improvement projects as an element in consideration before granting an NPDES permit for any project in Pennsylvania.

Madam Speaker?

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. REICHLEY. I understand that my questions may be a little unexpected. What I was going to suggest, if the gentleman is agreeable, is to go over the bill for the day to attempt to gain a statement from the department to answer my questions. That way there would be a simple statement from the department as to whether they will agree that they will never utilize nonstructural flood protection measures and stream channel environmental improvement projects as an element in granting or consideration of granting an NPDES permit. I am not trying to hold the thing up; I just want to make sure that the gentleman is not on the spot here and to give the department a chance to indicate, in black-and-white language on letterhead, what their position is.

Mr. SEIP. Madam Speaker, we intend to follow the language of the bill. I would prefer not to go over the bill at this time.

Mr. REICHLEY. Okay. Well, I am back to my original question then. Can he tell me? I still need that yes-or-no answer just to answer my question.

Mr. SEIP. I think the legislation speaks for itself. There is no way to predict the answer that you are asking of me.

Mr. REICHLEY. Well, Madam Speaker, let me try it this way: Would the gentleman agree to join me in support of an amendment to HB 1989 to restrict the use of any revenue derived from any flood insurance tax measure, that it could not be utilized by the department to enforce, oversee, maintain, or any way regulate the nonstructural flood protection measures and stream channel environmental improvement projects you have said are so clearly stated in your legislation?

The SPEAKER pro tempore. For what purpose does the gentleman, Representative George, rise?

Mr. GEORGE. I would like to offer to the gentleman that is interrogating a point that he has been asking for and would wonder if the sponsor would yield while I offer what, I believe, is the accurate description of where we are?

The SPEAKER pro tempore. Representative Reichley is in order and has the floor. Do you agree to yield to the gentleman, Representative George?

Mr. REICHLEY. May we approach the desk?

The SPEAKER pro tempore. Yes.

Mr. REICHLEY. Okay.

The SPEAKER pro tempore. The House will be at ease.

(Conference held at Speaker's podium.)

BILL PASSED OVER TEMPORARILY

The SPEAKER pro tempore. The bill will be over temporarily.

* * *

The House proceeded to third consideration of **HB 2549, PN 3798**, entitled:

An Act amending the act of March 1, 1988 (P.L.82, No.16), known as the Pennsylvania Infrastructure Investment Authority Act, further providing for legislative intent, for definitions and for financial assistance.

On the question,

Will the House agree to the bill on third consideration?

Bill was agreed to.

The SPEAKER pro tempore. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER pro tempore. The question is, shall the bill pass finally?

The Chair recognizes Representative Siproth.

Mr. SIPTROTH. Thank you, Madam Speaker.

HB 2549 authorizes the Pennsylvania Infrastructure Investment Authority, along with the Department of Community and Economic Development and the Department of Environmental Protection, to fund dam projects. This bill will help our county and local governments that struggle to produce the funding needed to repair broken dams. If not repaired, these dams could endanger the lives of Pennsylvania residents.

The definitions of "high hazard dams" and "unsafe dams" that this bill establishes will assist the DEP in classifying the most urgent repairs. Our hazard dams include those that will endanger areas downstream if they were to break, and an unsafe dam has deficiencies that, if not corrected, would cause the failure of the dam and threaten lives and property in countless residential areas. High hazard dam projects need our immediate attention, and HB 2549 eliminates the requirement that the availability of additional funding be considered.

This bill also states that funding for dam projects must be in grant form with the limit of 30 percent of the project costs and

eliminates the requirement that the applicant's application is considered for alternative funding.

I would ask the members to support HB 2549 as we move forward. Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,

Shall the bill pass finally?

The SPEAKER pro tempore. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—171

Adolph	George	Markosek	Sainato
Argall	Gerber	Marshall	Samuelson
Baker	Gergely	Marsico	Santoni
Barrar	Gibbons	McCall	Scavello
Bastian	Gingrich	McGeehan	Schroder
Belfanti	Godshall	McI. Smith	Seip
Bennington	Goodman	Melio	Shapiro
Beyer	Grell	Mensch	Shimkus
Biancucci	Grucela	Micozzie	Siproth
Bishop	Haluska	Millard	Smith, K.
Blackwell	Hanna	Milne	Smith, M.
Boback	Harhai	Moyer	Smith, S.
Brennan	Harhart	Mundy	Solobay
Buxton	Harkins	Murt	Staback
Caltagirone	Harper	Mustio	Stairs
Cappelli	Harris	Myers	Stern
Carroll	Helm	Nailor	Stevenson
Casorio	Hennessey	Nickol	Sturla
Civera	Hershey	O'Brien, M.	Surra
Clymer	Hess	O'Neill	Swanger
Cohen	Hornaman	Oliver	Tangretti
Conklin	James	Pallone	Taylor, J.
Costa	Josephs	Parker	Taylor, R.
Creighton	Keller, M.K.	Pashinski	Thomas
Cruz	Keller, W.	Payne	Turzai
Daley	Kenney	Payton	Vereb
Dally	Kessler	Peifer	Vitali
DeLuca	Killion	Perzel	Vulakovich
DePasquale	King	Petrarca	Wagner
Dermody	Kirkland	Petri	Walko
DeWeese	Kortz	Phillips	Wansacz
DiGirolamo	Kotik	Pickett	Waters
Donatucci	Kula	Preston	Watson
Eachus	Leach	Quigley	Wheatley
Evans, D.	Lentz	Quinn	White
Evans, J.	Levdansky	Ramaley	Williams
Fabrizio	Longietti	Raymond	Wojnaroski
Fairchild	Maher	Readshaw	Yewcic
Fleck	Mahoney	Reed	Youngblood
Frankel	Major	Reichley	Yudichak
Freeman	Manderino	Roebuck	
Gabig	Mann	Ross	O'Brien, D., Speaker
Galloway	Mantz	Sabatina	
Geist			

NAYS—25

Bear	Ellis	Mackereth	Roae
Boyd	Everett	McIlhattan	Rock
Brooks	Gillespie	Metcalfe	Rohrer
Causar	Hickernell	Miller	Saylor
Cox	Hutchinson	Perry	Sonney
Cutler	Kauffman	Rapp	True
Denlinger			

NOT VOTING—0

EXCUSED—7

Benninghoff Moul Pyle Steil
Curry Petrone Rubley

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

* * *

The House proceeded to third consideration of **HB 2158, PN 3829**, entitled:

An Act authorizing the Department of General Services, with the approval of the Department of Transportation and the Governor, to grant and convey to Pike County or its assigns, certain lands, situate in the Borough of Milford, Pike County, in exchange for a certain tract of land.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER pro tempore. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER pro tempore. The question is, shall the bill pass finally?

The Chair recognizes Representative Siptroth.
Mr. SIPTROTH. Thank you, Madam Speaker.

Last week during the second consideration of this bill, my colleague from Allegheny County debated this bill for about 2 1/2 hours, and this is simply a simple land-conveyance bill that would authorize the Department of General Services, with the approval of the Department of Transportation and the Governor, to grant Pike County certain lands situated in Milford Borough. It would be a land swap that is currently 3.5 acres with a land swap of 13.139 acres. I would certainly— I am sorry; let me correct that. The last reading was 13.5 acres and the old building is on 3.139 acres.

I would ask my members to support this simple land-conveyance bill. Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,
Shall the bill pass finally?

The SPEAKER pro tempore. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—196

Adolph	Gabig	Mantz	Rohrer
Argall	Galloway	Markosek	Ross
Baker	Geist	Marshall	Sabatina
Barrar	George	Marsico	Sainato
Bastian	Gerber	McCall	Samuelson
Bear	Gergely	McGeehan	Santoni
Belfanti	Gibbons	McI. Smith	Saylor
Bennington	Gillespie	McIlhattan	Scavello
Beyer	Gingrich	Melio	Schroder
Bianucci	Godshall	Mensch	Seip
Bishop	Goodman	Metcalfe	Shapiro
Blackwell	Grell	Micozzie	Shimkus
Boback	Grucela	Millard	Siptroth
Boyd	Haluska	Miller	Smith, K.
Brennan	Hanna	Milne	Smith, M.
Brooks	Harhai	Moyer	Smith, S.
Buxton	Harhart	Mundy	Solobay
Caltagirone	Harkins	Murt	Sonney
Cappelli	Harper	Mustio	Staback
Carroll	Harris	Myers	Stairs
Casorio	Helm	Nailor	Stern
Causer	Hennessey	Nickol	Stevenson
Civera	Hershey	O'Brien, M.	Sturla
Clymer	Hess	O'Neill	Surra
Cohen	Hickernell	Oliver	Swanger
Conklin	Hornaman	Pallone	Tangretti
Costa	Hutchinson	Parker	Taylor, J.
Cox	James	Pashinski	Taylor, R.
Creighton	Josephs	Payne	Thomas
Cruz	Kauffman	Payton	True
Cutler	Keller, M.K.	Peifer	Turzai
Daley	Keller, W.	Perry	Vereb
Dally	Kenney	Perzel	Vitali
DeLuca	Kessler	Petrarca	Vulakovich
Denlinger	Killion	Petri	Wagner
DePasquale	King	Phillips	Walko
Dermody	Kirkland	Pickett	Wansacz
DeWeese	Kortz	Preston	Waters
DiGirolamo	Kotik	Quigley	Watson
Donatucci	Kula	Quinn	Wheatley
Eachus	Leach	Ramaley	White
Ellis	Lentz	Rapp	Williams
Evans, D.	Levdansky	Raymond	Wojnaroski
Evans, J.	Longietti	Readshaw	Yewcic
Everett	Mackereth	Reed	Youngblood
Fabrizio	Maher	Reichley	Yudichak
Fairchild	Mahoney	Roae	
Fleck	Major	Rock	O'Brien, D., Speaker
Frankel	Manderino	Roebuck	
Freeman	Mann		

NAYS—0

NOT VOTING—0

EXCUSED—7

Benninghoff Moul Pyle Steil
Curry Petrone Rubley

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

LEAVE OF ABSENCE

The SPEAKER pro tempore. The Chair recognizes the minority whip, who asks that the gentleman, Representative Sam SMITH, be put on leave for the remainder of the day. The Chair hears no objection, and leave will be granted.

CONSIDERATION OF HB 2539 CONTINUED

On the question recurring, Shall the bill pass finally?

The SPEAKER pro tempore. The Chair recognizes Representative Reichley.

Mr. REICHLEY. Thank you, Madam Speaker.

I apologize to the members of the House who may, for some reason, have taken my questions as something unduly delaying our consideration of this legislation.

As background, the northeast region of Pennsylvania, which is experiencing substantial growth, has encountered a number of situations where the NPDES permits have become a focal point for holding up certain projects. I do not think it is done in a malicious way, but just as a factual matter, that has happened.

The prime sponsor, the gentleman from Schuylkill, along with, I think, the gentleman from Allegheny, Mr. Dermody, and I were out in the hallway with some of the staffers and met with the legislative liaison from DEP who assured us that the nonstructural flood protection measures and stream channel environmental improvement projects would not be utilized in consideration of NPDES permits nor would they be a matter in whether a permit is granted. Certainly, if the gentleman from Schuylkill has any contrary recollection of that, I would be glad to hear that.

But I believe we have addressed my question, and I appreciate the gentleman, Mr. George, trying to clarify the matter for me as well.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Representative Seip.

Mr. SEIP. The gentleman is correct. It would not be a factor in the legislation.

The primary purpose for this bill is so that we can enable DEP to address some of the flooding concerns that my district has suffered, certainly, in 2006 millions of dollars of damage occurred and we are trying to give DEP tools to prevent that in the future to the best of their ability.

Thank you, Madam Speaker.

On the question recurring, Shall the bill pass finally?

The SPEAKER pro tempore. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—182

Adolph	Freeman	Mann	Ross
Argall	Galloway	Mantz	Sabatina
Baker	Geist	Markosek	Sainato
Barrar	George	Marshall	Samuelson
Bastian	Gerber	Marsico	Santoni

Bear	Gergely	McCall	Scavello
Belfanti	Gibbons	McGeehan	Schroder
Bennington	Gingrich	McI. Smith	Seip
Beyer	Godshall	McIlhattan	Shapiro
Bianucci	Goodman	Melio	Shimkus
Bishop	Grell	Mensch	Siptroth
Blackwell	Grucela	Micozzie	Smith, K.
Boback	Haluska	Millard	Smith, M.
Boyd	Hanna	Milne	Solobay
Brennan	Harhai	Moyer	Sonney
Brooks	Harhart	Mundy	Staback
Buxton	Harkins	Murt	Stairs
Caltagirone	Harper	Mustio	Stern
Cappelli	Harris	Myers	Stevenson
Carroll	Helm	Nailor	Sturla
Casorio	Hennessey	Nickol	Surra
Causer	Hershey	O'Brien, M.	Swanger
Civera	Hess	O'Neill	Tangretti
Clymer	Hickernell	Oliver	Taylor, J.
Cohen	Hornaman	Pallone	Taylor, R.
Conklin	James	Parker	Thomas
Costa	Josephs	Pashinski	True
Creighton	Kauffman	Payne	Turzai
Cruz	Keller, M.K.	Payton	Vereb
Daley	Keller, W.	Peifer	Vitali
Dally	Kenney	Perzel	Vulakovich
DeLuca	Kessler	Petrarca	Wagner
DePasquale	Killion	Petri	Walko
Dermody	King	Phillips	Wansacz
DeWeese	Kirkland	Pickett	Waters
DiGirolo	Kortz	Preston	Watson
Donatucci	Kotik	Quigley	Wheatley
Eachus	Kula	Quinn	White
Ellis	Leach	Ramaley	Williams
Evans, D.	Lentz	Rapp	Wojnaroski
Evans, J.	Levdansky	Raymond	Yewcic
Everett	Longiatti	Readshaw	Youngblood
Fabrizio	Maher	Reed	Yudichak
Fairchild	Mahoney	Reichley	
Fleck	Major	Rock	O'Brien, D., Speaker
Frankel	Manderino	Roebuck	

NAYS—13

Cox	Gillespie	Metcalfe	Roae
Cutler	Hutchinson	Miller	Rohrer
Denlinger	Mackereth	Perry	Saylor
Gabig			

NOT VOTING—0

EXCUSED—8

Benninghoff	Moul	Pyle	Smith, S.
Curry	Petrone	Rubley	Steil

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

RESOLUTIONS PURSUANT TO RULE 35

Mr. GEIST called up HR 762, PN 3787, entitled:

A Resolution designating the month of July 2008 as "Special Olympics Pennsylvania Month."

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—195

Adolph	Gabig	Mann	Roebuck
Argall	Galloway	Mantz	Rohrer
Baker	Geist	Markosek	Ross
Barrar	George	Marshall	Sabatina
Bastian	Gerber	Marsico	Sainato
Bear	Gergely	McCall	Samuelson
Belfanti	Gibbons	McGeehan	Santoni
Bennington	Gillespie	McI. Smith	Saylor
Beyer	Gingrich	McIlhattan	Scavello
Bianucci	Godshall	Melio	Schroder
Bishop	Goodman	Mensch	Seip
Blackwell	Grell	Metcalfe	Shapiro
Boback	Grucela	Micozzie	Shimkus
Boyd	Haluska	Millard	Siptroth
Brennan	Hanna	Miller	Smith, K.
Brooks	Harhai	Milne	Smith, M.
Buxton	Harhart	Moyer	Solobay
Caltagirone	Harkins	Mundy	Sonney
Cappelli	Harper	Murt	Staback
Carroll	Harris	Mustio	Stairs
Casorio	Helm	Myers	Stern
Causer	Hennessey	Nailor	Stevenson
Civera	Hershey	Nickol	Sturla
Clymer	Hess	O'Brien, M.	Surra
Cohen	Hickernell	O'Neill	Swanger
Conklin	Hornaman	Oliver	Tangretti
Costa	Hutchinson	Pallone	Taylor, J.
Cox	James	Parker	Taylor, R.
Creighton	Josephs	Pashinski	Thomas
Cruz	Kauffman	Payne	True
Cutler	Keller, M.K.	Payton	Turzai
Daley	Keller, W.	Peifer	Vereb
Dally	Kenney	Perry	Vitali
DeLuca	Kessler	Perzel	Vulakovich
Denlinger	Killion	Petrarca	Wagner
DePasquale	King	Petri	Walko
Dermody	Kirkland	Phillips	Wansacz
DeWeese	Kortz	Pickett	Waters
DiGirolamo	Kotik	Preston	Watson
Donatucci	Kula	Quigley	Wheatley
Eachus	Leach	Quinn	White
Ellis	Lentz	Ramaley	Williams
Evans, D.	Levdansky	Rapp	Wojnaroski
Evans, J.	Longietti	Raymond	Yewcic
Everett	Mackereth	Readshaw	Youngblood
Fabrizio	Maher	Reed	Yudichak
Fairchild	Mahoney	Reichley	
Fleck	Major	Roae	O'Brien, D., Speaker
Frankel	Manderino	Rock	
Freeman			

NAYS—0

NOT VOTING—0

EXCUSED—8

Benninghoff	Moul	Pyle	Smith, S.
Curry	Petrone	Rubley	Steil

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

* * *

Mr. GEORGE called up **HR 808, PN 3979**, entitled:

A Resolution welcoming the 2008 National Conference of the United States Environmental Protection Agency Small Business Ombudsman and the State Small Business Ombudsman and State Small Business Environmental Assistance Programs to Pennsylvania which is being held in Harrisburg on June 16 through 20, 2008, and recognizing the outstanding work of these programs.

On the question,
Will the House adopt the resolution?

The SPEAKER pro tempore. The Chair recognizes Representative George.

Mr. GEORGE. Madam Speaker, just last week on June 17 to the 20th, DEP hosted the 2008 National Conference of the United States EPA (Environmental Protection Agency) Small Business Ombudsman, the small business ombudsman, and the small business environmental assistance.

In their honor, this resolution recognizes the contributions of small businesses to our economic health and applauds the commitment of small business ombudsmen and environmental assistance programs in helping businesses operate in economically and environmentally sustainable ways.

Please join me in supporting this resolution. Thank you.

The SPEAKER pro tempore. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—195

Adolph	Gabig	Mann	Roebuck
Argall	Galloway	Mantz	Rohrer
Baker	Geist	Markosek	Ross
Barrar	George	Marshall	Sabatina
Bastian	Gerber	Marsico	Sainato
Bear	Gergely	McCall	Samuelson
Belfanti	Gibbons	McGeehan	Santoni
Bennington	Gillespie	McI. Smith	Saylor
Beyer	Gingrich	McIlhattan	Scavello
Bianucci	Godshall	Melio	Schroder
Bishop	Goodman	Mensch	Seip
Blackwell	Grell	Metcalfe	Shapiro
Boback	Grucela	Micozzie	Shimkus
Boyd	Haluska	Millard	Siptroth
Brennan	Hanna	Miller	Smith, K.
Brooks	Harhai	Milne	Smith, M.
Buxton	Harhart	Moyer	Solobay
Caltagirone	Harkins	Mundy	Sonney
Cappelli	Harper	Murt	Staback
Carroll	Harris	Mustio	Stairs
Casorio	Helm	Myers	Stern
Causer	Hennessey	Nailor	Stevenson
Civera	Hershey	Nickol	Sturla
Clymer	Hess	O'Brien, M.	Surra
Cohen	Hickernell	O'Neill	Swanger
Conklin	Hornaman	Oliver	Tangretti
Costa	Hutchinson	Pallone	Taylor, J.
Cox	James	Parker	Taylor, R.
Creighton	Josephs	Pashinski	Thomas
Cruz	Kauffman	Payne	True
Cutler	Keller, M.K.	Payton	Turzai
Daley	Keller, W.	Peifer	Vereb

Dally	Kenney	Perry	Vitali
DeLuca	Kessler	Perzel	Vulakovich
Denlinger	Killion	Petrarca	Wagner
DePasquale	King	Petri	Walko
Dermody	Kirkland	Phillips	Wansacz
DeWeese	Kortz	Pickett	Waters
DiGirolamo	Kotik	Preston	Watson
Donatucci	Kula	Quigley	Wheatley
Eachus	Leach	Quinn	White
Ellis	Lentz	Ramaley	Williams
Evans, D.	Levdansky	Rapp	Wojnaroski
Evans, J.	Longietti	Raymond	Yewcic
Everett	Mackereth	Readshaw	Youngblood
Fabrizio	Maher	Reed	Yudichak
Fairchild	Mahoney	Reichley	
Fleck	Major	Roae	O'Brien, D.,
Frankel	Manderino	Rock	Speaker
Freeman			

NAYS—0

NOT VOTING—0

EXCUSED—8

Benninghoff	Moul	Pyle	Smith, S.
Curry	Petrone	Rubley	Steil

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

RECESS

The SPEAKER pro tempore. The Chair announces its intention to go into special session at 6:36 p.m., so regular session is recessed.

AFTER RECESS

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

The SPEAKER pro tempore. We will be temporarily at ease.

The House will come to order.

BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND RECOMMITTED TO COMMITTEE ON RULES

HB 1490, PN 4021 (Amended) By Rep. PRESTON

An Act relating to broadband deployment, mapping and availability.

CONSUMER AFFAIRS.

HB 2260, PN 3270 By Rep. PRESTON

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, further providing for sliding scale of rates and adjustments.

CONSUMER AFFAIRS.

HB 2594, PN 4022 (Amended) By Rep. PRESTON

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, further providing for definitions; in rates and ratemaking, further providing for sliding scale of rates and adjustments; and, in service and facilities, further providing for ownership and maintenance of natural gas and artificial gas service lines.

CONSUMER AFFAIRS.

HB 2621, PN 4023 (Amended) By Rep. PRESTON

An Act establishing the Pipeline Replacement and Rehabilitation Program and the Pipeline Replacement and Rehabilitation Fund; providing for powers and duties of the Pennsylvania Infrastructure Investment Authority and the Pennsylvania Public Utility Commission; and authorizing a public referendum.

CONSUMER AFFAIRS.

HB 2644, PN 3986 By Rep. PRESTON

An Act amending the act of December 10, 1974 (P.L.852, No.287), referred to as the Underground Utility Line Protection Law, further providing for duties of facility owners.

CONSUMER AFFAIRS.

BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND Tabled

SB 1000, PN 2228 (Amended) By Rep. PRESTON

An Act prohibiting the regulation of voice-over-Internet protocol and other Internet protocol-enabled products and services; and providing for preservation of consumer protection, for fees and rates and for preservation of cable franchise authority.

CONSUMER AFFAIRS.

SB 1116, PN 1770 By Rep. PRESTON

An Act amending the act of December 4, 1996 (P.L.911, No.147), known as the Telemarketer Registration Act, further providing for duration of a listing.

CONSUMER AFFAIRS.

The SPEAKER pro tempore. The House will be at ease.

The House will come to order.

CALENDAR CONTINUED

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 1634, PN 4003**, entitled:

An Act providing for uniform methods to satisfy required municipal registration of deeds and conveyances; permitting access of information in lieu of registration; prohibiting municipalities from requiring municipal registration of deeds prior to recordation by recorders of deeds; and making inconsistent repeals.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER pro tempore. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER pro tempore. The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—195

Adolph	Gabig	Mann	Roebuck
Argall	Galloway	Mantz	Rohrer
Baker	Geist	Markosek	Ross
Barrar	George	Marshall	Sabatina
Bastian	Gerber	Marsico	Sainato
Bear	Gergely	McCall	Samuelson
Belfanti	Gibbons	McGeehan	Santoni
Bennington	Gillespie	McI. Smith	Saylor
Beyer	Gingrich	McIlhattan	Scavello
Bianucci	Godshall	Melio	Schroder
Bishop	Goodman	Mensch	Seip
Blackwell	Grell	Metcalfe	Shapiro
Boback	Grucela	Micozzie	Shimkus
Boyd	Haluska	Millard	Siptroth
Brennan	Hanna	Miller	Smith, K.
Brooks	Harhai	Milne	Smith, M.
Buxton	Harhart	Moyer	Solobay
Caltagirone	Harkins	Mundy	Sonney
Cappelli	Harper	Murt	Staback
Carroll	Harris	Mustio	Stairs
Casorio	Helm	Myers	Stern
Causser	Hennessey	Nailor	Stevenson
Civera	Hershey	Nickol	Sturla
Clymer	Hess	O'Brien, M.	Surra
Cohen	Hickernell	O'Neill	Swanger
Conklin	Hornaman	Oliver	Tangretti
Costa	Hutchinson	Pallone	Taylor, J.
Cox	James	Parker	Taylor, R.
Creighton	Josephs	Pashinski	Thomas
Cruz	Kauffman	Payne	True
Cutler	Keller, M.K.	Payton	Turzai
Daley	Keller, W.	Peifer	Vereb
Dally	Kenney	Perry	Vitali
DeLuca	Kessler	Perzel	Vulakovich
Denlinger	Killion	Petrarca	Wagner
DePasquale	King	Petri	Walko
Dermody	Kirkland	Phillips	Wansacz
DeWeese	Kortz	Pickett	Waters
DiGirolamo	Kotik	Preston	Watson
Donatucci	Kula	Quigley	Wheatley
Eachus	Leach	Quinn	White
Ellis	Lentz	Ramaley	Williams
Evans, D.	Levdansky	Rapp	Wojnarowski
Evans, J.	Longietti	Raymond	Yewcic
Everett	Mackereth	Readshaw	Youngblood
Fabrizio	Maher	Reed	Yudichak
Fairchild	Mahoney	Reichley	
Fleck	Major	Roe	O'Brien, D., Speaker
Frankel	Manderino	Rock	
Freeman			

NAYS—0

NOT VOTING—0

EXCUSED—8

Benninghoff	Moul	Pyle	Smith, S.
Curry	Petrone	Rubley	Steil

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

BILL REMOVED FROM TABLE

The SPEAKER pro tempore. The Chair recognizes the majority leader, who moves that SB 1424 be removed from the tabled bill calendar.

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

BILL RECOMMENDED

The SPEAKER pro tempore. The Chair recognizes the majority leader, who moves that SB 1424 be recommitted to the Committee on Appropriations.

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

BILLS RECOMMENDED

The SPEAKER pro tempore. The Chair recognizes the majority leader, who moves that the following bills be recommitted to the Committee on Appropriations:

- HB 1824;
- HB 2294;
- HB 2485;
- HB 2537;
- HB 2580;
- HB 2625; and
- HB 2642.

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

The SPEAKER pro tempore. The House will be at ease.

The House will come to order.

BILLS ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 2522, PN 3780**, entitled:

An Act providing for the capital budget for the fiscal year 2008-2009.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER pro tempore. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER pro tempore. The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken— Is there somebody seeking recognition?

The Chair recognizes Representative Turzai.

Mr. TURZAI. Madam Speaker, I would like to interrogate the maker of the bill.

Madam Speaker, is the maker of the bill here to interrogate?

The SPEAKER pro tempore. Yes; we are working on that.

The House will be temporarily at ease.

The House will come to order.

Does the gentleman agree to stand for interrogation? The gentleman agrees to stand for interrogation. Representative Turzai, you are in order.

Mr. TURZAI. Thank you very much, Madam Speaker.

Madam Speaker, with respect to the redevelopment assistance in HB 2522 of \$180 million, does that represent debt issuance with respect to the previous authorization of the redevelopment capital assistance borrowing?

Mr. D. EVANS. Yes; correct, Madam Speaker.

Mr. TURZAI. It is my understanding, and if you could tell me if this is correct, that the RCAP (Redevelopment Assistance Capital Program) – and for the listeners, RCAP is a borrowing program that is paid back with taxes on into the future to pay back principal, interest, and fees – it is my understanding that before the Rendell administration, that that RCAP stood at \$1.5 billion, and that since then, under the Rendell administration, in 4 short years, about \$1.15 billion has been added on, in terms of the amount of borrowing on that revolving line of credit. Is that correct?

Mr. D. EVANS. Madam Speaker, I do not have that particular information here. I would be more than glad to get that information for you.

Mr. TURZAI. Now, the total amount under 2522, and I understand this is a bit of a different approach to how we have done the capital budget flow chart, that there are some differences here, but what is the total amount of bond issuance under HB 2522? I am not sure if this is correct, and I just want to make sure, is it \$980 million?

Mr. D. EVANS. The answer yes. It is right here on the fiscal note. The answer is yes.

Mr. TURZAI. Okay. So the total—

Mr. D. EVANS. Madam Speaker, I want to make a clarification.

**THE SPEAKER (DENNIS M. O'BRIEN)
PRESIDING**

The SPEAKER. Will the gentleman suspend.

Mr. D. EVANS. Okay.

The SPEAKER. The Chair will ask the members to please ask a question and wait for the response.

Mr. D. EVANS. Mr. Speaker, if you look on this fiscal note, it shows you that in Act 43 of 2007 and this proposal of HB 2522, there is an increase of over \$228 million, Mr. Speaker.

Mr. TURZAI. But the total issuance under HB 2522 is an issuance of \$980 million, just shy of \$1 billion in the taking out of a loan, correct?

Mr. D. EVANS. Yes, Mr. Speaker. It is for public improvements, buildings; public improvements, furniture and equipment; transportation assistance; redevelopment assistance; flood control; and bridge projects.

Mr. TURZAI. Okay.

Mr. D. EVANS. So, Mr. Speaker, this is a part of our normal process that we need to do in order to make the investment in those things that I just read off to you.

Mr. TURZAI. Now, given— Sir, I know as chair of the Appropriations, I know you have to make some assumptions as to what the debt service will be, but I want to know what your assumption is in terms of paying back this almost \$1 billion in borrowing, both in terms of the time to repay it and the rate of payment by the taxpayers of Pennsylvania? What they have to pay it back, in what percentage amount. What is the assumption that is built in?

Mr. D. EVANS. Mr. Speaker, if you look on the fiscal note, it basically talks about the constitutional debt limit and this is what we have to do. It does not necessarily mean that you actually have to go up to that particular level, but obviously, this is something that the General Assembly has to authorize. It does not mean you actually have to go there, and it lays out regarding that in that third paragraph.

Mr. TURZAI. But, Mr. Speaker, to the Chair, if you are issuing a billion dollars in bonds, you are borrowing a billion dollars, that money has to be paid back by the taxpayers with principal, interest, and fees. What are the terms of those repayments, in terms of the time to pay it back and in terms of the percentage of interest that has to be paid back on the approximately \$1 billion? What is the assumption?

Mr. D. EVANS. Mr. Speaker, if you look on your fiscal note and you turn the page, it talks about the actual costs to the Commonwealth will depend on the amount of bonds sold and the interest rate at the time of the sale. If I quote my good friend, Gib Armstrong, who is from Lancaster County, who is the Senate Appropriations chair, Gib said this is a good time to borrow.

Mr. TURZAI. Well, I mean, I certainly do not think it is worth borrowing an additional billion dollars. But it is our assumptions, and I have to get your assumptions, because you are the chair of the Appropriations Committee—

Mr. D. EVANS. Mr. Speaker? Let me just— May I make a correction to what I just said?

Mr. TURZAI. If I could just finish.

Mr. D. EVANS. Okay.

Mr. TURZAI. Our assumption is, and I just want to know if you agree with this, because you are the Appropriations chair, you get to decide what bills run, and I know you want to run this \$1 billion borrowing that the taxpayers have to pay back and our kids and grandkids have to pay back. My understanding is, and I want to know if you agree with this, because we do not get to make the official comment; your committee gets to. But over the 20 years that you are going to pay this billion dollars back, over 20 years at a rate of 4.3 percent, and that would take up the repayment to \$1.5 billion to repay back this almost \$1 billion that you want to borrow, would you agree that the taxpayers are going to have to pay back this borrowed money and that they have to pay it back to the tune of \$1.5 billion? Would you agree with that?

Mr. D. EVANS. No.

First, Mr. Speaker, let me just say this to you: One, if you look at this proposal, it is only actually talking about spending \$228 million over and above what was passed. So it is not a billion dollars. You keep saying a billion dollars, Mr. Speaker. It is not a billion dollars. That is the first thing.

Secondly, Mr. Speaker, it lays out, specifically, buildings and structure. For example, the building we are in, Mr. Speaker, the building that we are in requires investment of equipment, transportation, flood control, bridge projects, so those things, Mr. Speaker. So the gap between 2007, which was Act 43, between 2007, we are currently talking about 2008-2009, so the gap between the \$700 million and the \$900 million is \$228 million. That is the only thing we are talking about, Mr. Speaker.

We are only proposing to raise it \$228 million. We are not talking about a billion dollars, because if you go back to Act 43 of 2007, we did that already. We are only talking about over \$200 million. We are not talking about a billion dollars, and we should not give the impression that we are talking about borrowing a billion dollars.

Mr. TURZAI. If I might, in the Appropriations fiscal note – and you already did agree to this, and I understand you are trying to recharacterize it now, but I just want to make it clear for the record – in your fiscal note, Mr. Speaker, this is what it reads, and you did earlier in response to my earlier question and now you are giving me a different answer, but here is what you said: "This legislation" – quote, unquote – "This legislation authorizes the Commonwealth to issue up to \$980 million in additional debt to pay for capital projects next fiscal year." Let us be honest about it: This is permitting a borrowing of almost a billion dollars.

Now, my question is this: Is your rate of assumption— I understand that your rate of assumption in your fiscal note is that it is going to be paid back at 5 percent, at 5 percent, which would take it even higher than a repayment term of \$1.5 billion in taxpayer dollars. Is your assumption that the billion dollars, the approximately \$1 billion in additional debt, will be paid back over 20 years at 5 percent?

Mr. D. EVANS. Mr. Speaker, can you repeat your question, please?

Mr. TURZAI. Yes, sir.

It is my understanding that the Appropriations Committee that you chair has said that the repayment of this billion dollars in borrowing from taxpayer dollars will be done at 5 percent over 20 years, which will take it up somewhere around

\$1.6 billion and my kids' and grandkids' taxes to pay back the billion dollars that we are going to borrow today?

Mr. D. EVANS. Mr. Speaker, since you keep bringing your children into it – and I did not want to go there; I want to be clear – I think you want your children to be able to ride across safe bridges. I think you want to make sure that the flood-control projects are done. I think you want to make sure when they go into State buildings that they are safe buildings. I think you want that to happen.

That is a fundamental responsibility, Mr. Speaker, of government. These are our buildings. These buildings belong to the people of the Commonwealth of Pennsylvania. So you act like, Mr. Speaker, we are going to be doing projects in West Virginia and Ohio or New Jersey. We are going to be doing projects in Pennsylvania. You have a district in Pennsylvania; I have a district in Pennsylvania. So when you keep making this statement about the debt of the children, where do you think this investment is going to take place? This investment is taking place here in Pennsylvania, not West Virginia, not Ohio, not New Jersey, not New York – Pennsylvania.

The example that you read, it was an example giving you a case aspect of how this is done. So the way you keep talking, you keep talking like we are going to be taking care of somebody else. We are talking about Pennsylvania – 12 million people. We are reinvesting their tax money back into their communities. That is exactly what we are doing. We are generating jobs. We are trying to deal with the infrastructure. How else do you think this is going to be done, Mr. Speaker?

Mr. TURZAI. Mr. Speaker, you would agree with me that the \$600 million, above and beyond the \$1 billion that you are borrowing, is actually money that is going to pay back in interest and lawyer fees and bond counsel fees, underwriter fees. So \$600 million of that \$1.6 billion that is going to be paid back is actually not going into the project itself but it is going into the financing arm so that you can spend today and tax tomorrow, because you want it all today, even though the administration has not taken care of these items, many of these items, over the past 5 years, and now they want all the money up front and they want to borrow it so that they can take care of various groups associated with borrowing. But the fact of the matter is, you would agree with me that of the total \$1.6 billion that is going to be paid in tax dollars, that over a third of it is going to go to bond lawyers, underwriters, paying interest and fees, and those that you are borrowing the money from. Would you agree with that?

Mr. D. EVANS. No.

Let me just say this to you: Let us understand our roles. This is the legislative branch. When this passes out of this House, it goes to the Senate. We do not issue debt. The only thing we do is allow the administration. We have done that under Republican administrations as well as Democratic administrations. So we allow— And those decisions, the issues you are referring to, are made by the administration. Nobody in this room picks bond counsel, to my knowledge. Nobody in this room sets the fees. That is done by the administration. So why I do not agree with you, the only thing we do is set the debt limit. That is the only thing we do. So, Mr. Speaker, you should be clear about who has that responsibility.

Secondly, Mr. Speaker, think of it like if you are buying your house. You are buying a house, and in order to buy a house, most of us – and I do not know your situation; I do not want to

make any assumptions – most of us have to use a mortgage. That is what we do. I do not know of many people that have enough cash to put down to buy the house, first.

Mr. TURZAI. With all due respect, sir—

Mr. D. EVANS. Wait. Wait a minute, Mr. Speaker. Mr. Speaker? Mr. Speaker?

Mr. TURZAI. —this is the Commonwealth of Pennsylvania that spends \$28 billion a year in general—

Mr. D. EVANS. Mr. Speaker, I am responding to you.

The SPEAKER. The gentleman will suspend.

Mr. D. EVANS. Thank you.

Mr. TURZAI. I mean, come on, you are talking apples and—

The SPEAKER. The gentleman will suspend; the gentleman will suspend.

The Chair will instruct the members, again, not to speak over each other when conducting an interrogation.

Mr. D. EVANS. And, Mr. Speaker, guess what? I would agree with you. Since the gentleman asked me a question, I was giving him an example. Now, it seems to me he is upset with the example that I was just giving him, and I was only explaining to him how you purchase a house, and when you purchase a house, you think of the Commonwealth of Pennsylvania the same way, and you got a large asset that you have got to purchase. If you do not have enough cash on hand, 9 times out of 10, you are going to borrow. That is exactly what happens, and that is exactly what the Commonwealth is doing.

The Commonwealth is going to the market to borrow money. We, as the General Assembly, who are the trustees, we are the trustees of what takes place here, Mr. Speaker, so as a result of us being the trustees, what we are saying to the Governor—

The SPEAKER. Will the gentleman suspend.

POINT OF ORDER

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

Mr. TURZAI. Mr. Speaker, a point of order.

The gentleman is not answering the question that was asked. It was a very direct question, and I will address his analogy, but the direct question is, of the \$1.6 billion that has to be paid back—

The SPEAKER. The gentleman—

Mr. D. EVANS. Mr. Speaker? Mr. Speaker?

The SPEAKER. The gentleman will suspend.

The Chair is not going to engage in the middle of a debate. The gentleman will answer, and the gentleman can ask his follow-up question. We have time.

Mr. D. EVANS. Mr. Speaker, the one problem I have with what the gentleman just said, now, he can say he may not like my answer to his question—

The SPEAKER. If both gentlemen would get to the issue at hand.

Mr. D. EVANS. Right; exactly, but he cannot tell me I am not answering the question. I am answering the question. You may not like the answer, but I am answering the question.

But let me get back to my answer. This is my answer: It is like a house with a mortgage that you live in for 20 or 30 years, and you have this house, and then you go and try to get yourself a good interest rate. Well, that is what the Commonwealth of Pennsylvania is trying to do, get a good interest rate, get a low interest rate, and make long-term investments. We are trying to

make sure our buildings and our structure, we are trying to make sure everything is right. We are trying to make sure your grandkids have a future Pennsylvania to live in and do not move out of the State. That is what we are trying to do, Mr. Speaker.

Mr. Speaker, I see lists and lists provided to me of things like the Redevelopment Authority in Allegheny County and the Care Coalition, the borough of Bradford Woods, the Columbia Knights. I see this whole list I have in my hand. This is an entire list of requests that have been made for capital projects.

And I do not want to— Some of my colleagues say I should say the name, but I am not going to say the name, because we have to work together, but this is a three-page list of requests that have been made for capital projects. You guess who the name is and what this list is about.

I, in the spirit of cooperation, want to work together. I only say to this gentleman that this list, if you want to see it, I just want to show you the list of capital projects, and all of them shown in Allegheny County, all of them shown here in Allegheny is not anybody on this side in Allegheny County but is on that side in Allegheny County of all these projects that are listed in here. I mean, it is four pages, and you know how much it totals? \$16 billion. So a part of, a part of that \$228 million we spend – this is \$16 billion to one member in the request.

So, Mr. Speaker, in all fairness, in all fairness, Mr. Speaker, in all fairness— Can I get their attention? Mr. Speaker, can I get their attention please? Can I get their attention?

The SPEAKER. If all members will please reduce the level of conversation. The two gentlemen have a right to be heard.

Mr. D. EVANS. Mr. Speaker, I want to say this: I do have a lot of respect for the gentleman who is doing the questioning. I want to be clear; I do have a lot of respect for him. But, Mr. Speaker, he and I probably fundamentally disagree in this element of how you make this investment in the State. You know, we are having a little fun right now at this particular time, but this is serious about buildings, structure. I mean, we need to make this investment.

So I understand the gentleman; yes, we need to balance the debt issue. I do not disagree in our ability to pay it back, but sometimes I think it goes a little too far. And I would only say to the gentleman, I know this is a constant issue he is always raising, and I respect that, but I think, Mr. Speaker, we are being more than responsible and prudent with this particular proposal, and I would hope we get consideration and you would support this, Mr. Speaker. Thank you.

Mr. TURZAI. Mr. Speaker, I am going to speak on the bill.

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

Mr. TURZAI. The only thing, with all due respect, Mr. Speaker, look, I know you give a lot of leeway to the other side, but I do think, and I am going to posit an objection on the record and then I will address it, but I think you have let the gentleman go far astray from what the question was, and I raise that point of order.

Now, I will address it, but let us be honest—

The SPEAKER. This is— Would the gentleman, if the gentleman—

Mr. TURZAI. I wanted to have an opportunity to have some interrogation—

The SPEAKER. If the gentleman will suspend.

The Chair is not trying to cut any member off, but this is not an interrogation like you would have in a courtroom. You ask a question; the Chair will ask the member to respond. The Chair

cannot control the way a member responds. The gentleman can ask a follow-up question.

The gentleman is in order and may proceed.

Mr. TURZAI. This bill is requesting us to borrow almost a billion dollars. And you know what? I came here as a young legislator, and what happened a lot of times in Allegheny County is people would sign bloc letters, and I stopped, and I am going to tell you why I stopped. Let me make it clear: The fact of the matter is, Pennsylvania has been on a fiscal train wreck since this administration has come to town.

Let me just take the RCAP borrowing program in and of itself. First, it was at \$1.5 billion, the RCAP, of which a portion of it is in this bill, the authorization. It is a line of credit. It gets paid back with tax dollars. As those moneys are paid out in grants, the Governor can reissue those same dollars. That \$1.5 billion gets used over and over. We took out a second credit card to the tune of \$500 million, so that we increased the limit on the credit card to \$2 billion. And then we did it another time under this administration in 4 years, we took out the third credit card, and we took it out to the tune of \$650 million.

Again, it is now at \$2.15 billion? And if that gets paid off with your kids' and grandkids' tax dollars, it can be regiven out in grants. It is just a revolving credit card. In fact, I am sure another bill that has already been up, that is over in the Senate, would make it the fourth RCAP credit card for another \$750 million, which would take it to over \$3 billion and the fourth credit card, under that program alone.

And the fact of the matter is, this particular bill allows for \$390 million for buildings and structures, \$15 million for furniture and equipment, \$165,000 for transportation assistance, \$180 million under the RCAP, \$28 million for flood control – you mean to tell me we cannot pay as you go for flood control? – and an additional \$200 million for bridge projects.

Act 44, which we did last year – Act 44, which we did last year – allowed borrowing up to \$12 billion from the Turnpike Commission to be paid back by increasing taxes on the turnpike and raising taxes or putting tolls on I-80. That \$12 billion was supposed to be taking care of roads and bridges, and now under this one, we are going to be doing another \$200 million on top of that, even though from Act 44 they are going to get \$500 million for roads and bridges, transportation assistance. We have flexed money for transportation assistance from the Federal funds. In addition, we are supposed to be giving \$350 million this year from Act 44 with respect to that bonding, from the \$12 billion bonding boondoggle under Act 44 that was passed last year.

Anybody who thinks— And in addition, at the same time that we are spending this borrowed money today – we are spending this borrowed money today – we have also been spending at an annual clip of about a 7-percent increase in the budget without taking into effect budgeting gimmicks. So that over 5 years' time, we have increased spending by over \$7 billion, and that is at a percentage rate of 34 percent, when the rate of inflation has been 15 1/2 percent.

We also borrowed, already in those first 5 years, \$3.1 billion that has to be paid back to the tune of \$4.8 billion. So we have spent an increase of \$7 billion. We have shorted out with 11-month contracts on welfare with budgeting gimmicks. We have put things like weights and measures and State Police on the motor vehicle fund, we put the Department of Aging on the Lottery Fund, and now we want to borrow another billion dollars, including \$200 million more on top of the \$12 billion,

an annual \$500 million and \$350 million payout that was already done by Act 44. This is not fiscal responsibility.

There are lots of great things that everybody would like to spend money on under RCAP and other items, but ultimately, each one of us is going to have to answer to our generation and to the next generation and say, did we tell you so or not? I am telling you that in terms of the fiscal health of this Commonwealth, we cannot keep up this pace, and I am not resorting to gimmicks. And I would challenge anybody to throw on the record that they think that we can continue down this course.

The gentleman brought up other States. All I hear from the Democratic Governor of New Jersey is this, when he talks about the fiscal mess that the State of New Jersey is in. This is what he says: We have got to start tightening our belts, because we have leveraged our State to the hilt. Guess what, folks? We have leveraged this State to the hilt. The Governor wants to borrow an additional \$4.8 billion that we are going to have to pay back to \$6-point-some billion. This is the start of it. This HB 2522 is the start of it, where we do an issuance for \$1 billion that has to be paid back to \$1.6 billion.

You know, let me just make one thing clear: You do not have to pay for these projects through borrowing. You can pay for a lot of this as you go; you just have to be tough enough to say how you want to finance them, over what period of time you want to finance them. Let me read this quote: "Except for the relatively short but expensive period during the 1970's administration of Milton Shapp, highways and bridge projects have" always "been paid for as sufficient revenues warranted. The dedication of a special tax on motor fuels has been the way that these projects have been paid for." That tax still exists. "In that instance in which the Shapp Administration issued bonds for transportation infrastructure, the bonds became a future additional obligation of the Commonwealth. This particular administration established the record for percentage of the budget..." paying back that debt on transportation infrastructure and was carried on into later administrations that had to clean up that Governor Shapp administration mess. "...this debt is growing much faster [than] the combined averages of any the previous three administrations," meaning Governor Thornburgh, Governor Casey, and Governor Ridge.

I would tell you that I think that this idea of continuing to borrow against the future is a mistake, and I would urge everybody here to vote "no." I am telling you, you will be thinking twice in the future years as to what you did in terms of saddling your kids and grandkids with this amount of debt and not being fiscally responsible about what we are paying for.

And in the end, in the end, most of these are items that the Governor gets to grant out and takes all the political accoutrements with respect to it whether or not it was a valid investment at all. That is not the case. This body needs to put a check on what is taking place.

Thank you very much, Mr. Speaker.

The SPEAKER. Representative DeWeese.

Mr. DeWEESE. Thank you.

It needs to be stated for the record that among the big industrial States that are our brother or sister States, according to Moody's and Standard & Poor's and other Wall Street investment houses, our borrowing is in the low-middle ranking. We are not aggressively challenged by Wall Street. We are not challenged by people that know about borrowing.

So I think that the sky-is-falling argument is invalid. If we are going to invest in Pennsylvania's future, Republicans and Democrats alike, we are going to have to raise the debt ceiling, and there are innumerable projects for the men and women on the other side of the aisle. The Rendell administration has not been at all parsimonious when it comes to sharing projects with Republican Senators and Republican House members.

So I would like to think that those Republican colleagues whose commonsense approach to fiscal conservatism includes the concept that if you are going to buy a house, most of us have to get a mortgage; we have to borrow. If you are going to expand your business, whether you are Sunoco or Hershey Foods or the mom-and-pop operation down the street, in many cases you are going to have to borrow. But our borrowing is not extravagant. Our borrowing is not rampant. Our borrowing is not the way the honorable gentleman just described.

There are significant members of the Pittsburgh business community who think that we should invest in the Jonas Salk concept, who think that we should invest in our infrastructure, who think that we should invest in a variety of hospitals and sewer authorities and water lines. And I really think that we need to bring the debate down to a commonsense exchange, and I am highly confident that the Rendell administration's background of putting a lot of focus into Republican Senate districts and Republican House districts will continue.

I think any analytical overview of this administration's investing would show that a very substantial measure of Governor Rendell's enthusiasms have been generated toward GOP constituencies. So I would like to think that this could be a bipartisan vote and that those of you who asked for projects in the capital budget will at least take some time and contemplate a favorable vote.

Thank you, Mr. Speaker.

The SPEAKER. Representative Clymer.

Mr. CLYMER. Thank you, Mr. Speaker.

Mr. Speaker, throughout the debate, some of the questions that I had proposed in interrogation for the chairman of the Appropriations Committee have been answered. Just to reiterate, very briefly, who makes the decision to invest these funds, that is the \$980 million funds? The Governor. How are the projects selected? What are the criteria used in the selection process, which is important to all of us? And I think the majority leader said that they are based on merit; I am not sure the criteria that are used, but I do have some concerns about, indeed, how the Governor is going to put the projects throughout 67 counties and where those projects are going to be placed.

But I would like to interrogate the Appropriations chairman on several questions that were not answered and I would like to have some responses to. So if I could interrogate the majority chairman of the Appropriations Committee?

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

Mr. CLYMER. Thank you, Mr. Speaker.

Mr. Speaker, we looked at one of the categories and that was for transportation assistance, and it is \$165 million. That is, of course, new money that is going to be used. Now, as chairman of the Appropriations Committee, do you have an idea where some of those projects are going to be going? I mean, certainly, the administration has been in contact with you and has been

working with you on the \$980 million of new debt. Do you have an idea where some of those projects might go? You, a moment ago, showed us a listing of those projects. So my question is, do you have an idea where some of those projects – \$165 million for transportation assistance.

Mr. D. EVANS. Mr. Speaker, let me say two things: First, under this proposal, HB 2522, it is only \$15 million. If you notice on your fiscal note, it was \$150 million in year 2007, so it is only asking for \$15 million on top of the \$150 million, first.

Secondly, Mr. Speaker, no, I do not have any specific knowledge of where this is taking place. Generally, Mr. Speaker, what I think would happen is, you could probably talk to – I am not being cavalier – but the Secretary of Transportation would be the one who could better tell you than I could.

Mr. CLYMER. Mr. Speaker, the report that I am looking at says \$165 million for fiscal year 2008-09, \$165 million for transportation assistance, but he responded to my question, though I have some serious concerns about the figures here.

Does the majority chairman of the Appropriations Committee have any idea where any of this \$980 million is going to be spent in new projects? Certainly the administration, in talking with you about how to move this bill forward, must have shared some insights with you as to where maybe one or two of those projects might be going. I mean, certainly, you have that close relationship with Governor Rendell. He must have said something to you to encourage you to move this bill forward.

Mr. D. EVANS. Mr. Speaker, I do not want you to be shocked, but, no, the Governor does not call me up and say to me, do I place this or that? He does not do that. Ideally, Mr. Speaker, I am working with your leaders as we deal with the budget in the future to try to get some basic agreements that your caucus, like this caucus, has access to being able to make certain suggestions about certain types of things to do. I support that principle that your leaders, like the leaders on this side, have some input taking place regardless. I want to be clear, Mr. Speaker: The Governor does not tell me in terms of where any of these particular dollars go.

Mr. CLYMER. Well, thank you. That ends my interrogation, Mr. Speaker.

Well, Mr. Speaker, things have really changed—

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

Mr. CLYMER. Well, Mr. Speaker, things have really changed around here over the last 3 or 4 months because I know horse trading was always part of negotiations, and to move legislation forward, there were always a few nice choices of projects out there for, in this case, for the Democratic Caucus to look at to move the bill forward.

Now, my final comments, I heard the discussion that was made about when you buy a house, you have to get a mortgage so that you can pay for it and live. Well, that is a very good example of what has been happening just recently when you have irresponsibility in borrowing, because over the last year or so people have bought houses and they have taken out mortgages far above their ability to pay back. And because of this irresponsibility in purchasing houses that were not affordable, we are having a serious economic problem with our national economy and with some of those financial institutions that made bad decisions.

It goes back to what Representative Turzai was saying about fiscal responsibility, and we have not seen the end of this

problem here in Pennsylvania or in the nation because of those people who overextended their credit, and they should have been purchasing a home that they could afford.

I am going to join my colleague, Representative Turzai. I am going to be a "no" vote on this legislation. Thank you, Mr. Speaker.

The SPEAKER. Representative Civera.

Mr. CIVERA. Thank you, Mr. Speaker.

Mr. Speaker, if the majority chairman of the Appropriations Committee would just stand for brief interrogation, please?

Mr. Speaker, I was not on the floor but I was coming over from the Senate after you had just left before. You had mentioned a \$16 billion capital project. Did you mean one person with a \$16 billion— Could you expand on that, where you got the \$16 billion? Is it a list of projects or is it one—

Mr. D. EVANS. It is an accumulation of the years of that person putting in requests.

Mr. CIVERA. One person?

Mr. D. EVANS. One person, an accumulation.

Mr. CIVERA. The reason why I raise the question, Mr. Speaker, is this: Unless the project became a reality and it was completed, you would have an idea of what that project was. So you are telling me that this one person got \$16 billion worth of projects and they have been completed?

Mr. D. EVANS. No; I did not say that.

Mr. CIVERA. Okay. Well, then, explain. Will you explain that because—

Mr. D. EVANS. What I said, Mr. Speaker, as you know like I know, people put in requests, and they put in their wish lists, and they send in all kinds of letters with a lot of requests. So they send this stuff in, right?

It does not mean they have actually gotten it, but they put the request in. What I am saying to you, Mr. Speaker, is there is a certain thing called the wish list, and you put the list in. It does not mean you actually got the project, but you put the wish in.

You and I both know in raising the debt service, it does not mean you are actually going to use all of the debt, it is just raising the list. And we have a project bill, which is HB 1589, any member on this floor can put in projects. It does not mean that that is going to be approved. The only thing I am just trying to show, Mr. Speaker, is that members put requests in and we get all kinds of requests in. It does not mean that the Governor is going to agree with those requests, but you put it in.

Mr. CIVERA. Okay. That is the end of my interrogation, Mr. Speaker. May I make a brief comment, please? I will be brief.

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

Mr. CIVERA. Mr. Speaker, I think HB 2522— The reason why I raised the question about the \$16 billion is because of confusion of a list. I believe that the bill that is in front of us – and I did not hear all the arguments because I was not on the floor – but the bill that is in front of us is an annual bond authorization act allowing the Governor to sell those bonds for individual projects. My understanding of HB 2522 is that there is not an itemized list that is attached to this bill.

And that is the reason why I raised the question, because I did not want confusion. I heard Representative Turzai's debate. I have heard it in caucus. He really believes in that part of it, however, on HB 2522, I am going to vote in favor of that bill.

Thank you, Mr. Speaker.

The SPEAKER. Representative Curtis Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I think it is important to separate facts from fiction, and the earlier speaker put out a lot of information that is not factually correct. Number one, he said that since this administration came to town, we have been on a train wreck. We were on a train wreck when the administration came in. We were looking at serious debt. Since this administration arrived, for the first time— And it is important that the previous speaker, his comments might ring bells for the Representative from Fayette County, Representative Mahoney, because he is new, but for anybody that has been around here for some time – and I have been around here 19 years, so I have seen folks come and go; lie, tell the truth; jump up and down, sit down. I know what the facts are. I know what the facts are when it comes to the business of this institution.

And number one, Mr. Speaker, since this administration came to town, for the first time in the history of the Commonwealth of Pennsylvania, we invested in child care. We never provided State dollars towards early education, pre-K. For the first time, we invested in LIHEAP (Low-Income Home Energy Assistance Program). Pennsylvania never provided any money for LIHEAP. Housing and redevelopment assistance, we went from \$10 million in the previous administration to now a substantive amount.

Here is my concern, my concern is, number one, whether you are going to vote for HB 2522 or you do not, I really do not care. What I do care about is sending the wrong message to the people that we represent.

The SPEAKER. Will the gentleman suspend. For what purpose does the gentleman, Representative Clymer, rise?

Mr. CLYMER. Mr. Speaker, the gentleman is far off track on HB 2522.

Mr. THOMAS. I just came back.

The SPEAKER. The Chair thanks the gentleman.

Mr. THOMAS. I just came back. Whether you vote for HB 2522, for or against it, that is okay, that is your business. But it is important that we send the right information to the people that we represent.

These projects, roads and bridges, part of the reason that we have the infrastructure problem that we have today is because we are spending \$3,999,000 every second to build bridges and roads in Iraq rather than in the Commonwealth of Pennsylvania – \$3,999,000 every second, we are spending in Iraq, bridges and roads.

The SPEAKER. The gentleman will suspend. The gentleman will suspend. The Chair will remind all members to bring it back to the issue before the House.

Representative Saylor. For what purpose does the gentleman rise?

Mr. SAYLOR. Mr. Speaker, this is the second time he has been admonished to stick to the subject. I wish that we would continue to stay on it.

The SPEAKER. The Chair will remind all members to stick to the issue at hand.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, there are bridges and roads in Pennsylvania that are in an extremely deteriorating and maybe fatal state. Mr. Speaker, we can no longer go without giving substantive attention to those bridges and roads. Mr. Speaker, we have buildings that are in need of major improvements. We cannot afford to go any longer without giving attention to that.

And, Mr. Speaker, we cannot look to local municipalities or the Federal government. We have to take responsibility for that which is in the best interest of Pennsylvanians. So to that end, to that end, the debt is being raised. It was made very clear to me, I mean, sometimes I do not hear things like I am supposed to hear them, but, Mr. Speaker, I heard that even though the debt is being raised, that is not conclusive that we are going to spend that amount.

We are only saying that we are raising the debt because we cannot put off giving proper attention to roads, bridges, buildings, and other issues that are of paramount importance to the people of Pennsylvania. In closing, Mr. Speaker, the chairman said the Governor had not called him. He does not know where this money is going to be spent. I would like to say to the chairman over there, the chairman over here, and everybody else who has spoken: Bring that money to the 181, I will spend it.

The SPEAKER. Representative Mustio.

Mr. MUSTIO. Thank you, Mr. Speaker.

If I may just ask two quick questions of the maker of the bill?

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

Mr. MUSTIO. Thank you, Mr. Speaker.

Just so I understand a couple of the line items here. The \$392 million listed for buildings, just to give an example, we have a new courthouse, judicial building, being built across the street here. Would we have passed similar legislation to this several years ago in order to fund that project, for example? I am just trying to get an understanding of what types of projects this bill would, hypothetically, the money would be used for.

Mr. D. EVANS. The answer would be yes to your hypothetical; the answer would be yes.

Mr. MUSTIO. In other words, that building was funded with similar legislation to this?

Mr. D. EVANS. Correct, Mr. Speaker. If I may?

Mr. MUSTIO. Yes.

Mr. D. EVANS. If you notice on the fiscal note, it says, public improvement projects, building and structure. So in 2007 when we last raised the debt limit, we raised for this category – you can see what we raised, and you can see what we are proposing that we raise now. You can see the difference there, Mr. Speaker.

Mr. MUSTIO. Thank you.

And the one question on line item 4 there, redevelopment assistance projects, some of that money is for reimbursement of projects that are already in the ground. It is the State portion to reimburse for what we have already committed to but we did not borrow at that time, because we did not want to go into debt at that time and pay the interest at that time for a project that had not started, for example. Is that right?

Mr. D. EVANS. Correct, Mr. Speaker.

Mr. MUSTIO. So we are reimbursing projects in many of our districts for the commitments that we have already made to whatever that entity is. Correct?

Mr. D. EVANS. Correct, Mr. Speaker.

Mr. MUSTIO. On some of that money. Some of it may be used for new projects. That is all the questioning; I just needed clarification. Thank you, Mr. Speaker.

Mr. D. EVANS. Thank you, Mr. Speaker.

The SPEAKER. Representative Hutchinson.

Mr. HUTCHINSON. Thank you, Mr. Speaker.

I just rise to address several of the comments made earlier in the debate and to try to clarify some of the things that have been said and then give my opinion about where we should be going with this, I think, ill-conceived borrowing plan.

Number one, Mr. Speaker: I believe that there may or may not be projects that are worthy of being funded through the capital budget process. It was pointed out earlier, but I want to reiterate again that as former projects repay money, there is additional ability of the government to borrow money and do new projects. So this does not put an end to all projects, and new projects can continue to go on. For those who think we have reached our limits of debt, we can still do borrowing for other projects as other things get paid off.

Number two: Our Appropriations chairman earlier said that— He called this bill a normal process, but, Mr. Speaker, there is one thing in there that is not a normal process, and that would be, specifically, the borrowing for bridge projects. That is something that has not been done in this Commonwealth for over 30 years, under the Shapp administration, when we dug a deep, deep hole of debt in paying for road and bridge projects by borrowing. Those are ongoing things that should be paid for on a pay-as-you-go system. So that \$200 million is not a normal process, and I want all the members to understand that.

Mr. Speaker, there was mention made about debt of Pennsylvania versus other States. Well, Mr. Speaker, Pennsylvania is unique among the States because our governing structure has 501 school districts and a couple thousand municipalities. If you add up their debt and add it to the State of Pennsylvania, we are an extremely high-debt State. Our State and the statewide authorities that are associated with it currently have about \$36.7 billion in outstanding debt, according to my information. But if you add those local municipalities and school districts, which in other States would be part of their total figure, that adds another \$73 billion in debt and that puts us at a grand total of \$110 billion of outstanding debt, making Pennsylvania a very high-debt tax State.

Mr. Speaker, one other thing that has bothered me is an analogy that keeps being made about borrowing to pay your mortgage. Mr. Speaker, I think that this borrowing, by and large, is more akin to borrowing for 30 years to pay for your groceries. These are small amounts that should not be borrowed over 30 years to be repaid because the only one who makes out in that, it is not the taxpayers because they have to pay an additional amount to pay back all the interest. If we think projects are worthy, they should be paid for today, just like in our homes. We do not borrow for 30 years to buy groceries.

Mr. Speaker, I guess the only other thing I wanted to say is that – well, two other things; I am sorry – it was mentioned earlier that this is, quote, unquote, "a good time to borrow." But I want to reiterate the fact that just because you can borrow money does not mean you should borrow money. I think every one of us receives in the mail every day so many credit card offers from this company and that company. It has nothing to do with your ability to repay it or whether you should get those credit cards. It is just saying, please borrow, please borrow, please borrow, and we get four, five, six of those every day in the mail, but that does not make it right and make it smart fiscal policy to keep borrowing money just because you can borrow money.

And in conclusion, Mr. Speaker, I just want to talk about a TV commercial that was on when I was a young boy, and it was from Maypo. And I guess this borrowing that we continue to do makes Pennsylvania the "Maypo State," because, as that commercial used to say, I want my Maypo, and I want it now. Too often we live for today. We think we can borrow now, forget about the future, even though every cent of it has to be repaid with interest, and that is not the right thing for us to do for future generations.

So, Mr. Speaker, I rise in opposition to this bill, and I ask my colleagues to join me. Thank you.

The SPEAKER. Representative Metcalfe.

Members will take their seats.

Mr. METCALFE. Thank you, Mr. Speaker.

Mr. Speaker, I rise to join in with many of the former speakers on this issue of increasing our debt load for our State and allowing the Governor to increase the debt a billion dollars more and even more in costs in the future. Mr. Speaker, I think a lot of the previous speakers have raised many good points. The one thing that is certain is that when our government is spending \$28 billion, I think we have plenty of resources to deal with; we are spending far more than we should, and it is far time for State government to live within its means, Mr. Speaker.

Mr. Speaker, a lot of the opposition to the former speakers who are not in favor of, yet again, increasing the debt load that will have to be paid off by our children and grandchildren, Mr. Speaker, they are putting out there the idea that if we do not incur this debt that we will not have our bridges and our roads taken care of; the crucial, core infrastructure projects will go undone. Well, Mr. Speaker, I think day to day, Pennsylvania's families and Pennsylvania's businesses have to operate within the constraints of the marketplace, have to operate within the constraints of their income. And as taxpayers look on to what occurs here at this Capitol, I think they are offended more and more as they watch a government out of control – a government gone wild, Mr. Speaker. A government gone wild to, yet again, increase spending, increase debt, increase taxes. When they need more money, when the State needs more money, they are back there at the trough asking for it to be filled up once again, either with the taxpayer's dollars or, as this administration is so good at, asking to increase the debt for our future generations so they can have spending money for today.

Mr. Speaker, I think one area of this budget this year that would be prime for picking to siphon off some needed dollars for those roads and bridges, Mr. Speaker, would be the Welfare Department. Mr. Speaker, just a 10-percent cut in welfare would give us a billion dollars. The billion dollars that we are talking about increasing the debt load here today for, we could find that billion dollars just by cutting the Welfare Department, Mr. Speaker, by just a mere 10 percent. Anyone out there that deals in reality knows that if you have to cut a budget or if you have to deal with your budgetary constraints, tightening up by 10 percent is a very reasonable request.

So, Mr. Speaker, this billion dollars that we are looking to increase our debt load, I think it is very clear that we can find the billion dollars in other areas so that we do not have to increase the debt, Mr. Speaker. Mr. Speaker, I think that for this General Assembly to just, once again, exercise such shortsighted vision is irresponsible. It is irresponsible in neglecting our next generation by forcing them to incur the tax increases that will have to pay for this debt increase.

I oppose HB 2522 and would ask for a negative vote. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes Representative Turzai for the second time.

Mr. TURZAI. Briefly, in response to the leader, the gentleman from Greene County, as pointed out by my colleague from Venango County, Pennsylvania's debt, unlike other States, is actually accumulated on a local and State, and we, in accumulating those numbers according to national organizations, are in the top 10 leveraged States, particularly with the actions over the last 4 years. Our total State debt – including all general obligation, nongeneral obligation, and local municipal authority and school district debt – stands at over \$110 billion.

And my second response— And again, it is in the top 10 per capita – per individual, per citizen – the top 10 leveraged States in the nation. Additionally, with respect to certain State buildings, certainly that is an item that is being paid, but State buildings are a small portion of where this money is going. Most of this money is going to be going to entities other than the State of Pennsylvania.

And finally, Governor Thornburgh had established a policy with respect to the issuance of debt for State buildings. Again, keep in mind, the debt here is well beyond State buildings, but that policy was to limit the issuance of new debt to only that which was retired. If we retire the debt that is outstanding, there is plenty of available funding to deal with a number of the projects. The most significant responsibility we have in terms of infrastructure is roads and bridges, and we have never historically used bonding other than the aberration of the Governor Shapp administration and now the Governor Rendell administration. And I think whoever the next administration is is going to have to do what Governors Thornburgh, Casey, and Ridge had to do after the Shapp administration: They are going to have to be doing a lot of cleaning up for a lot of years.

Please vote "no."

LEAVE OF ABSENCE

The SPEAKER. The Chair recognizes the minority whip, who requests that Representative QUIGLEY from Montgomery County be placed on leave. The Chair sees no objection. The leave will be granted.

CONSIDERATION OF HB 2522 CONTINUED

On the question recurring,
Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—139

Adolph	Geist	Markosek	Samuelson
Barrar	George	Marshall	Santoni
Bastian	Gerber	Marsico	Scavello
Belfanti	Gergely	McCall	Seip
Bennington	Gibbons	McGeehan	Shapiro
Beyer	Godshall	McI. Smith	Shimkus
Bianucci	Goodman	Melio	Siptroth
Bishop	Grucela	Mensch	Smith, K.

Blackwell	Haluska	Micozzie	Smith, M.
Brennan	Hanna	Milne	Solobay
Buxton	Harhai	Moyer	Staback
Caltagirone	Harkins	Mundy	Stairs
Cappelli	Harper	Murt	Sturla
Carroll	Helm	Mustio	Surra
Casorio	Hess	Myers	Tangretti
Causer	James	O'Brien, M.	Taylor, J.
Civera	Josephs	Oliver	Taylor, R.
Cohen	Keller, W.	Pallone	Thomas
Conklin	Kenney	Parker	Vereb
Costa	Kessler	Pashinski	Vitali
Cruz	Killion	Payne	Vulakovich
Daley	King	Payton	Wagner
DeLuca	Kirkland	Perzel	Walko
DePasquale	Kortz	Petrarca	Wansacz
Dermody	Kotik	Petri	Waters
DeWeese	Kula	Phillips	Wheatley
DiGirolamo	Leach	Preston	White
Donatucci	Lentz	Ramaley	Williams
Eachus	Levdansky	Raymond	Wojnaroski
Evans, D.	Longietti	Readshaw	Yewcic
Evans, J.	Maher	Reichley	Youngblood
Fabrizio	Mahoney	Roebuck	Yudichak
Fairchild	Major	Ross	
Frankel	Manderino	Sabatina	O'Brien, D.,
Freeman	Mann	Sainato	Speaker
Galloway			

NAYS—55

Argall	Fleck	Mackereth	Reed
Baker	Gabig	Mantz	Roae
Bear	Gillespie	McIlhattan	Rock
Boback	Gingrich	Metcalfe	Rohrer
Boyd	Grell	Millard	Saylor
Brooks	Harhart	Miller	Schroder
Clymer	Harris	Nailor	Sonney
Cox	Hennessey	Nickol	Stern
Creighton	Hershey	O'Neill	Stevenson
Cutler	Hickernell	Peifer	Swanger
Dally	Hornaman	Perry	True
Denlinger	Hutchinson	Pickett	Turzai
Ellis	Kauffman	Quinn	Watson
Everett	Keller, M.K.	Rapp	

NOT VOTING—0

EXCUSED—9

Benninghoff	Petrone	Quigley	Smith, S.
Curry	Pyle	Rubley	Steil
Moul			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

* * *

The House proceeded to third consideration of **HB 2542, PN 3768**, entitled:

An Act providing for additional debt authorization for the 2007-2008 fiscal year.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

(Bill analysis was read.)

The SPEAKER. The question is, shall the bill pass finally?

The Chair recognizes Representative Turzai.

Mr. TURZAI. I would just ask the members to please vote "no." This provides for debt authorization for this fiscal year, '07-'08. So we are authorizing debt authorization for the fiscal year that we are about to conclude. We are adding additional moneys in at the last second, but these are the items that, in theory, should have been put forth when we did the budget last year, and I would ask the members to please vote "no." Many of the arguments that I made on the first bill, 2522, I think are applicable to 2542.

Thank you very much.

On the question recurring,
Shall the bill pass finally?

The SPEAKER. Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—136

Adolph	George	Markosek	Santoni
Bastian	Gerber	Marshall	Scavello
Belfanti	Gergely	Marsico	Seip
Bennington	Gibbons	McCall	Shapiro
Beyer	Godshall	McGeehan	Shimkus
Bianucci	Goodman	McI. Smith	Siptroth
Bishop	Grucela	Melio	Smith, K.
Blackwell	Haluska	Mensch	Smith, M.
Brennan	Hanna	Micozzie	Solobay
Buxton	Harhai	Milne	Staback
Caltagirone	Harkins	Moyer	Stairs
Cappelli	Harper	Mundy	Sturla
Carroll	Helm	Murt	Surra
Casorio	Hennessey	Myers	Tangretti
Civera	Hess	O'Brien, M.	Taylor, J.
Cohen	Hornaman	Oliver	Taylor, R.
Conklin	James	Pallone	Thomas
Costa	Josephs	Parker	Vereb
Cruz	Keller, W.	Pashinski	Vitali
Daley	Kenney	Payne	Vulakovich
DeLuca	Kessler	Payton	Wagner
DePasquale	Killion	Perzel	Walko
Dermody	King	Petrarca	Wansacz
DeWeese	Kirkland	Petri	Waters
DiGirolamo	Kortz	Phillips	Wheatley
Donatucci	Kotik	Preston	White
Eachus	Kula	Ramaley	Williams
Evans, D.	Leach	Raymond	Wojnaroski
Evans, J.	Lentz	Readshaw	Yewcic
Fabrizio	Levdansky	Roebuck	Youngblood
Fairchild	Longietti	Ross	Yudichak
Frankel	Mahoney	Sabatina	
Freeman	Major	Sainato	O'Brien, D.,
Galloway	Manderino	Samuelson	Speaker
Geist	Mann		

NAYS—58

Argall	Everett	Mantz	Reed
Baker	Fleck	McIlhattan	Reichley
Barrar	Gabig	Metcalfe	Roae
Bear	Gillespie	Millard	Rock
Boback	Gingrich	Miller	Rohrer
Boyd	Grell	Mustio	Saylor
Brooks	Harhart	Nailor	Schroder
Causar	Harris	Nickol	Sonney
Clymer	Hershey	O'Neill	Stern
Cox	Hickernell	Peifer	Stevenson
Creighton	Hutchinson	Perry	Swanger
Cutler	Kauffman	Pickett	True
Dally	Keller, M.K.	Quinn	Turzai
Denlinger	Mackereth	Rapp	Watson
Ellis	Maher		

NOT VOTING—0

EXCUSED—9

Benninghoff	Petrone	Quigley	Smith, S.
Curry	Pyle	Rubley	Steil
Moul			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

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

ANNOUNCEMENT BY SPEAKER

The SPEAKER. On a lighter note, the Chair would like to inform the members that on June 23, 1683, William Penn signed the very historic friendship treaty with the tribe of the Lenni Lenape Indians in Pennsylvania. This event is depicted in the Edwin Austin Abbey painting to the right of the Speaker.

I am glad you found that interesting. Are there any announcements?

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 recognizes Representative Carroll from Luzerne County, who moves this House do now adjourn until Tuesday, June 24, 2008, 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 8:03 p.m., e.d.t., the House adjourned.