

COMMONWEALTH OF PENNSYLVANIA

LEGISLATIVE JOURNAL

WEDNESDAY, OCTOBER 7, 2015

SESSION OF 2015

199TH OF THE GENERAL ASSEMBLY

No. 70

HOUSE OF REPRESENTATIVES

The House convened at 9 a.m., e.d.t.

THE SPEAKER (MIKE TURZAI) PRESIDING

PRAYER

HON. BRYAN BARBIN, member of the House of Representatives, offered the following prayer:

Would you bow your head for this prayer.

Lord of all, thank You for this day, another opportunity to shine in Your eyes as servants of a government pleasing to You.

As we prepare for a difficult vote today, remind us of Your words in Matthew 25:14, the Parable of the Five Talents, and help us, Lord, as we go forward today to do the very best work so that we can provide You with the return for which You have entrusted us.

Today is the day where we will have the opportunity to provide You with an understanding of what is possible if we try to do more than just hold onto what we have, but try to correct the problems. No matter how difficult those problems are, Lord, give us the wisdom, and the strength, and courage of heart to do what is right in Your eyes so that we can move this Commonwealth forward.

Dear Lord, protect all those people who serve in harm's way – protect the police, the firemen, the emergency responders, and most of all, our military. And all of God's people said, Amen.

PLEDGE OF ALLEGIANCE

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

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, the approval of the Journal of Tuesday, October 6, 2015, will be postponed until printed.

LEAVES OF ABSENCE

The SPEAKER. The minority whip has indicated that Representative DeLUCA of Allegheny County requests leave of absence for the day, and that Representative NEUMAN requests leave of absence for the day – Representative Neuman of

Washington County. My understanding is, when he gets back, he will be offering us great, great news. Those requests are granted, without any objection.

MASTER ROLL CALL

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

The following roll call was recorded:

PRESENT—200

Acosta	Everett	Krieger	Ravenstahl
Adolph	Fabrizio	Krueger	Readshaw
Baker	Farina	Lawrence	Reed
Barbin	Farry	Lewis	Reese
Barrar	Fee	Longietti	Regan
Benninghoff	Flynn	Mackenzie	Roae
Bishop	Frankel	Maher	Roebuck
Bizzarro	Freeman	Mahoney	Ross
Bloom	Gabler	Major	Rothman
Boback	Gainey	Maloney	Rozzi
Boyle	Galloway	Markosek	Saccone
Bradford	Gergely	Marshall	Sainato
Briggs	Gibbons	Marsico	Samuelson
Brown, R.	Gillen	Masser	Sankey
Brown, V.	Gillespie	Matzie	Santarsiero
Bullock	Gingrich	McCarter	Santora
Burns	Godshall	McClinton	Saylor
Caltagirone	Goodman	McGinnis	Schemel
Carroll	Greiner	McNeill	Schlossberg
Causar	Grove	Mentzer	Schreiber
Christiana	Hahn	Metcalfe	Schweyer
Cohen	Hanna	Metzgar	Simmons
Conklin	Harhai	Miccarelli	Sims
Corbin	Harhart	Millard	Snyder
Costa, D.	Harkins	Miller, B.	Sonney
Costa, P.	Harper	Miller, D.	Staats
Cox	Harris, A.	Milne	Stephens
Cruz	Harris, J.	Moul	Sturla
Culver	Heffley	Mullery	Tallman
Cutler	Helm	Murt	Taylor
Daley, M.	Hennessey	Mustio	Thomas
Daley, P.	Hickernell	Neilson	Tobash
Davidson	Hill	Nesbit	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Day	Jozwiak	Oberlander	Truitt
Dean	Kampf	Ortitay	Vereb
Deasy	Kaufner	Parker, C.	Vitali
DeLissio	Kauffman	Parker, D.	Ward
Delozier	Kavulich	Pashinski	Warner
Dermody	Keller, F.	Payne	Watson
Diamond	Keller, M.K.	Peifer	Wentling
DiGirolo	Keller, W.	Petrarca	Wheatley
Donatucci	Killion	Petri	Wheeland
Driscoll	Kim	Pickett	White

Dunbar	Kinsey	Pyle	Youngblood
Dush	Kirkland	Quigley	Zimmerman
Ellis	Klunk	Quinn	
Emrick	Knowles	Rader	Turzai,
Evankovich	Kortz	Rapp	Speaker
Evans	Kotik		

ADDITIONS—0

NOT VOTING—0

EXCUSED—3

DeLuca	English	Neuman
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The SPEAKER. Two hundred members having voted on the master roll call, a quorum is present.

HOUSE BILLS INTRODUCED AND REFERRED

No. 1524 By Representatives WATSON, PETRI, D. PARKER, ACOSTA, BISHOP, ZIMMERMAN, COHEN, DRISCOLL, KILLION, MURT, PICKETT and YOUNGBLOOD

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, in adoption, repealing provisions relating to counseling and providing for adoption-related counseling services.

Referred to Committee on CHILDREN AND YOUTH, October 7, 2015.

No. 1603 By Representatives WATSON, TOOHIL, PETRI, COHEN, EVERETT, HARHART, PHILLIPS-HILL, KAVULICH, MURT, O'NEILL, ROZZI, SAYLOR, YOUNGBLOOD, JAMES, BULLOCK and ACOSTA

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, in uniform interstate family support, making extensive revisions to general provisions, jurisdiction, civil provisions of general application, establishment of support order, direct enforcement of order of another state without registration, enforcement and modification of support order after registration, determination of parentage, interstate rendition and miscellaneous provisions; and providing for support proceeding under convention.

Referred to Committee on CHILDREN AND YOUTH, October 7, 2015.

No. 1604 By Representatives PETRI, COHEN, DeLUCA, FARRY, GIBBONS, MILLARD, PASHINSKI, SAINATO and SCHWEYER

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, in Pennsylvania Liquor Control Board, further providing for general powers of board.

Referred to Committee on LIQUOR CONTROL, October 7, 2015.

No. 1605 By Representatives JAMES, BAKER, BARRAR, BIZZARRO, CALTAGIRONE, CARROLL, CAUSER, CORBIN, DiGIROLAMO, EVERETT, FLYNN, FREEMAN, HARHART, A. HARRIS, HEFFLEY, HELM, HENNESSEY, KAUFFMAN, KAVULICH, MACKENZIE, MAHER, McNEILL, MENTZER, MILLARD, MURT, PETRI, QUINN, REESE, REGAN, ROEBUCK, SAYLOR, SCHWEYER, TOEPEL, TOPPER, WARD, WATSON and OBERLANDER

An Act establishing the Heritage Area Program to identify, protect, enhance and promote the historic, recreational, natural, cultural and scenic resources of this Commonwealth and to stimulate community revitalization and economic development through regional heritage conservation, recreation, tourism and partnerships; and repealing provisions in The Fiscal Code relating to heritage areas.

Referred to Committee on LOCAL GOVERNMENT, October 7, 2015.

UNCONTESTED CALENDAR

RESOLUTIONS PURSUANT TO RULE 35

Mr. MURT called up **HR 441, PN 2113**, entitled:

A Resolution designating the month of October 2015 as "Lifesharing Awareness Month" in Pennsylvania.

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Ms. DONATUCCI called up **HR 489, PN 2198**, entitled:

A Resolution recognizing the week of October 19 through 23, 2015, as "National Medical Assistants Recognition Week" in Pennsylvania in recognition of the quality care, support and vital services provided by medical assistants in this Commonwealth.

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Mr. MATZIE called up **HR 506, PN 2213**, entitled:

A Resolution designating the week of October 12 through 19, 2015, as "Credit Union Week" in Pennsylvania.

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Mrs. BULLOCK called up **HR 510, PN 2223**, entitled:

A Resolution designating the month of October 2015 as "Meet the Blind Month" in Pennsylvania and recognizing October 15, 2015, as "White Cane Safety Day" in Pennsylvania.

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Mr. READSHAW called up **HR 523, PN 2287**, entitled:

A Resolution designating the month of October 2015 as "Archives Month" in Pennsylvania.

* * *

Mrs. R. BROWN called up **HR 530, PN 2314**, entitled:

A Resolution recognizing the month of October 2015 as "Crime Prevention Month" in Pennsylvania.

On the question,
Will the House adopt the resolutions?

The following roll call was recorded:

YEAS—200

Acosta	Everett	Krieger	Ravenstahl
Adolph	Fabrizio	Krueger	Readshaw
Baker	Farina	Lawrence	Reed
Barbin	Farry	Lewis	Reese
Barrar	Fee	Longietti	Regan
Benninghoff	Flynn	Mackenzie	Roae
Bishop	Frankel	Maher	Roebuck
Bizzarro	Freeman	Mahoney	Ross
Bloom	Gabler	Major	Rothman
Boback	Gainey	Maloney	Rozzi
Boyle	Galloway	Markosek	Saccone
Bradford	Gergely	Marshall	Sainato
Briggs	Gibbons	Marsico	Samuelson
Brown, R.	Gillen	Masser	Sankey
Brown, V.	Gillespie	Matzie	Santarsiero
Bullock	Gingrich	McCarter	Santora
Burns	Godshall	McClinton	Saylor
Caltagirone	Goodman	McGinnis	Schemel
Carroll	Greiner	McNeill	Schlossberg
Causar	Grove	Mentzer	Schreiber
Christiana	Hahn	Metcalfe	Schweyer
Cohen	Hanna	Metzgar	Simmons
Conklin	Harhai	Miccarelli	Sims
Corbin	Harhart	Millard	Snyder
Costa, D.	Harkins	Miller, B.	Sonney
Costa, P.	Harper	Miller, D.	Staats
Cox	Harris, A.	Milne	Stephens
Cruz	Harris, J.	Moul	Sturla
Culver	Heffley	Mullery	Tallman
Cutler	Helm	Murt	Taylor
Daley, M.	Hennessey	Mustio	Thomas
Daley, P.	Hickernell	Neilson	Tobash
Davidson	Hill	Nesbit	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Day	Jozwiak	Oberlander	Truitt
Dean	Kampf	Ortitay	Verbe
Deasy	Kaufer	Parker, C.	Vitali
DeLissio	Kauffman	Parker, D.	Ward
Delozier	Kavulich	Pashinski	Warner
Dermody	Keller, F.	Payne	Watson
Diamond	Keller, M.K.	Peifer	Wentling
DiGirolamo	Keller, W.	Petrarca	Wheatley
Donatucci	Killion	Petri	Wheeland
Driscoll	Kim	Pickett	White
Dunbar	Kinsey	Pyle	Youngblood
Dush	Kirkland	Quigley	Zimmerman
Ellis	Klunk	Quinn	
Emrick	Knowles	Rader	Turzai,
Evankovich	Kortz	Rapp	Speaker
Evans	Kotik		

NAYS—0

NOT VOTING—0

EXCUSED—3

DeLuca	English	Neuman
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The majority having voted in the affirmative, the question was determined in the affirmative and the resolutions were adopted.

The SPEAKER. Members, please take your seats. We do have some members who will be speaking on the resolutions. Please take all conversations outside of the chamber.

STATEMENT BY MR. MURT

The SPEAKER. Representative Murt is recognized on unanimous consent to speak on HR 441.

Just hold please, Representative, for one second.

Members, please take your seats.

Representative Murt, the floor is yours, sir.

Mr. MURT. Thank you, Mr. Speaker.

Mr. Speaker, I want to thank my colleagues for their support of HR 441, which establishes October as "Lifesharing Awareness Month" in our Commonwealth.

Mr. Speaker, Lifesharing is when a family and a person with an intellectual or developmental disability choose to share a home and life experiences together. This is intended to become a long-term and trusting relationship in which the supported person becomes an extension of the family. Lifesharing is a high-quality and long-term living situation that provides an individual with a disability choice and true community integration.

Mentoring is the backbone of any productive community, Mr. Speaker. Mentors educate our children, teach job skills, and share a lifetime of experience with new generations. In many ways, you can judge a community's quality of life by the strength of those who give back to others. In that way, the Lifesharing program is an invaluable resource to our community. Mentors in the Lifesharing program open their hearts, their families, and their homes to those with developmental disabilities.

When a mentor takes in and cares for an adult with special needs, they give something that money cannot buy: a helping hand, a home, and a family. Through their actions, these mentors show that every Pennsylvanian deserves to live life to the fullest. These families are more than home providers; they are teachers, advocates, friends, and a true family unit.

For the person being mentored, Lifesharing offers the opportunity to live in the community of their choice. By sharing their mentor's home, individuals are able to take part in the everyday but critically important activities of family life while still receiving the supports they need. They can socialize with family and friends, manage household chores, discover new hobbies, and learn new skills to the best of their abilities. Lifesharing also helps individuals live fuller, more independent lives in the communities in which they live.

While there are many programs that offer mentoring services, Lifesharing is an example of how to do it more efficiently, with greater consumer satisfaction, and with greater success. As the need for these services increases, it is critical that Lifesharing continues to stand as an example of how to improve the lives of those who cannot help themselves.

Thank you for designating October as "Lifesharing Awareness Month."

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

Members, at this time please take your seats.

STATEMENT BY MRS. BULLOCK

The SPEAKER. Representative Bullock is recognized to speak on HR 510. I do believe this will be her first floor speech, so if we could please give her our undivided attention. All members, please take your seats.

Mrs. BULLOCK. Thank you, Mr. Speaker.

HR 510 designates October 15, 2015, as "White Cane Safety Day" and October as "Meet the Blind Month" in Pennsylvania. It is aimed at recognizing the symbolic importance of the white cane for blind and visually impaired citizens and encourages others to learn more about their lives.

The white cane symbolizes the ability of every blind or visually impaired citizen of our State to achieve a full and independent life. It also serves as a tangible reminder that those who are blind or visually impaired are self-sufficient, mobile, and capable of participating in their communities and contributing to our society. The cane also prompts us to be cautious when approaching a blind or visually impaired person carrying a white cane, especially while we are operating a vehicle.

As President Lyndon B. Johnson noted in the first white cane proclamation issued in 1964, "A white cane in our society has become..." a unique symbol "...of a blind" or visually impaired "person's ability to come and go on his own" – to be independent. "Its use has promoted courtesy and opportunity for mobility of the blind on our streets and highways."

Many national, State, and local organizations support individuals who are blind, like the Lions Club, and we should also commemorate them for their efforts and support them on this important day and month. It is fitting that we recognize them as well.

Thank you, Mr. Speaker, for this time.

REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. Representative Matzie is recognized on HR 506.

Mr. MATZIE. Thank you, Mr. Speaker.

I will submit my remarks for the record. Thank you.

The SPEAKER. Yes, sir.

Mr. MATZIE submitted the following remarks for the Legislative Journal:

Thank you, Mr. Speaker.

HR 506 highlights a vital component of our State's financial landscape – credit unions. Credit unions, which are not-for-profit financial cooperatives owned by their members, help unite like-minded individuals to achieve a better economic outcome for all parties involved.

The State has 470 credit unions, which service the financial needs of 3.8 million members associated through local, State, regional, and international organizations.

Rather than focusing on the bottom line, credit unions are unique in that their main focus is providing invaluable financial services to their members. This dedication to service makes credit unions the right choice for many individuals, families, and businesses of all sizes.

Perhaps even more importantly, credit unions act as an economic catalyst for growth for all their members. I have heard countless stories – and I am sure you have too – about how a credit union was there to

provide someone with their first loan to buy a new car, a new house, or to start a new business. Often these loans are unattainable from traditional banks, but credit unions have been able to make the process simple and affordable. Credit unions have been providing citizens of this country with a stable, honest approach to investing their money for many years.

As you may know, I serve on the board of the Pennsylvania Historical and Museum Commission, so I am always interested in the lessons that can be found in our past. While credit unions can trace their history back more than 150 years to Germany, the birth of these institutions in our Commonwealth is directly tied to one of the worst financial collapses our country has seen.

In the 1930s, as the Great Depression was in full swing, trust in banks waned and credit unions were seen as a consumer-friendly, and more importantly, a secured option to save. The credit unions were there for their members, while most banks were closing shop.

I find it interesting that more than 70 years later credit unions were again there for the people of Pennsylvania as they attempted to recover from another devastating financial collapse known as the Great Recession.

It is thanks to institutions like credit unions that Pennsylvanians are able to finance homes, buy cars, and live the American dream. Thank you all for your support of this effort.

Thank you, Mr. Speaker.

CALENDAR**BILLS ON SECOND CONSIDERATION**

The House proceeded to second consideration of **HB 1170**, **PN 1518**, entitled:

An Act designating a portion of Blair Mill Road in Montgomery County as the PVT William H. Walls, U.S.M.C. Memorial Highway.

On the question,

Will the House agree to the bill on second consideration?

Bill was agreed to.

* * *

The House proceeded to second consideration of **HB 1201**, **PN 1576**, entitled:

An Act repealing the act of May 21, 1943 (P.L.279, No.131), entitled "An act authorizing the Department of Highways and counties, cities, boroughs, towns and townships to adopt and take over as public roads and highways, certain highways taken over, located, extended or constructed by the Federal Government or any agency thereof, in the exercise of the war power, and providing the procedure therefor."

On the question,

Will the House agree to the bill on second consideration?

Bill was agreed to.

* * *

The House proceeded to second consideration of **HB 1202**, **PN 1577**, entitled:

An Act repealing the act of May 28, 1943 (P.L.796, No.333), entitled "An act establishing as state highways, certain county highways and requiring their construction, repair and maintenance as such."

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

* * *

The House proceeded to second consideration of **HB 1317**,
PN 1765, entitled:

An Act designating a bridge on that portion of U.S. Route 15 over State Route 114, Mechanicsburg Borough, Cumberland County as the Corporal Jonathan Dean Faircloth Memorial Bridge.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

* * *

The House proceeded to second consideration of **HB 1341**,
PN 2309, entitled:

An Act designating a portion of State Route 51 in the Borough of Coraopolis, Allegheny County, as the Fred A. Trello Memorial Boulevard.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

* * *

The House proceeded to second consideration of **HB 1540**,
PN 2175, entitled:

An Act amending the act of May 13, 2015 (P.L.14, No.3), entitled, "An act designating the interchange of State Route 43 at the Mon-Fayette Expressway Interchange with State Route 88, known as Exit 28, in Washington County as the Marine Cpl. Thomas R. Matty Memorial Interchange; designating a bridge on that portion of State Route 1013, known as Knupp Road, over the Hypocrite Creek, Fairfield Township, Westmoreland County, as the PFC LeRoy D. "Whitey" Schaller Bridge; designating a portion of State Route 711 in New Florence Borough through St. Clair Township, Westmoreland County, as the Veterans Highway; designating a bridge on that portion of State Route 88 over Muddy Creek, Cumberland Township, Greene County, as the Army Corporal Richard W. Kowalewski, Jr., Memorial Bridge; designating the bridge carrying U.S. Route 322 over the east branch of the Brandywine Creek in West Bradford and East Caln Townships, Chester County, as the Robbie and Ryan Miller Memorial Bridge; designating the bridge located on State Route 34 that connects the banks of the Juniata River in Newport, Perry County, as the Paul Reider bridge; and designating a portion of State Route 2029 and 2049, also known as Bath Road, in Bristol Township, Bucks County, as the Sergeant George Stuckey Memorial Road," further providing for the Army Corporal Richard W. Kowalewski, Jr., Memorial Bridge.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

* * *

The House proceeded to second consideration of **SB 765**,
PN 1302, entitled:

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in preliminary provisions, further providing for the definitions of "emergency service responder" and "emergency vehicle"; and, in rules of the road in general, further providing for duty of driver in emergency response areas.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

* * *

The House proceeded to second consideration of **SB 890**,
PN 1041, entitled:

An Act designating the bridge carrying State Route 6011 (Harrison Avenue) over Roaring Brook in the City of Scranton, Lackawanna County, as the Colonel Frank Duffy Memorial Bridge.

On the question,
Will the House agree to the bill on second consideration?
Bill was agreed to.

APPROPRIATIONS COMMITTEE MEETING

The SPEAKER. Members, at this time I call on Chairman Bill Adolph for an announcement with respect to the Appropriations Committee.

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

Mr. Speaker, there will be an immediate meeting of the House Appropriations Committee in the majority caucus room. Thank you.

The SPEAKER. There will be an immediate meeting of the House Appropriations Committee in the majority caucus room.

Members, the House will stand at ease. We are only going to stand at ease for the time needed for the Appropriations Committee to meet.

The House will now stand at ease.

The House is back in order.
Members will please take their seats.

BILLS REREPORTED FROM COMMITTEE

HB 323, PN 2275

By Rep. ADOLPH

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in jurisdiction of appellate courts, providing for commerce court program; and, in organization and jurisdiction of courts of common pleas, providing for commerce courts.

APPROPRIATIONS.

HB 470, PN 2276

By Rep. ADOLPH

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in other criminal provisions, further providing for supervisory relationship to offenders.

APPROPRIATIONS.

HB 623, PN 723

By Rep. ADOLPH

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in authorized disposition of offenders, prohibiting Accelerated Rehabilitative Disposition for child sexual offenses.

APPROPRIATIONS.

HB 1348, PN 2260

By Rep. ADOLPH

An Act amending Title 65 (Public Officers) of the Pennsylvania Consolidated Statutes, in lobbying disclosure, further providing for prohibited activities, for penalties and for registration fees, fund established, system and regulations.

APPROPRIATIONS.

SUPPLEMENTAL CALENDAR A

BILLS ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 323, PN 2275**, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in jurisdiction of appellate courts, providing for commerce court program; and, in organization and jurisdiction of courts of common pleas, providing for commerce courts.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—198

Acosta	Everett	Kotik	Ravenstahl
Adolph	Fabrizio	Krieger	Readshaw
Baker	Farina	Krueger	Reed
Barbin	Farry	Lawrence	Reese
Barrar	Fee	Lewis	Regan
Benninghoff	Flynn	Longietti	Roae
Bishop	Frankel	Mackenzie	Roebuck
Bizzarro	Freeman	Maher	Ross
Bloom	Gabler	Mahoney	Rothman
Boback	Gainey	Major	Rozzi
Boyle	Galloway	Maloney	Sacone
Bradford	Gergely	Markosek	Sainato
Briggs	Gibbons	Marshall	Samuelson
Brown, R.	Gillen	Marsico	Sankey
Brown, V.	Gillespie	Masser	Santarsiero
Bullock	Gingrich	Matzie	Santora
Burns	Godshall	McCarter	Saylor
Caltagirone	Goodman	McClinton	Schemel
Causar	Greiner	McGinnis	Schlossberg
Christiana	Grove	McNeill	Schreiber

Cohen	Hahn	Mentzer	Schweyer
Conklin	Hanna	Metcalfe	Simmons
Corbin	Harhai	Metzgar	Sims
Costa, D.	Harhart	Miccarelli	Snyder
Costa, P.	Harkins	Millard	Sonney
Cox	Harper	Miller, B.	Staats
Cruz	Harris, A.	Miller, D.	Stephens
Culver	Harris, J.	Milne	Sturla
Cutler	Heffley	Moul	Tallman
Daley, M.	Helm	Murt	Taylor
Daley, P.	Hennessey	Mustio	Thomas
Davidson	Hickernell	Neilson	Tobash
Davis	Hill	Nesbit	Toepel
Dawkins	Irvin	O'Brien	Toohil
Day	James	O'Neill	Topper
Dean	Jozwiak	Oberlander	Truitt
Deasy	Kampf	Ortitay	Vereb
DeLissio	Kaufer	Parker, C.	Vitali
Delozier	Kauffman	Parker, D.	Ward
Dermody	Kavulich	Pashinski	Warner
Diamond	Keller, F.	Payne	Watson
DiGirolamo	Keller, M.K.	Peifer	Wentling
Donatucci	Keller, W.	Petrarca	Wheatley
Driscoll	Killion	Petri	Whealand
Dunbar	Kim	Pickett	White
Dush	Kinsey	Pyle	Youngblood
Ellis	Kirkland	Quigley	Zimmerman
Emrick	Klunk	Quinn	
Evankovich	Knowles	Rader	Turzai,
Evans	Kortz	Rapp	Speaker

NAYS—2

Carroll Mullery

NOT VOTING—0

EXCUSED—3

DeLuca English Neuman

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 470, PN 2276**, entitled:

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in other criminal provisions, further providing for supervisory relationship to offenders.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—198

Acosta	Evans	Krieger	Ravenstahl
Adolph	Everett	Krueger	Readshaw
Baker	Fabrizio	Lawrence	Reed
Barbin	Farina	Lewis	Reese
Barrar	Farry	Longietti	Regan
Benninghoff	Fee	Mackenzie	Roae
Bishop	Flynn	Maher	Roebuck
Bizzarro	Frankel	Mahoney	Ross
Bloom	Freeman	Major	Rothman
Boback	Gabler	Maloney	Rozzi
Boyle	Galloway	Markosek	Saccone
Bradford	Gergely	Marshall	Sainato
Briggs	Gibbons	Marsico	Samuelson
Brown, R.	Gillen	Masser	Sankey
Brown, V.	Gillespie	Matzie	Santarsiero
Bullock	Gingrich	McCarter	Santora
Burns	Godshall	McClinton	Saylor
Caltagirone	Goodman	McGinnis	Schemel
Carroll	Greiner	McNeill	Schlossberg
Causer	Grove	Mentzer	Schreiber
Christiana	Hahn	Metcalfe	Schweyer
Cohen	Hanna	Metzgar	Simmons
Conklin	Harhai	Miccarelli	Sims
Corbin	Harhart	Millard	Snyder
Costa, D.	Harkins	Miller, B.	Sonney
Costa, P.	Harper	Miller, D.	Staats
Cox	Harris, A.	Milne	Stephens
Cruz	Harris, J.	Moul	Sturla
Culver	Heffley	Mullery	Tallman
Cutler	Helm	Murt	Taylor
Daley, M.	Hennessey	Mustio	Thomas
Daley, P.	Hickernell	Neilson	Tobash
Davidson	Hill	Nesbit	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Day	Jozwiak	Oberlander	Truitt
Dean	Kampf	Ortitay	Vereb
Deasy	Kaufner	Parker, C.	Vitali
DeLissio	Kauffman	Parker, D.	Ward
Delozier	Kavulich	Pashinski	Warner
Dermody	Keller, F.	Payne	Watson
Diamond	Keller, M.K.	Peifer	Wentling
DiGirolamo	Keller, W.	Petrarca	Wheatley
Donatucci	Killion	Petri	Wheeland
Driscoll	Kim	Pickett	White
Dunbar	Kirkland	Pyle	Youngblood
Dush	Klunk	Quigley	Zimmerman
Ellis	Knowles	Quinn	
Emrick	Kortz	Rader	Turzai,
Evankovich	Kotik	Rapp	Speaker

NAYS—2

Gainey	Kinsey
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NOT VOTING—0

EXCUSED—3

DeLuca	English	Neuman
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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 623, PN 723**, entitled:

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in authorized disposition of offenders, prohibiting Accelerated Rehabilitative Disposition for child sexual offenses.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS—200

Acosta	Everett	Krieger	Ravenstahl
Adolph	Fabrizio	Krueger	Readshaw
Baker	Farina	Lawrence	Reed
Barbin	Farry	Lewis	Reese
Barrar	Fee	Longietti	Regan
Benninghoff	Flynn	Mackenzie	Roae
Bishop	Frankel	Maher	Roebuck
Bizzarro	Freeman	Mahoney	Ross
Bloom	Gabler	Major	Rothman
Boback	Gainey	Maloney	Rozzi
Boyle	Galloway	Markosek	Saccone
Bradford	Gergely	Marshall	Sainato
Briggs	Gibbons	Marsico	Samuelson
Brown, R.	Gillen	Masser	Sankey
Brown, V.	Gillespie	Matzie	Santarsiero
Bullock	Gingrich	McCarter	Santora
Burns	Godshall	McClinton	Saylor
Caltagirone	Goodman	McGinnis	Schemel
Carroll	Greiner	McNeill	Schlossberg
Causer	Grove	Mentzer	Schreiber
Christiana	Hahn	Metcalfe	Schweyer
Cohen	Hanna	Metzgar	Simmons
Conklin	Harhai	Miccarelli	Sims
Corbin	Harhart	Millard	Snyder
Costa, D.	Harkins	Miller, B.	Sonney
Costa, P.	Harper	Miller, D.	Staats
Cox	Harris, A.	Milne	Stephens
Cruz	Harris, J.	Moul	Sturla
Culver	Heffley	Mullery	Tallman
Cutler	Helm	Murt	Taylor
Daley, M.	Hennessey	Mustio	Thomas
Daley, P.	Hickernell	Neilson	Tobash
Davidson	Hill	Nesbit	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Day	Jozwiak	Oberlander	Truitt
Dean	Kampf	Ortitay	Vereb
Deasy	Kaufner	Parker, C.	Vitali
DeLissio	Kauffman	Parker, D.	Ward
Delozier	Kavulich	Pashinski	Warner
Dermody	Keller, F.	Payne	Watson
Diamond	Keller, M.K.	Peifer	Wentling
DiGirolamo	Keller, W.	Petrarca	Wheatley
Donatucci	Killion	Petri	Wheeland
Driscoll	Kim	Pickett	White
Dunbar	Kinsey	Pyle	Youngblood

Dush	Kirkland	Quigley	Zimmerman
Ellis	Klunk	Quinn	
Emrick	Knowles	Rader	Turzai,
Evankovich	Kortz	Rapp	Speaker
Evans	Kotik		

NAYS-0

NOT VOTING-0

EXCUSED-3

DeLuca	English	Neuman
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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.

STATEMENT BY MR. BENNINGHOFF

The SPEAKER. On unanimous consent, Representative Benninghoff is recognized.

Mr. BENNINGHOFF. Thank you, Mr. Speaker.

I just want to take a moment to thank the members for your indulgence, and most importantly, for your support of HB 623.

We actually have a cute, little elementary school in my district, Centre Hall-Potter Elementary. I was talking to them about how we pass legislation, how issues come forward, and they are actually watching us today as we do business. I think this is a good example of how we can work in a bipartisan manner to protect those people in our communities, those that are most vulnerable, and those are our young people in our communities.

HB 623 prohibits the utilization of ARD (Accelerated Rehabilitative Disposition) in certain sexual offenses, and I am proud to say the General Assembly, in a bipartisan and unanimous manner, is willing to do that. Mr. Speaker, I thank you and all the members for their support. Thank you very much.

BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 1348, PN 2260**, entitled:

An Act amending Title 65 (Public Officers) of the Pennsylvania Consolidated Statutes, in lobbying disclosure, further providing for prohibited activities, for penalties and for registration fees, fund established, system and regulations.

On the question,
Will the House agree to the bill on third consideration?
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

YEAS-200

Acosta	Everett	Krieger	Ravenstahl
Adolph	Fabrizio	Krueger	Readshaw
Baker	Farina	Lawrence	Reed
Barbin	Farry	Lewis	Reese
Barrar	Fee	Longietti	Regan
Benninghoff	Flynn	Mackenzie	Roae
Bishop	Frankel	Maher	Roebuck
Bizzarro	Freeman	Mahoney	Ross
Bloom	Gabler	Major	Rothman
Boback	Gainey	Maloney	Rozzi
Boyle	Galloway	Markosek	Saccione
Bradford	Gergely	Marshall	Sainato
Briggs	Gibbons	Marsico	Samuelson
Brown, R.	Gillen	Masser	Sankey
Brown, V.	Gillespie	Matzie	Santarsiero
Bullock	Gingrich	McCarter	Santora
Burns	Godshall	McClinton	Saylor
Caltagirone	Goodman	McGinnis	Schemel
Carroll	Greiner	McNeill	Schlossberg
Causer	Grove	Mentzer	Schreiber
Christiana	Hahn	Metcalfe	Schweyer
Cohen	Hanna	Metzgar	Simmons
Conklin	Harhai	Miccarelli	Sims
Corbin	Harhart	Millard	Snyder
Costa, D.	Harkins	Miller, B.	Sonney
Costa, P.	Harper	Miller, D.	Staats
Cox	Harris, A.	Milne	Stephens
Cruz	Harris, J.	Moul	Sturla
Culver	Heffley	Mullery	Tallman
Cutler	Helm	Murt	Taylor
Daley, M.	Hennessey	Mustio	Thomas
Daley, P.	Hickernell	Neilson	Tobash
Davidson	Hill	Nesbit	Toepel
Davis	Irvin	O'Brien	Toohil
Dawkins	James	O'Neill	Topper
Day	Jozwiak	Oberlander	Truitt
Dean	Kampf	Ortitay	Vereb
Deasy	Kaufner	Parker, C.	Vitali
DeLissio	Kauffman	Parker, D.	Ward
Delozier	Kavulich	Pashinski	Warner
Dermody	Keller, F.	Payne	Watson
Diamond	Keller, M.K.	Peifer	Wentling
DiGirolamo	Keller, W.	Petrarca	Wheatley
Donatucci	Killion	Petri	Wheeland
Driscoll	Kim	Pickett	White
Dunbar	Kinsey	Pyle	Youngblood
Dush	Kirkland	Quigley	Zimmerman
Ellis	Klunk	Quinn	
Emrick	Knowles	Rader	Turzai,
Evankovich	Kortz	Rapp	Speaker
Evans	Kotik		

NAYS-0

NOT VOTING-0

EXCUSED-3

DeLuca	English	Neuman
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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.

FILMING PERMISSION

The SPEAKER. Members, members, at this time please take note, Matt Rourke of the AP (Associated Press) will be taking still photos of the debate and vote for HB 283. So, members, please note that Matt Rourke of the AP will be on the floor to take still photos for the debate and vote on HB 283.

CALENDAR CONTINUED

BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 283, PN 282**, entitled:

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

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

Mr. **MARKOSEK** offered the following amendment No. **A03468**:

Amend Bill, page 1, line 11, by striking out the period after "tax" and inserting
; in personal income tax, further providing for imposition, providing for special rules for withholding, further providing for special tax provisions for poverty and providing for property tax rebate; providing for education reinvestment; and making related repeals.

Amend Bill, page 2, line 12, by striking out all of said line and inserting

Section 2. Section 302 of the act, amended December 23, 2003 (P.L.250, No.46), is amended to read:

Section 302. Imposition of Tax.—(a) Every resident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income hereinafter enumerated in section 303, a tax upon each dollar of income received by that resident during that resident's taxable year at the rate of three and [seven] fifty-seven hundredths per cent.

(b) Every nonresident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income hereinafter enumerated in section 303 from sources within this Commonwealth, a tax upon each dollar of income received by that nonresident during that nonresident's taxable year at the rate of three and [seven] fifty-seven hundredths per cent.

Section 3. The act is amended by adding a section to read:

Section 302.2. Special Rules for Withholding.—When the tax rate changes during a taxable year, the department shall submit to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin a notice to employers regarding the amount to be deducted and withheld from compensation subject to withholding under section 316 for the balance of the taxable year. Every employer shall comply with the notice.

Section 4. Section 304 of the act, amended December 13, 1991 (P.L.373, No.40) and December 23, 2003 (P.L.250, No.46), is amended to read:

Section 304. Special Tax Provisions for Poverty.—(a) The General Assembly, in recognition of the powers contained in section 2(b)(ii) of Article VIII of the Constitution of the Commonwealth of Pennsylvania which provides therein for the establishing as a class or classes of subjects of taxation the property or privileges of persons who, because of poverty are determined to be in need of special tax provisions hereby declares as its legislative intent and purpose to

implement such power under such constitutional provision by establishing special tax provisions as hereinafter provided in this act.

(b) The General Assembly having determined that there are persons within this Commonwealth whose incomes are such that imposition of a tax thereon would deprive them and their dependents of the bare necessities of life and having further determined that poverty is a relative concept inextricably joined with actual income and the number of people dependent upon such income deems it to be a matter of public policy to provide special tax provisions for that class of persons hereinafter designated to relieve their economic burden.

(c) For the taxable year 1974 and each year thereafter any claimant who meets the following standards of eligibility established by this act as the test for poverty shall be deemed a separate class of subject of taxation, and, as such, shall be entitled to the benefit of the special provisions of this act.

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

(1) If the poverty income of the claimant during an entire taxable year is [six thousand five hundred dollars (\$6,500)] eight thousand seven hundred dollars (\$8,700) or less, or, in the case of a married claimant, if the joint poverty income of the claimant and the claimant's spouse during an entire taxable year is [thirteen thousand dollars (\$13,000)] seventeen thousand four hundred dollars (\$17,400) or less, the claimant shall be entitled to a refund or forgiveness of any moneys which have been paid over to (or would except for the provisions of this act be payable to) the Commonwealth under the provisions of this article, with an additional income allowance of nine thousand five hundred dollars (\$9,500) for each dependent of the claimant. For purposes of this subsection, a claimant shall not be considered to be married if:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 360. Property Tax Rebate.—(a) Notwithstanding the provisions of section 1304(a)(2)(i) of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the "Taxpayer Relief Act," the

base amount of any claim for property tax rebate for real property taxes due and payable during calendar year 2016 and thereafter shall be determined in accordance with the following schedule:

<u>Household Income</u>	<u>Amount of Real Property Taxes Allowed as Rebate</u>
\$ 0 - \$ 8,000	\$2000
8,001 - 15,000	1700
15,001 - 18,000	1500
18,001 - 35,000	1200
35,001 - 45,000	900
45,001 - 55,000	600

(b) Approved claims shall be paid from the State Lottery Fund established by the act of August 26, 1971 (P.L.351, No.91), known as the "State Lottery Law."

(c) Beginning in fiscal year 2017-2018 and in each fiscal year thereafter, the Secretary of the Budget shall transfer to the State Lottery Fund from funds collected under this article an amount equal to the difference between the amount of approved claims to be paid in the subject fiscal year under subsection (a) and the amount of approved claims paid in fiscal year 2014-2015 under section 1304 of the "Taxpayer Relief Act."

(d) The definition of "income" in section 1303 of the "Taxpayer Relief Act" shall not include veterans' disability payments.

Section 6. The act is amended by adding an article to read:

ARTICLE XI-E
EDUCATION REINVESTMENT
PART I
SEVERANCE TAX

Section 1101-E. Definitions.

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

"Association." A partnership, limited partnership or any other form of unincorporated enterprise owned or conducted by two or more persons.

"Barrel." Forty-two United States gallons at an atmospheric pressure of 231 cubic inches of liquid at a standard temperature of 60 degrees Fahrenheit.

"Coal bed methane." Gas which can be produced from coal beds, coal seams, mined-out areas or gob wells.

"Corporation." A corporation, joint stock association, limited liability company, business trust or any other incorporated enterprise organized under the laws of the United States, this Commonwealth or any other state, territory or foreign country or dependency.

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

"Dry natural gas." Hydrocarbon gases, consisting mostly of methane, that remain after the natural gas liquid portion of the natural gas stream has been removed and any volume of nonhydrocarbon gases have been removed in sufficient quantity to render the gas marketable. The term includes consumer-grade natural gas or pipeline-quality natural gas.

"Gross proceeds." The value, whether in money or other property, actually proceeding from the sale of property, without a deduction for the cost of property sold or expenses of any kind.

"Gross value." The gross proceeds received or receivable for property transferred, except as follows:

(1) In a transaction involving related parties, gross proceeds of the property transferred may not be less than the fair market value of similar grade and quality property.

(2) In the absence of a sale, gross proceeds of the property transferred may not be less than the fair market value of similar grade and quality property.

(3) In a transaction where property is transferred for the purpose of processing and resale, gross proceeds of the property transferred may not be less than the fair market value of similar

grade and quality property.

"Meter." A device to measure the passage of volumes of gases or liquids past a certain point.

"Natural gas." A fossil fuel consisting of a mixture of hydrocarbon gases, including methane, ethane, propane, butane, carbon dioxide, oxygen, nitrogen and hydrogen sulfide and other gas species. The term includes natural gas from oil fields known as associated gas or casing head gas, natural gas fields known as nonassociated gas, shale beds and other formations. The term does not include coal bed methane.

"Natural gas liquids." Hydrocarbons including ethane, propane, butane, isobutane and pentane that are separated from natural gas as liquids through the process of absorption, condensation, adsorption, cooling in gas separators, gas processing or cycling plants.

"Person." Includes a corporation, partnership, limited liability company, business trust, other association, a government entity other than the Commonwealth, estate, trust, foundation or natural person.

"Postproduction costs." Proportional costs incurred in and associated with processing and transporting natural gas from the point the gas is brought to the surface to the point of sale, limited to gathering, separating, treating, dehydrating, compressing, processing, transporting or losses by use as fuel or line loss of natural gas. The term includes the costs of fractionating and marketing ethane, propane, butane and other complex hydrocarbons. The term does not include corporate structure or financing costs.

"Producer." A person who engages or continues within this Commonwealth in the business of severing natural gas from unconventional formations for sale, profit or commercial use.

"Producing site." A point of severance, including a well and its associated zones and multilateral well bores, that is capable of producing natural gas from an unconventional formation.

"Related parties." Two or more people, organizations or businesses owned or controlled directly or indirectly by the same interests. Control exists if a contract or lease, either written or oral, is entered into where one party severs or processes natural gas owned or held by another party and the owner or lessor participates in the severing, processing or marketing of the natural gas or receives any value other than an arm's-length passive royalty interest.

"Reporting period." A calendar month in which natural gas is severed.

"Sales meter." A meter at the point where natural gas is sold or transported to a purchaser or the market.

"Sever." The extraction or other removal of natural gas from an unconventional formation in this Commonwealth.

"Storage field." A natural formation or other site that is used to store natural gas that did not originate from and has been transplanted into such formation or site.

"Stripper well." A producing site that produced an average of less than 90 units of natural gas per day during the calendar year immediately preceding a reporting period.

"Tax." The tax imposed under this article.

"Taxpayer." A person subject to the tax imposed by this article.

"Unconventional formation." A geological shale formation existing below the base of the Elk Sandstone or its geologic equivalent stratigraphic interval where natural gas generally cannot be produced at economic flow rates or in economic volumes except by vertical or horizontal well bores stimulated by hydraulic fracture treatments or using multilateral well bores or other techniques to expose more of the formation to the well bore.

"Unit." A thousand cubic feet (Mcf) of natural gas at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 pounds per square inch, in accordance with American Gas Association (AGA) standards and according to Boyle's law for the measurement of gas under varying pressures with deviations therefrom as follows:

(1) The average absolute atmospheric pressure shall be assumed to be 14.4 pounds to the square inch, regardless of actual elevation or location of point of delivery above sea level or variations in such atmospheric pressure from time to time.

(2) The temperature of the gas passing the meters shall be determined by the continuous use of a recording thermometer installed so that the thermometer may properly record the temperature of the gas flowing through the meters. The arithmetic average of the temperature recorded each 24-hour day shall be used in computing gas volumes. If a recording thermometer is not installed, or if installed and not operating properly, an average flowing temperature of 60 degrees Fahrenheit shall be used in computing gas volume.

(3) The specific gravity of the gas shall be determined by tests made by the use of an Edwards or Acme gravity balance, annually, or at intervals as are found necessary in practice. Specific gravity shall be used in computing gas volumes.

(4) The deviation of the natural gas from Boyle's law shall be determined by tests annually or at other shorter intervals as are found necessary in practice. The apparatus and the method to be used in making the tests shall be in accordance with recommendations of the Natural Bureau of Standards of the Department of Commerce, or Report No. 3 of the Gas Measurement Committee of the American Gas Association, or any amendments thereof. The results of the tests shall be used in computing the volume of gas delivered.

"Wellhead meter." A meter placed at a producing site to measure the actual volume of natural gas severed.

Section 1102-E. Imposition of tax.

(a) Imposition.—There is hereby levied a privilege tax on every producer.

(b) Rate.—The tax imposed under subsection (a) shall be the sum of the following:

(1) Four and seven tenths cents for each unit of natural gas severed measured at the wellhead meter.

(2) Subject to the provisions of section 1104-E, 3.5% of the gross value of each unit of the dry natural gas derived from the natural gas severed.

(3) Subject to the provisions of section 1104-E, 3.5% of the gross value of the natural gas liquids derived from the natural gas severed.

(c) Exemptions.—The tax imposed under subsection (a) shall not be imposed upon the following:

(1) Natural gas, dry natural gas or natural gas liquids severed under a natural gas lease and provided to a lessor for no consideration for the lessor's own use.

(2) Natural gas, dry natural gas or natural gas liquids severed from a stripper well.

(3) Natural gas, dry natural gas or natural gas liquids severed from a storage field.

(4) Natural gas, dry natural gas or natural gas liquids severed, sold and delivered at or within five miles of a producing site for the processing or manufacture of tangible personal property, as defined in section 201, within this Commonwealth.

Section 1103-E. Postproduction costs.

A producer may deduct postproduction costs from the gross value of natural gas and natural gas liquids subject to the tax imposed under section 1102-E. The amount of the deduction may not exceed 15% of the gross value.

Section 1104-E. Prohibition.

A deduction from the minimum royalty payment required to be paid to a lessor under a lease permitting a producer to sever natural gas from real property subject to the lease may not be made by a producer for postproduction costs or the tax imposed under section 1102-E, and a lessor may not be required to pay or reimburse the producer for the amount of the postproduction costs or the tax or any portion of either the postproduction costs or the tax.

Section 1104.1-E. Existing agreements.

A provision of an agreement, which is in existence prior to the effective date of this section, which violates section 1104-E is declared to be illegal, contrary to public policy and null and void.

Section 1104.2-E. Future agreements.

On or after the effective date of this section, a provision of an agreement in violation of section 1104-E is declared to be illegal, contrary to public policy and null and void.

Section 1104.3-E. Nonseverability.

If all or any portion of section 1104-E, 1104.1-E or 1104.2-E or their application to any person or circumstance are held to be invalid by any court, section 1103-E shall be void.

Section 1105-E. Return and payment.

(a) Return.—Each producer is required to file a return with the department, on a form to be prescribed by the department, reporting all severed natural gas per reporting period and the tax due as imposed under section 1102-E.

(b) Filing.—The return required by subsection (a) must be filed with the department on or before the 20th day of the fourth calendar month after a reporting period.

(c) Due date.—The tax imposed under section 1102-E is due on the day the return is required to be filed and becomes delinquent if not remitted to the department by that date.

Section 1106-E. Natural gas severance tax licensing.

(a) License required.—Each producer subject to tax under this part must apply to the department for a severance tax license before severing natural gas from this Commonwealth. Producers who have been severing natural gas from this Commonwealth prior to the effective date of this part must obtain a license from the department within six months from the effective date of this section. All other producers must obtain a license before severing natural gas from this Commonwealth. A producer is liable for the tax imposed by this article without regard to whether the producer obtains or is required to obtain a license.

(b) Fee.—The department may charge an application fee to cover the administrative costs associated with the application and licensing process. If the department charges an application fee, the department may not issue a license until the producer has paid the application fee.

(c) Declaration.—As part of the application for a license, the producer shall provide a declaration of all sites in this Commonwealth used by the producer for the severance of natural gas. The declaration shall include all producing sites and sites which are stripper wells. The producer shall update the declaration when the producer adds or removes a producing site in this Commonwealth or when there is a change in the status of a producing site. The producer shall update the declaration within 30 days after any calendar month in which a change in the information contained in the declaration occurs.

(d) Department duties.—The department shall, after the receipt of an application, issue the license applied for under subsection (a), if the applicant filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan. The license shall be nonassignable. Each producer shall be required to renew the license on a staggered renewal system established by the department. After the initial staggered period, a license issued shall be valid for a period of five years.

(e) State taxes.—If an applicant for a license or a person holding a license has not filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan, the department may refuse to issue, suspend or revoke the license. The department shall notify the applicant or licensee of a refusal, suspension or revocation. The notice shall contain a statement that the refusal, suspension or revocation may be made public. The notice shall be made by first class mail. An applicant or licensee aggrieved by the determination of the department may file an appeal of the determination in the same manner as provided for reassessments of tax under section 1108-E. In the case of a suspension or revocation which is appealed, the license shall remain valid pending a final outcome of the appeal. Notwithstanding any other provision of law to the contrary, if no appeal is taken or if an appeal is taken and denied at the conclusion of the appeal process, the department may disclose, by publication or otherwise, the identity of a person whose license has

been refused, suspended or revoked under this subsection. Disclosure may include the basis for refusal, suspension or revocation.

(f) Severing without a license.—A person that severs natural gas in this Commonwealth without holding a valid license under this section shall be guilty of a summary offense and, upon conviction thereof, be sentenced to pay a fine of not less than \$300 nor more than \$1,500 and, in default thereof, to undergo imprisonment of not less than five days nor more than 30 days. The penalties imposed by this subsection shall be in addition to any other penalties imposed by law. For purposes of this subsection, the severing of natural gas during any calendar day shall constitute a separate violation. The Secretary of Revenue may designate employees of the department to enforce the provisions of this subsection. The employees shall exhibit proof of and be within the scope of the designation when instituting proceedings as provided by the Pennsylvania Rules of Criminal Procedure.

(g) Liability.—Failure to obtain a license does not relieve a person from liability for the tax imposed by this part.

(h) Civil penalty.—In addition to any tax, interest or other penalty due under this article, the department shall impose a civil penalty of 10¢ per unit severed during the period a producer is required to and does not have a license. The penalty shall be assessed and collected under this part.

Section 1107-E. Meters.

A producer shall provide for and maintain discrete wellhead and sales meters. A producer shall ensure that all meters are maintained according to industry standards.

Section 1108-E. Administration of tax.

Unless otherwise noted to the contrary, Article II, Part VI, Chapters IV-VIII shall apply to this article.

Section 1109-E. Records.

A producer shall maintain the following records:

(1) Wellhead and sales meter charts for each reporting period and the meter calibration and maintenance records. If turbine meters are in use, the maintenance records will be made available to the department upon request.

(2) All records, statements, and other instruments furnished to a producer by any person to whom the producer delivers for sale, transport or other delivery of any natural gas.

(3) Records, statements and other instruments as the department may prescribe by regulation.

Section 1110-E. Enforcement of article.

The department and the Department of Environmental Protection shall have the ability to inspect records and locations to ensure compliance with this article.

Section 1111-E. Use of revenue.

Revenue collected under this part shall be used for education.

PART II (RESERVED)

Section 7. The amendment of section 304 of the act shall apply to tax years beginning after December 31, 2014.

Section 8. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of Article XI-E of the act.

(2) 58 Pa.C.S. § 2318 is repealed.

Section 9. The amendment of section 302 of the act shall apply retroactively to October 1, 2015.

Section 10. This act shall take effect as follows:

(1) The amendment of section 204 of the act shall take effect January 1, 2016.

(2) The addition of section 1106-E of the act shall take effect immediately. The addition of the remainder of Article XI-E of the act shall take effect January 1, 2016.

(3) The remainder of this act shall take effect immediately.

On the question,

Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes the minority Appropriations chair, Joe Markosek.

Sir, just please suspend.

Members, we are beginning debate on amendment 3468 to HB 283. I would ask all members to please take their seats. Members, please take your seats. All members, please take your seats. I would ask that any conversations please be taken outside of the chambers to the anterooms. All floor debate and remarks are important, but before us is very significant budgetary and revenue legislation. The amendment is being offered by the Democratic Appropriations chair, Representative Joe Markosek. Members, please take your seats.

Representative Markosek, the floor is yours.

Mr. MARKOSEK. Thank you, Mr. Speaker.

Good morning, Mr. Speaker. We are here today to do what perhaps we should have done sooner, and that is recognize reality, a budget reality that is not particularly pretty, a budget reality where we have bipartisan agreement that we have a very large deficit this year, and internally we know, and both chambers know this and both parties know this, that with the cost drivers in front of us moving forward, we are also going to have a very predictable, even larger deficit next year if we do not handle and deal with this problem.

My amendment today includes – perhaps it has been described by some as the 800-pound gorilla in the room – my amendment includes proposals for increasing taxes in Pennsylvania. This package would do several things, of course. One is it would close, it would close the deficit that I just talked about. It would provide for meaningful restoration of the cuts in education and human services. And it was not that long ago that we all stood here a couple weeks ago and talked about the cuts to human services and how we had to restore them. And it provides significant property tax relief for seniors, people with disabilities, and veterans. In fact, it would completely eliminate property taxes for hundreds of thousands of homeowners in Pennsylvania.

It should not be a surprise that this proposal calls for an increase in taxes. There has been a lot – and I emphasize, a lot – of posturing up until now, but everybody in this knows that new revenues have to be part of the solution.

This will be a difficult vote. The last thing that I want to do, the last thing that any of us want to do, is raise taxes. But unfortunately, it is the reality of our budget situation. The budget deficit is real. It is massive. Pennsylvania is in a fiscal mess. And if we do not raise more revenue, if we continue to kick the can down the road, the resulting cuts will make the previous administration's cuts seem like child's play.

We have come to the point where we simply cannot cut anymore. The past 4 years were painful for our constituents. We have tried that. We have tried going the route of cutting and having massive cuts. That does not work. Here we are with a big deficit. The previous administration cut programs and agencies to the bone. The credit rating agencies – and this is something that a lot of our constituents and even a lot of us here do not really think about or know much about – but the credit ratings, the credit rating agencies have warned us, Pennsylvania

cannot keep using accounting gimmicks, one-time sources, and phony math to balance its budget and mask its serious fiscal problems.

Pennsylvania has been skating on thin ice for years, using these short-term fixes, and pushing off the tough decisions for another day. Well, today, October 7, is that day. We cannot push this off any further. The time has come to end the charade and do the right thing, which is to balance the budget with sustainable, sustainable sources of revenue and restore the past cuts to education and our human services providers. How do we do that?

First, this amendment would increase the personal income tax, the personal income tax rate by one-half of a percentage point, from 3.07 to 3.57 percent. The increase would not affect most seniors and low-income families, as we also propose to expand the tax forgiveness provision. A family of four could make up to \$36,400 per year and pay no, and pay no State income taxes. Also, many taxpayers would be able to offset the increase on their Federal tax returns, as we all know that the personal income tax is deductible from our Federal taxes. It is also not imposed on pensions or Social Security. The increase would cost the average household less than a dollar per day, less than a dollar per day. Even with an increase in the rate, Pennsylvania would still, would still have one of the lowest income tax rates in the nation, and we would continue to have the lowest rate compared to all of our surrounding States. It has been over a decade, over a decade since we raised the personal income tax rate in Pennsylvania. I think we can go home and say that we have been pretty responsible about this. Maybe we should have done it sooner, but it has been a decade. Of course you are going to have problems when you get no new significant, sustainable revenue in over a decade while your costs continue to go up and up.

Second, this amendment would levy a severance tax on natural gas, a severance tax on natural gas, while preserving the local impact fee. Every other major natural gas producing State in the nation has a severance tax, every one. The proposed rate would be 3.5 percent of the value of the gas, plus 4.7 cents per thousand cubic feet of gas extracted. The tax structure is based on West Virginia's model, which a lot of the natural gas industry, a couple of years ago and even now will say, do not go any higher than that.

Finally, the amendment would provide significant, significant property tax relief for seniors, those who are disabled, and our veterans. This would happen through an expansion of the State's existing, existing property tax/rent rebate program. For the first time, veterans would be able to exclude their disability benefit payments when applying for the program. The Department of Revenue estimates that more than 330,000 seniors and disabled homeowners would see their school property taxes completely, completely eliminated under my proposal.

We are at a fork in the road. We have a choice to make. We can take the responsible path or continue down the irresponsible path. This amendment is our attempt at paving the way for a balanced budget. It is a straightforward proposal, without any gimmicks. The alternative is bleak, the alternative is bleak: More funding cuts to education, more local property tax increases. Additional downgrades in our credit ratings would cost us hundreds of millions of dollars. Human services would continue to be underfunded if this does not pass.

We need to pass a budget that provides predictable, sustainable, and recurring revenues that grow with the economy. If we do not, Pennsylvania will fall further behind. So unless we want to be here each and every year moving forward, we need to pass sustainable revenues. These are those. This is the hard part of our job, this is the hard part of our job as elected officials. Doing what is necessary is not always easy. In fact, it is rarely easy.

We owe it to the public, we owe it to the public we represent to pass a real, comprehensive, and sustainable budget plan – a plan that solves the structural deficit, puts us on a solid path to restoring, restoring the cuts to education and human services, and provides property tax relief to Pennsylvanians. If we do not do this, property taxes will go through the roof in the next couple of years because of the massive, massive cuts that we will see to our school districts and our human services. This amendment would provide for that.

I certainly would ask all the members of both parties to vote for this. You know, at the end of the day, I only have control of one vote here, and that is mine. I will be voting "yes," not because this is my amendment, but because if we do not do this, if we do not do this, we are facing a budget to oblivion or budgets to oblivion as we move forward in the up and coming years. We already know that. The internal folks here that do the budget work know that. Today is the day. We cannot kick the can down the road anymore. And when we hear that phrase about "we will do it in another day," we have reached that point. Today is the day, today is the day that we do the right thing for Pennsylvania.

I would ask all the members to please vote "yes." Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

The majority Appropriations chairman, Representative Bill Adolph.

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

It is a shame that this debate did not take place in June instead of October, and I say that because it is taking too long to get in touch with reality. Back in March, when the Governor introduced his original tax proposal, it was clear to most Pennsylvanians, most members of this legislature, that that tax proposal was excessive, his spending plan was excessive. It has taken that long. And actually, if my math is correct, this is the third tax proposal that the Governor has put forward.

I am glad we are having this vote today because it is clear, and trust me, there has been so much misrepresentation since day one of what goes into these proposals. But today, Mr. Speaker, the taxpayers and the working families of Pennsylvania will see probably for the first time who is paying the tax bill. Ninety-five percent of the Governor's latest tax proposal will be paid by the working men and women of Pennsylvania. It is that simple; \$2.1 billion of the \$2.4 billion for the fiscal year '16-'17. Same percentage, about two-thirds of that figure for '15-'16 because the effective date is October 1. It is a 16-percent tax increase on the people that are going to work, the people that file their PA-40s at the end of the year.

The second misrepresentation, and I stand here from an area that does not have gas drillers, but boy, I have heard about the gas drillers. I hear about them every week. But let me tell you something, and I have heard my good friend, and he is a good friend, not just for parliamentary purposes, Chairman Markosek, but I have heard for years that Pennsylvania is the only State in

the nation that does not have a severance tax on drillers. And I have asked, how many other States in the nation have a local impact fee that generates \$220 million? So even today, as we do away with the one misrepresentation that this tax package is not about severance tax for education, we still are trying to mislead the public that we do not tax the gas industry. We do. We do. Let us just be honest with each other. We do. This would be just a second tax on the gas drillers. So do not mislead the public. Do not change it around. Please name another State in the nation that generates \$220 million and goes back for infrastructure and environmental concerns where the drilling is taking place. I voted for that tax bill. I support that plan, but do not block it out of the debate that it does not exist. It is there. I have heard for over a year, a billion dollars, a billion dollars for education. The fiscal note reads quite clear. The fiscal year '15-'16, which is what we are supposed to be working on, generates from this new severance tax an added severance tax, \$67 million. I do not have to tell you what percentage of the billion dollars that is. On a full year, on a full year, it is \$389 million. Now, we do not set market prices for gas, but it is what it is. You cannot get water from a stone, and you cannot get a billion dollars from a severance tax. Stop repeating it. Then we can sit down.

And I am telling you what, I am here to tell you that the property tax proposal that the Governor is promoting today is so much better, so much better than the one he introduced in March, so much better. But guess what? That was an existing program. It is just an expansion on a good program, but that existing program, there were no tax dollars involved in that. It is from the lottery proceeds and the gaming proceeds. Why are we not talking about that type of revenue? Does it always have to be taxed? There is other revenue there, Mr. Speaker. There is revenue out there that other States are taking advantage of that we are not. But instead of filling the holes with nontaxable revenue first, this administration has to tax people first. We are reasonable. We understand structural deficits. We may not agree with your numbers right away, and that is for the bean counters to get together, but give me a break with the misrepresentation.

We handled a \$4 billion structural deficit. Okay? We did not run away from it. There are other ways to handle it. I am still waiting for my first call from a taxpayer that was upset that we transferred money from other State agencies. Now, it is convenient to call it raiding. It sounds good in political hallways – a raid, a raid. It is a transfer. I do it all the time in business. You transfer money from one checking account to another part of your business. It is done all the time. I do not call it raiding. It is a transfer.

So please, this is what we are here to vote on today, a 16-percent tax increase on the personal income tax. It will generate in this fiscal year \$1.4 billion. I commend the Governor for expanding the special tax forgiveness program. I have some ideas on that myself. But every once in a while we have to increase the benefits for our seniors and for our disabled and for the low-income. I applaud the Governor. But let us talk about the severance tax, \$67 million. Total revenue package for this year, which is our constitutional requirement, \$1.383, \$1.383 billion tax increase, of which 95 percent will be on the working people of Pennsylvania. Make no mistake about that.

The following year, a worry about the structural deficit. Last year when I stood here in front of you, we made a projection of revenue. Well, guess what? It was a conservative amount. It came in, \$400 million more revenue came in on the same rate of taxes. That is real money. That is real money. Guess what? That takes care of the Governor's expansion of that program. Just increase revenue from existing taxes. You do not always have to raise taxes on the working people and claim you are taxing somebody else. And you are taxing that industry. Please, you are taxing that industry. Please name another State that gets \$220 million from that industry and sends it to the counties that are impacted the most.

I had a company come into my office just yesterday, a recycling company, for all you environmentalists, and guess where they are opening up the plant, a recycling plant? In Marcus Hook, Delaware County, on the same, on the same facility where Monroe Energy is. A facility that just a couple years ago was closed. And now this recycling company is coming to Delaware County from Oregon, investing \$35 million in this facility for recycling because they can recycle the plastics necessary for the refinery that Delta Air Lines is using at Monroe Energy. Jobs, investment, taxes. This is what we have to look at.

And let me tell you something. Delaware County sends their recycling of plastics to Berks County, where our landfill is. It will not be needed. It will be used in this production, in this refinery.

So you can criticize the massive tax cuts, the massive cuts in education, human services. I just want to remind you, the bill that passed here in June, which was vetoed by the Governor in June, increased education funding by over \$300 million and increased human services by over \$500 million. That is also a fact. That is also reality. Now, you can compare it to something 4 or 5 years ago that had something to do with Federal stimulus money, which is too complicated to explain to people. Those that want to raise taxes have a simple message. But sometimes when you are right, you have to go into details and you have to explain what is going on here.

It has taken since March to get the sales tax proposal that would have absolutely devastated the taxpayers of Pennsylvania, since March. Two weeks ago that was still on the table. It is now off. And I thank the Governor for taking that proposal off because it had no support in March, and it has no support in October, and we are not voting on it. I think we are heading in the right direction with our numbers, but there are other ways to pay for things. Take it from a small businessman that knows.

Thank you very much, and I ask for a "no" vote on this 16-percent tax proposal.

The SPEAKER. Thank you, Representative.

Mike Hanna. Representative Mike Hanna, the minority whip.

Mr. HANNA. Thank you, Mr. Speaker.

Mr. Speaker, today is a very important day in Pennsylvania. Today marks day 99 of this budget impasse.

Today we have a tremendous responsibility to pass a sustainable funding package that provides sustainable revenue for the next 2 years. Now is the time to increase revenues, both to reduce the deficit and to make necessary investments in our future economic strength. Despite what the majority Appropriations

chairman says, we all recognize that we have to get our long-term debt and current deficit on a sustainable path, and we need to do this in a responsible way, a way that allows us to confront the urgent need to create jobs and boost our economy.

Pennsylvania taxpayers have already endured five major credit downgrades. Let me repeat that because I am not sure the majority Appropriations chairman recognizes that. In the last 4 years, Pennsylvania taxpayers have already endured five major credit downgrades. If we do not act now, the Commonwealth will suffer additional downgrades to its credit rating, which will lead to even higher borrowing rates. Further downgrades would increase borrowing costs to more than 100 basis points, or about \$10 million for every \$1 billion of new debt issued.

Mr. Speaker, that is real debt. That is a real deficit. That is a real problem that needs to be addressed in a real way today. So if you believe, as I do, that our fiscal problems are the greatest long-term threat to our future, why would you not want to tackle our debt and deficit now?

Now, my good friend from Delaware County says we do not have a problem. Well, let me point out to him that Senator Corman, the majority leader of the Senate, has recognized that our costs are increasing at \$1 billion a year and revenues are not keeping up. Just last year Senator Corman was quoted, and I am quoting Senator Corman, the majority leader of the Senate, "Sooner or later, a broad-based tax increase will be necessary to pay for..." the rising costs. Now, that is the majority leader of the Senate. At the time he was the majority Appropriations chairman of the Senate. So let me tell you one more time what he said, "Sooner or later, a broad-based tax increase will be necessary to pay for..." the rising costs. And I do not have to quote the last Budget Secretary, Charles Zogby. You all know what Charles said as he left his position. He made it very clear. He said that there are no more places to cut. That was the outgoing Budget Secretary from the last administration. He said that there are no more places to cut.

And my good friend from Delaware talks about the budget surplus this year, the \$400 million surplus. He knows full well that over half of that is nonrecurring, one-time. He knows that.

Mr. Speaker, this amendment, A03468, offered by my colleague from Allegheny County, provides Pennsylvania with a real solution, real revenue, funding restoration, and hope for a better future. This proposal fixes the Commonwealth's structural budget deficit, funds K through 12 education, and provides expanded property tax relief to seniors and disabled households. So that we can balance our budget and invest in schools, this proposal increases the PIT rate from 3.07 to 3.57. And as my good friend from Allegheny County pointed out, it still remains one of the lowest PITs in the nation. And let us reiterate what he said earlier about those, a household that has \$36,000 in income and has a household of four does not pay any PIT under Pennsylvania's tax laws. And let us just put into perspective what a household with \$40,000 of income would pay under this provision; an additional \$200 a year works out to be probably less than \$4 a paycheck if paid on a weekly basis.

This proposal also levies a fair tax on natural gas extraction of 3.5 percent on the value of gas, plus 4.7 percent per thousand cubic feet of gas extracted, all while keeping the impact fee in place, and let me remind my friend from Delaware as well that the only reason it is called an impact fee is because you labeled it that way. The last administration, particularly Governor Corbett, insisted that it be called an impact fee. And let me

reiterate that all of this plan keeps the current impact fee in place. What does that mean to you? That means that you can go back and say to your municipal officials, it will be collected the same way, it will be distributed to you the same way, you will get the same revenues that you have been promised in the past. That is a huge change. That is a huge compromise from what the Governor originally proposed, and we were able to successfully get him to agree that the impact fee would stay in place exactly the way it is today. So your municipal officials will continue to receive the benefit of that.

Mr. Speaker, this proposal eliminates school district property taxes for over 216,000 new senior households and over 30,000 new disabled households, all while providing recurring revenues for education, human services, and other critical needs. This proposal is the epitome of compromise.

Today – and I believe the Appropriations chair just confirmed all of this, but let me phrase it to you a little bit differently – today we are proposing a tax increase that is only 28 percent of what the Governor originally asked for for this year. Twenty-eight percent of what the Governor originally asked for in March is what is being proposed for this year. That is the definition of "compromise," Mr. Speaker, and less than half of what was proposed for the following year. If that is not compromise, if that is not working in a bipartisan manner, then I do not know what is.

Now, we have spent an exorbitant amount of time negotiating a real revenue package, and I am asking for your support, as this package provides for a balanced budget in 2015-16 as well as 2016-17. If we do not pass a budget with recurring revenues from a PIT increase and an extraction tax, our 2016-17 deficit will guarantee another billion dollars in cuts to education. Let me repeat that – another billion dollars in cuts to education. You all know what that means. You saw the layoffs, you saw the increase in class size, you saw the reduction in programs, and yes, you ultimately saw the increase in property taxes that the last billion-dollar cut cost, and there is absolutely no way around that if we do not adopt this amendment here today. And as was mentioned previously, Pennsylvania would suffer additional downgrades to its credit rating, leading again to higher borrowing costs, and human services would continue to be underfunded and struggle year after year with unpredictable and unsustainable sources of funding.

Mr. Speaker, our constituents cannot afford another budget like the past 4 years. We need to pass a plan that provides predictable, sustainable, and recurring revenues that will grow our economy. This proposal balances our budget and will move Pennsylvania forward.

Mr. Speaker, there are no easy answers to our budget needs and to this impasse. If there were easy answers, I submit that my friends on the other side of the aisle would have solved this a long time ago. There simply are no easy answers, but there still is a right way to do things, albeit not an easy way to do it, and to fix this problem, I believe the Markosek amendment is doing the right thing for Pennsylvania's future.

Mr. Speaker, I am urging a "yes" vote for the Markosek amendment. Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

Representative Fred Keller.

Mr. F. KELLER. I would like to ask if the maker of the amendment would stand for brief interrogation.

The SPEAKER. Yes. Representative Markosek.

The gentleman, Representative Keller, seeks to ask some questions for interrogation.

The gentleman, Representative Markosek, has indicated he will stand for interrogation. You may proceed, Representative Keller.

Mr. F. KELLER. Thank you, Mr. Speaker.

Mr. Speaker, I have a question, and it centers around page 10 of the amendment, lines 13 and 14, actually 12 through 14, where it says, "Use of revenue. Revenue collected under this part shall be used for education." How do you define what education that will be used for?

Mr. MARKOSEK. That relates to the severance tax, and it is designated to be used for education.

Mr. F. KELLER. But are we saying public education, educating in environmental issues, educating firefighters?

Mr. MARKOSEK. It is education in general.

Mr. F. KELLER. In general.

Is that deposited into a separate account within the General Fund?

Mr. MARKOSEK. General Fund.

Mr. F. KELLER. It goes into the General Fund.

What mechanisms are in place, Mr. Speaker, to ensure that that money, if we are looking at putting more money into education, that that increase in the revenue from the gas companies actually goes toward education and somebody does not just simply cut \$80 million and say, "Well, we put this \$67 million in there."

Mr. MARKOSEK. Well, you know, as we know the Governor and many of us here on both sides of the aisle campaigned to fund, for greater funding for education. There were also many of us in the room that said we ought to take the proceeds from a severance tax and use it for education.

The Governor has suggested \$400 million for basic ed, but there are other entities in education that would be funded as well. There is higher ed. Do not forget, higher ed took tremendous cuts over the last 4 years with the previous administration. So besides, and there are other line items that deal in the basic ed areas, special ed, those kinds of things, all of that would be coming from the General Fund, which we know.

And keep in mind, because of the decisions by the majority to run the revenue bill before we actually have a spending bill passed, that becomes a problem. So we would much rather have the spending bill and determine all of these things about who is going to get what, how much education is going to get, how much human services are going to get. We would much rather do it that way and then figure out what we need for revenue, but we do not have control over that, being the minority party.

Your leadership has determined, and they have the right to do that, to have this vote prior to that. So a lot of the questions that you are asking would be answered if we had a spending package and not just a revenue package.

Mr. F. KELLER. With all due respect, Mr. Speaker, when you mention about what was promised during the campaign, it was \$1 billion. Now, I think some people have come to the realization that that simply is not there, and to make sure that we do not put a promise out to people, what mechanism is in place to make sure that this additional revenue gets spent on education?

Mr. MARKOSEK. Well, I mean, again, you know, we need a spending bill to be negotiated. That is the whole point of this exercise. We have not been able to negotiate that because of all

the posturing that has been done, etc. There has been no compromise. That is why we do not have it, and that is why we are here today doing this exercise, which in the past we always did it the other way. But nevertheless, we are in different times here and we understand that. And, you know, we need to fund education a lot more than even maybe, in my opinion, even what the Governor has suggested. But nevertheless, we all know that there are limits to what we can raise and what we can spend.

Mr. F. KELLER. Thank you, Mr. Speaker.

I appreciate that answer. In an effort to fund education, I just want to make sure that any additional dollars that we promise the people of this Commonwealth are going to go to education actually make it there. Again, I guess the answer would be, no, there is nothing to guarantee that. You talk about making promises and then passing a spending bill and then going back to the taxpayers, and then it becomes necessary to—

The SPEAKER. Representative Keller, please suspend.

You have concluded your interrogation?

Mr. F. KELLER. Well, I guess I want to get to the point because—

The SPEAKER. Sir—

Mr. F. KELLER. If I may—

The SPEAKER. Sir, you may speak on the bill, but at this time we are going to conclude the interrogation unless you have another question.

Mr. F. KELLER. I guess the question, I would say, is we want to now go down the path of promising things and then figuring out how to pay for them, rather spend and tax than a tax and spend? Is that what we are—

The SPEAKER. Representative Keller, at this point, with respect to motive or underlying perspective, that is not a proper question for interrogation.

Mr. F. KELLER. On the bill, please, Mr. Speaker.

The SPEAKER. Yes, sir. Comments on the bill. That is perfectly appropriate.

Mr. F. KELLER. I would like to—

The SPEAKER. I mean, not getting to motivation – I apologize – but in terms of talking about the direction of where you want to go. But you cannot, you cannot, you cannot interrogate a member unless it is something you want to know about the bill itself. If it is something you already know, you cannot interrogate somebody on that, or if it is to make a point or try to embarrass somebody, that is not acceptable. You just have to speak on the bill itself.

Mr. F. KELLER. Thank you, Mr. Speaker.

The SPEAKER. The gentleman may proceed.

Mr. F. KELLER. Thank you, Mr. Speaker.

I just want to stand for the record, in case people are not aware, amendment A03468, introduced by my colleague from Allegheny County, is on my bill and it is not an agreed-to amendment. Just in case there was any doubt in anybody's mind.

I want to really talk about many things that were mentioned, and one thing that was mentioned was the credit rating of Pennsylvania, and to understand what the credit agencies look at and what put us in the predicament we have. For 8 years, from 2002 to 2003 through 2010-11, State spending grew at 40 percent. Revenue, or the economy, grew at 20 percent. There is a problem there. The reason we were able to do that is because the Federal government sent money to the States and allowed that to continue through the recession after 2008. In comes 2010, and then we look at what happened is, we do not

have that revenue. So we have to, in Pennsylvania, balance a budget.

It is not all about raising taxes. It is about looking at how we invest that money. What are we doing with the people's money? So the credit rating agencies, as long as we live within our means and address our issues, whether that is raising taxes, cutting spending, or a combination of both, but I hear people saying about what horrible shape the Commonwealth is in and we need to fix these structural deficits. If that is the case, what I am hearing is, we are in such bad shape, we need to raise your taxes, but instead of paying our bills, we are going to give it to someone else. That is what I hear us saying. That just does not add up.

We are looking at cutting the paychecks of Pennsylvanians by a rate of 16 1/4 percent. That is real money. We can trivialize it and say it is only \$200, but for that person that is currently struggling to get by, that is a well-needed \$200. That is some new clothes for a kid going to school. That is lunch money. That is extracurricular fees for a kid at school. That is real dollars, and to sit here and say it is not important because it is only \$200, I think, is disingenuous to the people that earned that money. So again, I just have concerns with that.

It was also brought up that we have not increased the personal income tax rate in 10 years. What we are forgetting is our income tax rate is a percentage of what somebody earns. Our sales tax rate is a percentage of items that are taxed. As the economy grows, the State gets more revenue. What anybody has not been able to explain is why the State needs a larger increase in the revenue it collects than the people that are earning the money and paying the taxes. Why do we need that? Why does the State government need to increase at a rate greater than the citizens of this Commonwealth can afford?

So, you know, you look at all these things, you look at the cost drivers in the budget, you look at many different things, and I spent a lot of time going through the Pennsylvania Office of the Budget Web site because you hear all the claims of the cuts. Again, working Pennsylvanians have gone to work every day and paid their taxes, and we have increased spending over the last 4 years on the priorities of the Commonwealth. The budget the year before I came to this chamber, we spent \$9.6 billion on public education. The last budget that was enacted was \$10.6 billion on education. That is an increase. The budget prior, Governor Rendell's last budget, his second budget, actually was \$10 billion, so he actually reduced it into 2010-11, reduced it. And we are not talking about the true facts of what is happening here.

I stand in opposition to this because I believe that it takes the money out of the hardworking Pennsylvanians' pockets. It cuts their paychecks so that we in Harrisburg who think we can spend the money better than they can, can make the decisions for them.

I ask that the members of this chamber, please oppose amendment A03468 to HB 283. Thank you, Mr. Speaker.

The SPEAKER. Members, for just a minute we are going to be at ease.

We do have a lot of individual members that would like to speak on this important debate.

I want to just cover two important points as we proceed with respect to the rules. As you know, our rules are supplemented by Mason's legislative manual, and this is true for debate and it is also true for anyone that seeks interrogation: "It is not the

person but the measure that is the subject of debate, and it is not allowable to arraign the motives of a member, but the nature or consequences of a measure may be..." discussed in terms. So please understand it is not allowable to arraign the motives of a member in your remarks or in any interrogation, and it will not be acceptable in our debate.

I am awaiting just some rules with respect to the proper format for interrogation. This is for all of us. It is for all of us to adhere to, but I am going to wait till we receive those.

There are many members that do wish to speak. I would just tell everybody, while there is no time limit, it is important, I think, if people are to the point, I think you are most effective in that regard with respect to your remarks.

Members, just citing the Legislative Journal, I believe it is June 27 of 2005. The Speaker at that time said that "...the purpose of interrogation is to elicit information and answers to which the interrogator is not privy, does not know the answers to..."

We are going to be back in order, and Representative McCarter, and then he will be followed by Representative Kampf.

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

The light in this chamber is literally and figuratively going out. Since June 30 we have lost the illumination of five of our giant lightbulbs on our incredible chandeliers. Tragically, this is symbolic of the dimming we have shown to be true leaders in Pennsylvania: leaders who are sent here by their constituents to craft legislation, pass budgets, and to deal with the needs of Pennsylvanians; leaders who want to accomplish good things and bargain in good faith on budgets; and when tentative agreements are reached, leaders who will reach out to get the votes to assure final passage.

It is October 7. Now, I know, Mr. Speaker, that there are some here who believe that good government is government that governs least and spends least, others who believe that all we have to do is get out of the way and let the private sector solve our problems. But I find it somewhat ironic that today in Washington, DC, we have two Senators begging the Senate for aid to South Carolina to address the devastating flooding in their State and having to explain why they voted against aid to New Jersey for victims of Hurricane Sandy.

Mr. Speaker, we are all in this boat together in trying to find ways to fund our State and to be able to move forward with the problems that we have in education. Our decisions far too often are made on the basis of what is good only for my district and does not look at the result. It ends up in inequities and decisions that are just too far, too shortsighted, and sometimes just blind. The proposal before us today is a pragmatic step that can lead us to a solution of our budget quagmire. The Markosek amendment not only closes the budget gap created by past years of passing State budgets that were balanced with unsustainable money, but it also provides additional funding for public education, immediate property tax relief for expanding the existing property tax/rent rebate program, and holds harmless our neediest working families from the increase in the State income tax while keeping our flat State income tax among the lowest in the nation.

This amendment, Mr. Speaker, is literally a citizen's amendment. It is October 7. It is an amendment based not on Republican or Democratic beliefs. It is an amendment based on the call we have heard relentlessly from our voters and our

constituencies, voters who want property tax relief, voters who want more money coming from the State for education so that their local property taxes do not go through the roof.

This amendment does those things. It solves those problems. Perfectly? No. But it does. It is October 7. This amendment does not require an amendment to the State Constitution, an issue which has stopped other property tax reform measures in their tracks. This plan expands the already existing property tax and rent rebate program and increases the State share of funding for public education throughout the Commonwealth.

Like I said earlier, this is not a political party vote, Mr. Speaker. It is a serious amendment that every member on both sides of the aisle should support, unless you are wedded to the belief that government is best that does not function at all. It is October 7. There is no ulterior motive here, just good government answering a decades-long call for its constituencies. Does the bill provide every homeowner or renter with property tax relief? No. But what it does do in a compromise spirit is reduce the need for additional property tax increases by our school boards and completely eliminates school property taxes for 331,000 senior citizens and thousands of disabled throughout the State of Pennsylvania. Does it solve all the needs of our public schools? No. But it moves the ball forward, allowing districts to plan more effectively, knowing that their funding will be secure from the State, allowing for meaningful, sustainable improvements. It will also significantly expand that property tax relief to an additional 569,000 seniors and disabled individuals up to an annual maximum rebate of \$2,000. For many of those 569,000 households, that is more than half of their annual tax bill.

This amendment will also require the Marcellus Shale gas industry to come in line with other States around us and throughout the nation. This industry surely has been given a tax holiday, even though we consider fees now taxes that we did not before, for far too long in our State. It is time that they pay their fair share.

Now, if certain members choose to ignore this real plan that outlines the revenue side of the tally sheet and does so in a constitutionally required, balanced manner, then it is they who are playing the partisan politics on the floor of the great chamber today. Without a "yes" vote today, Mr. Speaker, we will ultimately incur another billion dollars in cuts to education, see more districts take out loans in the short term while we continue to debate, and remain to try to keep open this year, and see an estimated 75 percent or more of those same districts raise property taxes again next year and the year after.

This habit of pushing through stopgap budgets that pass today's debt on to tomorrow's tally sheet has to stop now, Mr. Speaker. It is October 7. Stopgap budgeting is not good government or small government as some like to spin it. Mr. Speaker, it is cowardly government, just trying to keep the status quo to get through the next election cycle, hoping Pennsylvanians have a short memory and will somehow forget that their State elected officials are also responsible for local property tax increases because they did not have the stomach to take their responsibilities in Harrisburg seriously. It is cynical, hurts us all, and is no way to govern.

Let us do our job. Let us not pass our responsibilities on to the local level again. Let us give our school boards the ability to do their jobs and let students have the light of learning that they

can see moving forward. Mr. Speaker, it has gone on far too long. It is October 7. The voters are wise to this kind of sleight-of-hand governing. They do not like it out of Washington or Harrisburg. Let the light in this chamber prevail over darkness.

Please vote "yes" on the Markosek amendment. Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

FILMING PERMISSION

The SPEAKER. Members, at this time Eric Heisler of ABC-27 will be videotaping with audio. Again, Eric Heisler from ABC-27 will be videotaping with audio.

CONSIDERATION OF HB 283 CONTINUED

The SPEAKER. And at this time Representative Seth Grove. The floor is yours, sir.

Mr. GROVE. Thank you, Mr. Speaker.

Would the maker of the amendment stand for quick interrogation?

The SPEAKER. Representative Markosek, the gentleman from York County has asked if you will please stand for interrogation, sir.

Representative Markosek has agreed.

Mr. GROVE. Thank you, Mr. Speaker.

The SPEAKER. Representative Grove, you may proceed.

Mr. GROVE. Thank you, Mr. Speaker.

Under the severance tax portion of this bill, the Department of Revenue collects the severance tax, correct?

Under the property tax/rent rebate language, there is a Budget Secretary transfer embedded in there. Are there any similar transfers in the severance tax language?

Mr. MARKOSEK. No, sir.

Mr. GROVE. Under section 1111-E, which in the amendment is the actual last page, "Revenue collected under this part shall be used for education." Can you specify what education is, where that money is going?

Mr. MARKOSEK. Well, I believe, I believe we answered this question or similar questions a little bit ago. Obviously, all of us here in the room want to fund education. We need to fund education. There have been horrible cuts in education. We need to fund it.

Mr. GROVE. What is the mechanism where it goes from the Department of Revenue to education funding? Is there a mechanism within this bill to do that?

Mr. MARKOSEK. Again, we have answered the question. It goes into the General Fund. And of course, as I mentioned before, some of these questions are due because your leadership chose to run this budget in this fashion instead of doing it perhaps the way it should have been done, and that is to negotiate a spending bill and then try to find the money, determine what we need to fund that, and go from there. So we are actually doing this backwards, and we are only reacting to that. We are not in control. The Democrats are in the minority, as we know, and it is up to your leadership. So I would suggest perhaps some of these questions would be better generated toward your own leadership as to why we are running this process in this fashion.

Mr. GROVE. Thank you.

On page 8, lines 47 to 51, it discusses State taxes, and to summarize, it is basically if licensees are not paying State tax, they cannot license. What is the purpose of that clause? Why is that in this bill?

Mr. MARKOSEK. It is to ensure that their other State taxes are paid.

Mr. GROVE. And what State taxes are the natural gas drillers currently paying?

Mr. MARKOSEK. Whatever, as a business, whatever tax form that they choose, whether it is CNI (corporate net income) or personal income.

Mr. GROVE. Thank you, Mr. Speaker.

Are you familiar with the April 23 Independent Fiscal Office report in the Governor's previous revenue proposals?

Mr. MARKOSEK. Well, obviously anything budget-related, I am generally familiar with, although, you know, I have not— We would need, if you have a specific question, I guess maybe that would be the better way to—

Mr. GROVE. Okay.

Mr. MARKOSEK. —approach this.

Mr. GROVE. On page 36 of the report, it says, quote, "...the data suggest that the tax is regressive because" — and this is discussing again the severance tax — "because lower income individuals spend a higher proportion of their income on utilities." Page 37 further states, quote, "...the low-income group realizes increases...through higher utility prices," end quote.

Will the net result of this severance tax be the same, where lower income individuals across Pennsylvania will face higher utility prices because of this tax?

Mr. MARKOSEK. The tax will be passed on to the consumer, of which 80 percent reside outside of the Commonwealth of Pennsylvania.

Mr. GROVE. So the remaining 20 percent will be Pennsylvania residents who will face higher utility bills? What impact will higher utility bills have on those that receive LIHEAP (Low-Income Home Energy Assistance Program) assistance?

Mr. MARKOSEK. Mr. Speaker—

Mr. FRANKEL. Mr. Speaker?

Mr. MARKOSEK. —I am not sure that he is on the—

Mr. FRANKEL. Mr. Speaker, it seems to me—

Mr. MARKOSEK. —that the gentleman is on the bill.

Mr. FRANKEL. Point of order.

The SPEAKER. Members, please suspend.

Mr. FRANKEL. I mean, this—

The SPEAKER. Members, please suspend.

Mr. FRANKEL. This does not seem to be relevant.

The SPEAKER. Representative Frankel, please just hold for a second.

Members, please suspend.

POINT OF ORDER

The SPEAKER. Representative Frankel, you have a point of order?

Mr. FRANKEL. Yes. I mean—

The SPEAKER. Go ahead, sir.

Mr. FRANKEL. —this does not seem to be leading to a logical discussion about something that is relevant to this debate. We are not debating the IFO's report here.

The SPEAKER. Members, the purpose of interrogation is to elicit information and answers to which the interrogator is not privy, does not know the answers to. I would direct, with respect to the interrogation, to ask questions about the amendment.

Sir, do you wish to proceed?

Mr. GROVE. Yes. My apologies.

The SPEAKER. Representative Markosek, are you still, and as you know, it is up— Are you willing to stand for any additional questions?

Mr. GROVE. My apologies, Mr. Speaker. I was just trying to ascertain the overall impact of this policy on average Pennsylvanians moving forward.

Let me switch to the property tax/rent rebate aspect of this bill. As I stated earlier, this has a Budget Secretary transfer language that is for 2016, if I am not mistaken, correct?

Mr. MARKOSEK. Yes.

Mr. GROVE. And it is paid out, so— In the process it is paid out, so we pay it out in the 2017-18 year. So in 2 fiscal years, that money gets paid out, correct?

Mr. MARKOSEK. Yes, Mr. Speaker.

Mr. GROVE. And there is no spending plan attached to this. What happens if all of this money is already accounted for, we get to the point where we have to pay out the money to expand this and the money is not available within the revenue or within this because we do not know where this money is going to go?

Mr. MARKOSEK. Well, again, this goes back to not having a budget bill for the year '17-'18, so we do not know that. Again, I mean, this whole process has been a little bit topsy-turvy in the fact that, you know, your leadership team has chosen to maneuver in this fashion, which creates these questions.

So, you know, my amendment, I think we should just stay on my amendment, speak whether you are for it or not, indicate whether you are for it or not. I presume the gentleman is not for it, but nevertheless, perhaps through the rest of the debate he will become enlightened and change his mind. Thank you.

Mr. GROVE. Thank you, Mr. Speaker.

Mr. Speaker, on the bill? Thank you.

I have great respect for my colleague.

The SPEAKER. Members, please. Sir, please suspend.

FILMING PERMISSION

The SPEAKER. Members, Rob Gill of Fox 43 will be present on the floor with videotaping and audio of the debate on HB 283, amendment 3468.

CONSIDERATION OF HB 283 CONTINUED

The SPEAKER. At this time the interrogation has closed and Representative Grove will be speaking on the bill.

Representative Grove, the floor is yours.

Mr. GROVE. Thank you, Mr. Speaker.

I appreciate my colleague entering into discussion on this bill. I have great respect for my colleague. He is the minority chairman. He is a good and decent man.

Mr. Speaker, the underlying crux of this legislation is tax increases. We have already heard that this will hit our low-income hardest as their utility bills will rise because of a severance tax on them.

Furthermore, Mr. Speaker, there is absolutely no transfer language built in this. There is for the property tax/rent rebate. There is nothing in this that actually gets money to education. It is literally a talking point, a talking point that the Governor has failed on because his previous attempts to try to get a severance tax with education funding have failed because nobody has introduced it. This still fails because it still does not direct money to education. It goes to the General Fund, which can be spent anywhere within our budget; anywhere. There is still no connection to severance tax for education funding built within this plan, Mr. Speaker. Do not be fooled by some smooth gimmick clause built in with that.

Mr. Speaker, we talk about an income tax increase, a 16-percent increase in the income tax. That is middle-class working families. Low-income people get hit with a severance tax. Everybody in the middle class gets hit with a 16-percent income tax. Mr. Speaker, this will not move our Commonwealth forward. This attacks the very people we need to help and protect. Reducing taxes on the middle class will move them forward, will allow them to keep more of their hard-earned tax dollars to spend how they appropriately feel they need to.

I am very saddened at this latest tax proposal because it will hurt low-class Pennsylvanians. It will eviscerate the middle class and continue to build class warfare; yes, keeping the impoverished right where they are and annihilate the middle class so the poor and rich are always at odds. That is the result of economic warfare when you continue to tax the middle class out of existence. It happens. We see it all across Pennsylvania where local tax bureaus, local municipalities out-tax the middle class. They flee. What are left are the impoverished and the very rich who can afford to live there.

As I stated earlier, this amendment increases financial burdens on those who can least afford it. Property tax relief may never develop due to the unending spending appetite of our Governor. If this passes, you will see another tax increase in the future to fund the property tax/rent rebate expansion. Every last dollar of this tax will be spent by 2016.

Mr. Speaker, I am more upset with the fact the Governor abandoned our bipartisan property tax bill that is sitting over in the Senate, HB 504. It passed with 105 votes. It would not only just target seniors but would target every property tax payer across this Commonwealth. It will reduce the tax burdens on businesses and individuals, homeowners alike, and provide significant relief at the same time dealing with the rising cost of property taxes into the long-term, Mr. Speaker.

This amendment falls short on what we need to actually do to get a budget done. Let us roll up our sleeves, find ways, smart ways to balance our budget without putting the burden on middle-class and low-income Pennsylvanians. Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.
Representative Dan Frankel.

Mr. FRANKEL. Thank you, Mr. Speaker.

I rise today in support of the Markosek amendment, because I think it is time that we begin to act responsibly, responsibly in the way that our predecessors did. Republicans and Democrats in the past acted together in a bipartisan way to fix problems in a sustainable way for our Commonwealth. In fact, every

Democratic and Republican administration since we had a personal income tax in 1970 up until Governor Corbett, every one of them – Republican and Democratic Governors, Republican and Democratic legislators – got together to fix problems. They all, every one of them, raised taxes and lowered taxes, depending on the environment and the needs of the Commonwealth at the time. That was responsible.

But in response to my colleague, the majority Appropriations chair, who talks about us, the Democrats, being misleading with respect to the discussion of this budget than last year's budget, I would like to correct it, because what is really misleading here is the fact that we have used smoke and mirrors and gimmicks to get last year's budget done and we are looking at more of the same today, and it is just amazing. We had shifted General Fund expenditures to special funds last year, including things like long-term care to the Tobacco Settlement Fund to the tune of \$151 million. We also did questionable and unsustainable revenue raisers and fund transfers. We raided local law enforcement grants to the tune of \$8 million. We took money from the Small Business First Fund to the tune of almost \$100 million. The list goes on and on. That was last year. We see more of it this year, more of these one-time transfers and one-time gimmicks, including, of all things, including – your Republican budget includes deferring Social Security payments – who does that? – to the tune of \$100 million; school employee Social Security payments, \$87.4 million deferred. That is not a responsible way to govern.

This approach is not easy, but it is an approach that Republicans and Democrats have used in the past to fix serious problems in a sustainable way. This is a solution that we ought to take seriously, that deserves bipartisan support, that ought to have been negotiated the way it has been every time we have taken this approach in the past. This is not a way to do this. In the past responsible leaders of both caucuses and the Governor would get together and negotiate a solution. This is not the way to get this done, but ultimately, we have to take responsibility. The Markosek amendment is taking a responsible approach, and that is not misleading the public. This discussion, my Republican colleague's budget, the Appropriations chairman, is misleading the citizens of the Commonwealth of Pennsylvania that we are taking this budget seriously.

So I urge favorable consideration of the Markosek amendment. Thank you.

The SPEAKER. Thank you, Representative.

At this time Representative Warren Kampf.

Mr. KAMPF. Thank you, Mr. Speaker.

Mr. Speaker, I rise largely because I heard the minority chairman for Appropriations and also the minority whip talk about Pennsylvania's bond downgrades as the reason why we have to raise income taxes on the working families of Pennsylvania by \$2 1/2 billion, and I, actually, hope Pennsylvanians are not watching today, because if that is the answer and the only answer to the bond downgrade and we do not talk about the reform of the thing which has gotten us those downgrades, then we are not telling Pennsylvanians the whole truth. Those bond downgrades are because of our broken public pension system. We are shoveling cash, taxpayers' cash, right now into that system. For anyone who is watching or listening, 10 percent of this year's budget is going to go just to the pension funds. That system is broken and it needs reform, yet when we presented a bill to this chamber to end that system, to go to a hybrid plan to introduce to Pennsylvania public employees—

The SPEAKER. Representative Markosek—

Mr. KAMPF. —future hires—

The SPEAKER. Representative Kampf, please suspend for a moment.

POINT OF ORDER

The SPEAKER. Representative Markosek.

Mr. MARKOSEK. Thank you, Mr. Speaker.

We are not discussing the pension bill. Pensions are not in my amendment and not mentioned in my amendment. Thank you.

The SPEAKER. Sir, I will say that in both remarks folks did reference the downgrading of bonds as evidence in support of the tax increase; that is accurate. The gentleman is responding to those arguments with respect to the bond downgrades.

Mr. MARKOSEK. Thank you. Thank you, Mr. Speaker.

I wanted to just remind the members that we are not talking about pensions in this amendment at all. Thank you.

The SPEAKER. I would ask the gentleman to stay focused, but I will say that the remarks earlier about the bond downgrades have elicited this and that, obviously, it pertains to the overall budget debate, but we understand that this amendment is in front of us.

Representative Kampf, you may proceed.

Mr. KAMPF. Thank you, Mr. Speaker.

As I was saying, we are talking about raising income taxes on working families by \$2 1/2 billion before we do anything on pension reform. This chamber voted to end that system, to finally introduce for future hires a defined contribution plan, a 401(k)-type plan, that basically every other private-sector Pennsylvania employee has today. This chamber voted for that, but not a single member of the minority was in favor of that reform. It passed anyway and it passed the Senate as well and it went to the Governor's desk, and the Governor vetoed the reform that would bring an end to the system that is creating those bond downgrades. Pennsylvanians would not be pleased if they were aware of that.

The answer of the minority – and it is as plain as day because we are debating their amendment – the answer of the minority is to, for pension reform, float a bond, create a system that may be, and this is actually the Governor's—

POINT OF ORDER

Mr. MARKOSEK. Point of order, Mr. Speaker.

The SPEAKER. Representative Markosek, point of order. Members, please.

Mr. MARKOSEK. I know that—

The SPEAKER. Representative Markosek has the floor.

Please suspend, sir, for a second.

Mr. MARKOSEK. Thank you, Mr. Speaker.

The SPEAKER. Members, if you could please take your seats. All members, please take your seats and any conversations please go to the anterooms.

And, Representative Markosek, the floor is yours.

Mr. MARKOSEK. We are way off here. He is talking about the Governor's veto and other bills, and we are just— I know he is interested in the pension issue and so am I, but this is not the right time for that. Thank you.

The SPEAKER. Representative Kampf, if you can close on those remarks.

POINT OF ORDER

Mr. CUTLER. Mr. Speaker?

The SPEAKER. Representative Cutler, on the point of order, sir, please.

Mr. CUTLER. Thank you, Mr. Speaker.

I would simply ask the Chair to continue to give the same latitude to our members that were previously given as to the reasons to the bond downgrade, because I think it is very appropriate, given the fact that that is the entire justification for the amendment that is before us today.

The SPEAKER. Representative Cutler, thank you very much.

Representative Kampf, you may proceed.

Mr. KAMPF. The answer, instead of meaningful pension reform of the minority party and of the administration, is to float a bond to create some sort of reform that in 30 years maybe has 10 percent of the public employees of Pennsylvania in a 401(k)-type plan and to raise taxes by \$2 1/2 billion on the working families of Pennsylvania. That is it. That is their answer today.

I know if Pennsylvanians were faced with a choice, do we just raise taxes on ourselves by \$2 1/2 billion or do we bring the system to an end that had gotten us to this place and then find revenue in order to solve our \$52 billion unfunded liability, Pennsylvanians would say yes to that, but the minority party and the administration have already said no to that. They have already rejected meaningful reform to the pension system, and their only solution is to raise taxes by \$2 1/2 billion on the working families of Pennsylvania. That is outrageous. Pennsylvanians and this body should reject it.

Thank you, Mr. Speaker.

The SPEAKER. Representative Bryan Barbin, the floor is yours.

Members, I would ask that you please take your seats. Members, please take your seats.

Representative Barbin, the floor is yours.

Mr. BARBIN. Thank you, Mr. Speaker.

I rise in support of this amendment, and I will give you my reasons quickly.

Number one, it is very clear on both sides of the aisle today that we face a crisis. We do face a crisis with regard to our pensions. We do face a crisis with regard to our budget. We do face a crisis with regard to the fact that we have as of yet not even attempted to reform how State education funds are actually spent. Even with funding increases, we still have examples where people classify a student on the basis of a hearing loss or alleged hearing loss to receive \$40,000 in special education fundings. We are not doing anything today to handle that problem. We are not doing anything today to reduce the amount of money that we pay to cyber schools to the highest in the nation. Ours is based on the Zogby rule, and the Zogby rule says, let the money follow the student and it does not matter how the funding is spent. It just goes with the student and goes to that public student interest. Okay?

Everyone knows we have a crisis. We enacted a prescription monitoring bill a year ago because we have a heroin epidemic, and we still have not found the money to begin the operation of

that law. In the midst of the worst drug epidemic and associated crime and violence, we still do not have the money to put that online to help law enforcement identify who those people are that are coming into everybody's neighborhoods, everybody's cities, everybody's towns, and they are handing out drugs that kill people. We are still not doing that.

So I am done – I do not know about the rest of you – I am done saying we cannot do anything. We can do something. We have got to start one step at a time. We should start with the budget.

Most leaders believe that there is, both sides believe that the budget deficit is real and is structural, and I will submit for the record, without going into a lot of detail, there is \$800 million in the current HB 1192, which is not revenue-sustaining money or it is payment of a General Fund expense by a reserve fund transfer. Okay? The big ones everybody knows.

The budget does not pay \$300 million of PlanCon expenses. Why are schools closing their doors? Well, another thing that we added on top of it is, you went ahead and you did a construction. You have been waiting for reimbursements now for 3 years. We say the \$300 million – it is supposed to go to the real 500 public school districts – is just going to have to wait. On top of the money that we let slide through the 500 real public school districts, that is enough to shut people's doors. They do not have reserves anymore because we transferred all the reserves to the 173 charter and cyber school building surplus accounts. We have not done a thing to bring that money back into the State. Okay. It is \$800 million. Eighty-seven million dollars not paying for Social Security payments that we always pay for. That is a real problem to schools, and we should be embarrassed not to have a budget that provides for that payment. We have \$145 million that we are not paying by General Fund expenses for long-term care. We have \$170 million under HB 1192 that will not be paid this year. We are going to wait until July 1 so we do not have to recognize it as an expense. When you total these things up, it is \$800 million. Eight hundred million dollars is the amount of money that this budget is really out of balance. We should not be passing bills, Republican or Democrat, that are \$800 million out of balance. We should be tackling the issues that are most important to Pennsylvanians. To me, that is education.

I would prefer to stand here and tell you I will vote against a tax increase if you just go along and cut off the spigot of money that we are handing out to private management corporations that are siphoning out money, taxpayer money, to the charter schools. Every student gets \$1,000. Where does that money go? Nobody knows. Okay? We do not have that kind of money to be allowing private management companies to be skimming money. We do not have that kind of money to say we are going to pay more than any other State in the nation, and the current top right now is Ohio for cyber curriculum expenses; again, the Zogby rule.

No one pays more than \$5800. Somehow a rule has been established in our law that says that you can get \$14,000 for an expense that no other State pays \$5800 for or more than \$5800. The Governor put that in his wish list. It was \$170 million worth of tax relief. We would not need \$170 million worth of additional taxes if we just fixed that problem. We are not fixing it with the current budget.

All right. So where are we? How do we get out of this thing? We have got 173 charter schools that receive \$1.3 billion worth of money. No one ever asks about it when the budget vote comes up because it is conveniently included in the basic education subsidy, and no one asks the question, do we really have \$1.3 billion worth of money to spend on public school extras when we are taking \$1 billion out of the 500 school districts' regular funding? Okay?

I will close by saying this: I do not like the severance tax provisions that are included in this bill because I believe they will damage one of Pennsylvania's greatest assets that we have for growth and for improving our economy. I have put in an amendment as soon as humanly possible, 15 minutes after the deadline, that I will ask you to suspend the rules to eliminate the severance tax portion of this proposal, the reason being, I do not believe without a discussion this language will do anything other than hurt the natural gas industry.

Having said all that, the bottom line is, today is a very hopeful day, and it is hopeful because the majority Appropriations chairman today said it is time for us to negotiate what ought to be in this package. What is very clear, though, is that we have a structural deficit. We have schools that are going to close their doors. We have veterans of World War II that are still losing their houses because we are not providing property tax reform. So despite the fact that this severance is in the bill and I may or may not be able to eliminate it with my amendment, I am going to vote for this bill because to not vote for this bill says it is not possible for us to do the business of the citizens of Pennsylvania, it is not possible to keep the schools open, it is not possible to help people who really need it, the ones that are living on fixed incomes that are seniors that cannot afford a \$2,000 school property tax bill, having paid it for 40 years. Because those things are part of this bill, I will be voting for the bill and I ask you to do the same.

The SPEAKER. Thank you, Representative.

GUESTS INTRODUCED

The SPEAKER. At this time Representative Vanessa Brown will be introducing guests that she has brought to the well of the House, and they are to my left of the rostrum.

But, Representative Brown, the floor is yours.

Ms. V. BROWN. Thank you, Mr. Speaker.

To all my colleagues, I would like to introduce to you a very special delegation here visiting the Pennsylvania Legislative Black Caucus and our Commonwealth from China, and to the left of the rostrum, I would like to introduce to you Mr. Min Lianh – if you could please stand – Mr. Jesse Yang, and accompanying them from Philadelphia is Dr. Azuka Anyiam, president of VICA Technologies; and from the African and Caribbean Affairs Commission in Philadelphia, Mr. Stanley Straughter, and accompanying them as an adviser, Ed Von Stein, and Dr. Roger Kounga. Thank you so much for helping me welcome them to the House of Representatives.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

Thank you to our guests for joining us here in the Capitol.

CONSIDERATION OF HB 283 CONTINUED

The SPEAKER. Representative Brad Roae, on amendment 3468 to HB 283. Representative Roae, the floor is yours.

Mr. ROAE. Thank you, Mr. Speaker.

Mr. Speaker, I am speaking in opposition of this tax increase. That is a surprise, is it not?

The SPEAKER. Members, please suspend.

Sir, at this time Representative Roae has the floor. Representative Roae has the floor.

Mr. ROAE. Mr. Speaker, this tax increase proposal, 95 percent of it, is paid for by working people, 95 percent; the other 5 percent is a severance tax. Mr. Speaker, I remember last fall there was a gentleman driving around the State of Pennsylvania in a Jeep, and he said that Pennsylvania is the only State that does not have a severance tax. He said that because of that, we are leaving \$1 billion on the table that could be for education. Mr. Speaker, this proposal raises \$67 million this fiscal year from a severance tax. By doing the math, I guess that leaves \$933 million on the table. But, Mr. Speaker, when the gentleman was driving the Jeep around, he made it sound like he wanted drillers to pay about \$1 billion a year more. Well, here we are a year later and what this proposal is we are voting on today, people pay \$1 billion a year more, actually about \$1.4 billion a year. So, Mr. Speaker, the mandate that the gentleman got from the voters because he was going to tax drillers \$1 billion a year, a year later it is really hardworking people who are going to pay \$1.4 billion a year more, a classic example of bait and switch.

Mr. Speaker, the personal income tax never needs to be increased, ever. Mr. Speaker, I have never voted for a personal income tax increase. They have not done one here for 10 or 15 years, but it goes up almost every year. It is called inflation. Every year over time as salaries grow, we are collecting the same percentage on a higher amount of money. Back in 1971 there was a 2.3-percent personal income tax. The median household income in the United States was \$9,030, so a typical person would have paid \$208 in Pennsylvania personal income tax. Mr. Speaker, if we still had that same tax rate today, the typical household would pay \$1,202, but that is not what we do. The rate is now 3.07 percent. So that same person that was paying \$208 back in 1971, they are paying \$1,604 today, but some people think that is not good enough. They think we need to raise it again. If we go to the 3.57 percent, that same household would be paying \$1,865. If we grow the budget at the same rate as incomes grow, we would never have to change a percentage-based tax. All we have to do is have the Pennsylvania budget grow at the same pace that paychecks are growing. It is completely unfair for our constituents if they are only making, you know, a little bit more every year for us to—The fair thing is to have the same tax rate every year. As they make a little bit more, the tax rate automatically adjusts for inflation; we charge them a little bit more. But we should not be collecting a higher percentage just because we spend more money than we should be spending. Pennsylvania is already the 10th highest tax State in the country. If you look at 40 other States, they have schools, hospitals, State parks, roads, medical programs, human services programs. Forty other States do all of those things for less money than we charge to do the exact same thing.

Mr. Speaker, I would question, are employers more likely to come to Pennsylvania if we have higher taxes? Does anybody believe that companies are going to say, "Oh, Pennsylvania just raised their personal income tax. Maybe we should move there"? Are people that are looking for jobs, are they going to say, "Oh, I want to go to a State that has a higher personal income tax rate?" It is not likely, Mr. Speaker.

I think most of us campaign on we want to help businesses create jobs. Well, if we want to help businesses create jobs, you do not do that by raising taxes. It really comes down to the same old thing. What is our problem in Harrisburg? Are we taxing too little or are we taxing too much? I think we are taxing too much. I think this legislation here would tax even more, so we would be taxing even more too much.

In terms of the severance tax, Mr. Speaker, I just want to point out, should there be a special tax just on one type of business? Drillers pay the exact same taxes all other companies pay. In addition to that, they also pay an impact fee that only drillers pay. So you have these companies that pay the same thing everybody else pays. On top of that, there is an impact fee and some of you folks want to slap another tax on top of all that. Is that really the right thing to do? You know, should we do that county by county in this State? Should we pick an industry in every section of the State and give that industry an extra tax just because they are doing well? You know, if hardwood lumber is doing real well in some part of the State, we could have a special tax on them. If pharmaceuticals are doing well, we could have a special tax on that. We can just go around the State, whatever type of company is doing the best, we could just have a special tax on them or we could have responsible budgets with responsible spending levels and not charge companies extra taxes.

As far as the credit downgrades, some people say we need this legislation so we can prevent further credit downgrades. People say that if we have a poor bond rating, it will be harder for the State to borrow money. Well, I was thinking about that. You know, in Pennsylvania we have about a \$17 billion unfunded liability in the retiree health insurance plan; we have about \$121 billion in State, county, and local debt; we have about a \$55 billion unfunded liability in SERS (State Employees' Retirement System) and PSERS (Public School Employees' Retirement System); we have a \$10 billion unfunded liability in municipal pension plans. That is \$203 billion that Pennsylvania taxpayers are on the hook for. So if it is harder for us to borrow money, I think that is a good thing. I do not think we should be borrowing more money. And if somebody tells me that if we vote for this tax increase, it will be easier for me to put my kids in debt, I do not want to do that. So I think that is a poor excuse for why we should force a massive tax increase on the taxpayers, just to make it easier for Pennsylvania to borrow more money.

But the numbers I want to leave you with, your constituents are going to pay 95 percent of the tax increase. People that are truck drivers, teachers, office workers, waitresses, accountants, they are paying 95 percent of the increase. Drillers pay 5 percent of it. This is a tax increase on all of our constituents.

I strongly urge a "no" vote. Thank you.

The SPEAKER. Thank you, Representative.

Representative Mike Sturla.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, so far today and I am sure as the day goes on we will hear lots of ideas and opinions about what we should or should not do.

There is also one irrefutable fact, and that is that we do have a structural deficit in the State of Pennsylvania, and I must say there has been a lot of progress made today, because for the first time since we have started talking about this budget, I actually heard members from the other side admit that there is a structural deficit and that it needs to be dealt with. Now, there are varying numbers, but in general, we pretty much agree that there is at least \$1 billion of structural deficit this year and that number is pushing \$2 billion next year. Now, this is not a new problem to Pennsylvania. In fact, we have actually been dealing with a structural deficit going on 7 years now. The last 2 years of the Rendell administration they used Federal stimulus dollars to balance a budget, much to the dismay of many members on the other side of the aisle who said, "How dare you. It's a structural deficit. That's not recurring revenue. Don't do it." But it was done. The dollars were available and we used them in the State of Pennsylvania. And then when the Corbett administration came in, they cut education by \$1 billion and said, "We're going to actually use some more of the Federal stimulus money that was due for next year and we will use it this year." They claim there was \$400 million in waste, fraud, and abuse in the Department of Welfare that they were going to find, which never materialized. But nonetheless, we went through with a budget that ended up with a structural deficit because we had nonrecurring revenue.

And as the years have continued, there have been cuts to human services. Two years ago there was a 10-percent across-the-board cut to all human service lines. The following year we told human service providers, "I know we normally reimburse you within 30 days. We are now just going to reimburse you within 60 days," and so we skipped a payment. And this year in the budget that was passed that the Governor vetoed, the counties were told, "Oh, by the way, you're just not going to get payments for child welfare costs that you have to the tune of \$172 million." On top of that, there was \$87 million in nonpayments to school districts for Social Security reimbursement, nor \$800 million in other one-time adjustments.

Mr. Speaker, I heard that, "Well, the reason we have a credit downgrade is because we have a pension issue, and part of the reason that we have the credit downgrade is because we have not been paying our pension obligation." But I also heard the gentleman that raised that issue say that, "You know, we need to do the pension reform. We need to end that system," and then, if you caught it, there was one little line he said, "And then," he said, "we can figure out how to pay the \$53 billion in unfunded liability." That \$53 billion in unfunded liability is what is causing part of the credit downgrades. It is the nonpayment on that \$53 billion. Doing the pension reform does not do anything about paying the \$53 billion. And so we would still have the structural deficit even if we did the pension reform. SB 1 that passed here did nothing to deal with the budget structural deficit.

Mr. Speaker, we have had five credit downgrades in the last 3 years. So it took us a little while before Moody's and Standard & Poor's caught up with us. We have been doing this for 7 years, but it is 83 basis points, and that costs us and the taxpayers in Pennsylvania an additional \$139 million every year because the cost of the money that we have already borrowed

now costs more than it did before. And, Mr. Speaker, I do not want to correct those credit downgrades so we can borrow more money. And remember, when you all voted for a budget in June, there was a \$5 billion bond issue in that budget. The gentleman from – is it Adams County? – said, "We want to borrow another \$5 billion," and you all voted for that, and that might actually be a reasonable idea to help fund school construction in the State of Pennsylvania, but let us at least get the credit rating back so that we are not paying the additional 83 basis points on that \$5 billion.

Mr. Speaker, economists and people like Moody's and Standard & Poor's tell us that it took us several years for us to get those credit downgrades, and even if we right the ship today, it is going to take us a little while before we can crawl back out of that hole. They are not just going to go, "Hey, you guys actually did something right this year. You get everything back." But if we do not do it this year, the structural deficit does not get better; it gets worse and there are more downgrades on the way, and then digging yourself out of that hole becomes even harder.

Mr. Speaker, you know, the general public knows that when they get bad credit – they have not paid their credit card bills, they have not done a few other things – eventually people start to say, "Hey, I'm not going to lend you money at that rate anymore. Your credit score does not look so good," but you can salvage that. You start paying your bills. You climb yourself back out of that. But when you go bankrupt, they do not say, "Hey, you're actually making progress. You climbed your way back out of that." They say, "We're not giving you any credit for a long time." Mr. Speaker, this State is headed to bankruptcy.

Mr. Speaker, I know that the budget that was passed in June was technically balanced, and I wish I could balance my checkbook at home that way. I just would not make a mortgage payment once a year. I would put off paying vendors that I had bought services from. I would make minimum payments on my credit card and I would continue to run up credit debt. If I could balance my checkbook that way and it did not come back to haunt me, gee, I would be tempted, but that is not a reality. Mr. Speaker, as a former businessman, I know that when you do that, particularly to your creditors, they will say, "Okay. So you didn't pay me within 30 days. You took 60 days to pay me; oh, it took 90 days to pay me." When it habitually starts taking 60 and 90 days to pay your creditors, when it habitually starts to be that you do not pay your full rate that you were asked, eventually those people either stop doing business with you or they raise their prices because they build that into the cost of doing business with you. That is what is happening in the State of Pennsylvania. Not only are we paying more for the debt that we already have, but those people that are doing business with the State say, "It's not a good deal to do business with the State of Pennsylvania." We need to stop doing business in that manner.

Mr. Speaker, it has not helped the citizens of Pennsylvania that we have been really tight with dollars here at the State. What it meant was that they, the citizens of Pennsylvania, have seen higher local property taxes, they have seen larger class sizes in their schools, they saw 20,000-plus teachers and educators laid off in the State of Pennsylvania. That was their neighbors that were earning family-sustaining jobs, they were teaching our kids, they were keeping class sizes at a reasonable size. As a result of all that, we have seen lower test scores in the State of Pennsylvania, and it is not just because we changed the

testing system this past year. We saw it immediately. We were the envy of every State in the nation. We were the only State in the nation prior to those cuts in 2010 that had increasing math and reading scores across the board at every grade level. We made those cuts, we laid off those teachers, and immediately – there was no time delay – we saw those test scores drop and they have continued to drop ever since. We have seen strained human services. There was the 10-percent cut that I talked about. Then we said to the vendors, "Oh, by the way, go borrow money for your next month's payroll because we are going to be 60 days before we pay you, not 30 days," and they have held that debt ever since. That line of credit that they had to take out with their bank a year ago when we said we were not paying them for a month, they still have that line of credit.

We fell from 7th in job creation to 50th in job creation, and we are paying higher interest payments. We have used things like raiding the transportation fund to pay for State Police. We have done every gimmick in the book for one-time spending, and as was pointed out earlier, people actually admitted to that, like the former Budget Secretary.

Mr. Speaker, now we are faced with having several options. We can raise revenue to pay the bills and begin the recovery process. That is what this amendment does. We could say, no, no; we do not want to do that. We just want to do things that are not broad-based. Maybe we will raise the shale tax, maybe we will do a tobacco tax, maybe we will do some gaming, maybe we will do some other things, but even if you add up all of those other non-broad-based taxes, you still end up with a structural deficit. We could continue with the structural deficit that was in the bill that passed in June and then next year we are in financial ruin with deep cuts to education, human services across the board, you name it. Now, I prefer the first option. I think we should do the modest increase to the personal income tax as well as use some shale tax, tax on our own natural resources, that would be dedicated specifically to our other precious resource in the State, children. This amendment begins to restore human services, provides significant tax relief for seniors, and most of all, it ends the structural deficit.

Mr. Speaker, I talked a little bit about the personal income tax as being modest. I have heard people say, "Oh, my gosh. It's outrageous." Well, we are currently the 41st lowest personal income tax State in the nation, 41st. Now, admittedly, there are some that are lower than us. There are some that do not even have any taxes – Alaska, Texas, Wyoming. Guess what? They tax the living daylight out of their natural resources. They tax it when it is still in the ground, they tax it when it comes out, they tax it when it goes somewhere else. They tax it every chance they get. We said, "We don't want to do that. We don't want to go that far." But even going from 3.07 to 3.57 moves us from 41st to 39th. And I look around and I say, "Well, how does that fare us with our neighbors if we are at 3.57?" Imagine that, the outrageous rate of 3.57 percent. Well, our neighbor to the west, Ohio, is at 5.33 percent; our neighbor to the south, Maryland, is at 5.75 percent; our neighbor to the southwest, Virginia, is at 6.5 percent. The one to the southeast, Delaware, is at 6.6 percent; our neighbor to the north, New York, is at 8.82 percent; our neighbor to the east, New Jersey, is at 8.97 percent. No one is talking about doubling our tax rate here in the State of Pennsylvania. We would still be lower than these States if we doubled it. No one is talking about that. We are talking about going from 3.07 to 3.57, almost 2 percent less than our next

nearest neighbor and more than 5 percent less than many of our other neighbors. Mr. Speaker, this is not an unreasonable proposal.

Now, I know there are some that say – and I have heard them – "I don't want any new taxes. I don't want any new spending. I don't want to do anything." Well, let us be honest with the citizens in Pennsylvania of what that means. It means more credit downgrades, which means that their taxes will go to pay more interest rates to hedge fund guys on Wall Street and less to provide services to themselves in Pennsylvania. It will mean more delayed payments to service providers and people who provide goods and services to the State of Pennsylvania that are in your own communities. So now they can wait 90 days to get paid. Now the person that works for them can get laid off. It will mean more cuts to education, more than the cuts that occurred in 2010, and we all remember how devastating that was. Many of the rural schools in the State of Pennsylvania were cut \$25,000 per classroom; per classroom, \$25,000. At least be honest enough to go back home and tell your school districts that next year, because you insist that you will not raise any new revenues at the State, that your schools will be cut another \$25,000 per classroom, that you will lay off another 20,000 educators in the State of Pennsylvania. Go home and tell your constituents that even though you have cut human services 10 percent each year for the last 3 years, you intend to continue to cut it 10 percent a year until there is no money left in the human services line items at all. Just be honest with them. Tell them you feel no responsibility to educate the children in Pennsylvania, you feel no responsibility to fund human services, and let us understand what human services are in the State of Pennsylvania. Ninety percent of the dollars that we as a State spend on human services are used to fund seniors and citizens with disabilities, 90 percent. So you say, "Well, then let us go after that last 10 percent." Well, 7 percent of that last 10 percent are children of working families that fall below the poverty lines.

The other thing we could do is just empty the prisons, shut a few down. That would probably work well in some of those districts.

The SPEAKER. Sir, if you will please suspend.

POINT OF ORDER

The SPEAKER. Representative Maher, you rise with a point of order?

Mr. MAHER. Indeed.

The SPEAKER. You may proceed, sir.

Mr. MAHER. Thank you.

After hearing quite a bit about the imaginations as to motives and feelings by members on this side of the aisle, I would suggest that a debate about motives and feelings is out of order.

The SPEAKER. As mentioned earlier, Mason's legislative manual makes it clear that "It is not the person but the measure that is the subject of the debate. And it is not allowable to arraign the motives of a member...."

I would ask the speaker at this time to please stay to the facts.

You may proceed. Thank you.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, I do not question anyone's motives. I actually understand if someone says that they think that we ought to cut

education, if someone says that they think we ought to cut human services, that they think it is okay not to pay our bills, that they think it is okay for credit downgrades, that it would be okay to shut down some of our prisons to save dollars. I am okay with that if that is what you think. I would just ask that you be honest and say that. Do not say that we can have everything we have and we do not have to pay for it. I would like to live in that fantasy land. I would like to live in a world where everything just continues as it is, gets better, and costs less. That would be a great place to live. I would love to live there. I just have not found that place yet. The place I know says you have to pay for the services you get. It actually does cost money to educate students, that senior citizens that are in nursing homes actually cost us a lot of money, but it is worth it, in my mind.

Mr. Speaker, this vote today is not the end. The passage of the Markosek amendment will be an acknowledgment that we need to pay the bills. Now, we have not been given the opportunity to spell out all the details with a spending plan first. We have said we have just got to raise the revenue first, and then we can worry about the spending plan. The Markosek amendment actually tries to be very specific about how that money gets spent. It dedicates money to education. It dedicates money to eliminating the structural deficit. It dedicates money to paying for human services.

Even if it does not pass today, we have got a great step forward. I heard the Appropriations chair on the majority side say that, one, several years ago we actually passed a tax on Marcellus Shale. That is what a lot of people said around here a couple years ago, but we were told that it actually was not a tax, but even if now we acknowledge that it is a tax, it is still less than the rates in multiple other States; as a matter of fact, I believe every other State. Now, I have heard that that tax, that severance tax on Marcellus Shale does not generate as much as was promised. Mr. Speaker, what it generates this year is based on the last 2 months, I believe, or last month of the year, maybe it is the last 2 months of the year, for what is remaining because you actually have to establish it and collect data and figure out how much is being produced. And then next year when it is fully implemented, I have heard it only generates \$389 million, only \$389 million, and heaven forbid we actually dedicate \$389 million to education, but that is based on spot prices for natural gas, and currently that spot price is 78 cents per Mcf (1,000 cubic feet). Now, if you look at what people are buying gas futures for and what the energy company themselves are speculating, that price is going to rise, and so the \$1 billion for education that the Governor had said in his campaign ads could be a reality, can very well be a reality when we get to about \$3 per Mcf, and, Mr. Speaker, the gas companies themselves have hedged on the fact that it will be at that price.

Now, is there room for negotiation on exactly how that shale tax should be structured? Absolutely. Is there room for negotiation on whether or not we should do any of those other things that the Appropriations chair on the other side mentioned, maybe do a little more gaming, maybe do some other one-time or recurring but small revenue opportunities? Those are all possibilities, and I at least for the first time today, 100 days into this, heard from the other side that they acknowledged that there was in fact a need to increase the revenues generated in the State of Pennsylvania. It is unfortunate that it took 100 days, but that acknowledgment that, one, we have a structural deficit and that, two, it is going to take increased revenues to solve that

problem I think was a huge advancement in what I have seen here today. And I know there are others that just say, "No; we should just actually cut more," and I urge them to go home and explain to their constituents what those cuts need to be because next year it is \$2 billion worth of cuts that would be necessary.

Mr. Speaker, one of the things I have heard today was that it is actually the citizens of Pennsylvania that would be paying for this. That is true. I just want to know who else anyone expects to pay for it. Are those people that are concerned that the citizens of Pennsylvania would be paying for this, are they saying that the businesses of Pennsylvania should be paying for it instead? Are they saying that someone from out of State should be paying for it instead, maybe the man on the moon or somebody in that fairytale land where you just keep providing services and never have to raise taxes?

Mr. Speaker, I have heard that we are at least glad that sales tax is off the table, but I will remind you that there was a Republican proposal from the gentleman from York earlier this year that passed with 76 votes from the other side that increased the sales tax in the State of Pennsylvania significantly.

Mr. Speaker, this Markosek amendment dedicates funding from shale to education. It solves the structural deficit. It provides new dollars for human services that have been cut 3 years in a row in the State of Pennsylvania.

What it does not do, as was alluded to or attempted to be alluded to by some members, is dramatically raise the cost of natural gas for consumers in the State of Pennsylvania.

Mr. Speaker, as someone who is a consumer of natural gas in the State of Pennsylvania, when I buy it from my supplier, my supplier buys it off an interstate gas line. That interstate gas line has gas on it from Texas, which is taxed at a higher rate than it is in Pennsylvania; it has gas on it from West Virginia, which is taxed at a higher rate than it is in Pennsylvania; it has gas on it from Arkansas, which is taxed at a higher rate than it is in Pennsylvania; it has gas on it from Oklahoma, which is taxed at a higher rate than it is in Pennsylvania. It has gas on it from all sorts of places in this country that have a higher tax on that gas than we have in the State of Pennsylvania. A tiny portion of the gas that I get off of that pipeline through my supplier and use in my home comes from Pennsylvania. And even if it does get passed on, the chances that my prices are going to go up dramatically do not exist. The price that the driller sells it to that interstate pipeline is where that price gets set.

This bill has provisions that allow for those drillers to recoup post-projection costs. It has language that allows royalties to be paid to the people that gave the leases originally, some of which are getting swindled out of dollars today.

Mr. Speaker, this amendment is a good amendment that does a lot of good for the State of Pennsylvania. Having said that, the real point of this amendment is to move the process forward and understand that we absolutely need to solve the structural deficit, that we absolutely need to pay our bills, and that in order to do that we need to increase revenue in the State of Pennsylvania, or make those drastic cuts that are necessary to eliminate a structural deficit.

Now, if you are one of those members that says that we just need to make those drastic cuts, I ask you to be honest with your constituents and tell them that that is what is coming. They had better prepare for 40 kids in a classroom. They had better prepare for higher local property taxes, both at the county and at the State level. That they had better prepare for less human services, that their grandmother might not actually qualify for a

nursing home anymore. Prepare for that. Let them know that. Be honest with them. Or say that you are willing to sit and do the hard business of governing in the State of Pennsylvania and raising the revenues required to do so.

I hope that the vote today allows us to move forward with increasing some of those revenues and move forward with helping Pennsylvania become a better place.

Thank you, Mr. Speaker.

FILMING PERMISSION

The SPEAKER. Members, Steve Esack of the Morning Call will be taking still photos and videotaping with audio. He is from the Morning Call, and he will be taking still photos and videotaping with audio for the debate on amendment 3468, HB 283.

CONSIDERATION OF HB 283 CONTINUED

The SPEAKER. Before I proceed, the last speaker was about a half an hour in duration. There is no time limit, but we have the following people, members who wish to speak: Representative Evankovich, Representative Evans, Representative Miccarelli, Representative Vitali, Representative Ross, Representative Dean, Representative Dush, Representative Youngblood, Representative Metcalfe, Representative DeLissio, Representative Maher, Representative Cohen, Representative Diamond, Representative Saccone, Representative Kaufer, Representative Saylor, Representative Christiana, Representative Santora, Representative Hennessey, and Representative Gabler.

I would, even though we do not have a time limit, ask each of the speakers to exercise common courtesy and respect to each of the members here and be direct and to the point with respect to their remarks. Everybody is entitled to have an opportunity to speak on this legislation and all legislation, but I think common courtesy and respect would dictate that everybody please get to the point.

Representative Evankovich, the floor is yours.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

I was personally hoping for perhaps a little bit of a seventh-inning stretch after that.

Mr. Speaker, the Governor wanted us to believe in March that \$4.7 billion was what was necessary to fix all the problems in the State of Pennsylvania. Mr. Speaker, just a few weeks ago the Governor wanted us to believe that \$3.2 billion is what was necessary to fix the budget problems and the things that are affecting the people of Pennsylvania. Mr. Speaker, now the Governor wants us to believe that \$1.4 billion is what will fix the problems that we have, fiscally, in our State.

Mr. Speaker, the Governor wants us to believe that this is the vote of a generation. Well, Mr. Speaker, the people of Pennsylvania have longer memories than that. The people of Pennsylvania were told this in 1992 when the personal income tax was increased, that this was the vote of a generation, this would fix all of our budgetary problems. Mr. Speaker, in 2001 a broad-based cigarette tax increase was passed on to the people of Pennsylvania and that was to fix all of the budgetary problems. Mr. Speaker, in 2003 the people of Pennsylvania were told that this was a one-time, once-in-a-generation opportunity to fix the revenue problems in our State, and the

personal income tax was increased in 2003. And, Mr. Speaker, just 1 year later the people of Pennsylvania were told that if we just had slot gaming in the State of Pennsylvania that all of our budgetary problems would be solved. Mr. Speaker, just a few years later, in 2009, the people of Pennsylvania were told just one more time, just once more, with table games we will fix the budgetary problems in our State.

Mr. Speaker, we sit here today with personal income tax increase after personal income tax increase, with cigarette tax increases, with gaming, and we are told just this one time, just this one time, if we tax the natural gas industry, if we increase your personal income taxes, we are told that this, this is the tough vote, this is the tough vote that will fix our budgetary problems. Well, Mr. Speaker, these tough votes do one thing: they prop up the spending establishment, and they hurt the little guy.

Mr. Speaker, we heard today that for the average Pennsylvanian, this would result in a \$4 per paycheck difference, and we are supposed to dismiss that as inconsequential. Well, Mr. Speaker, without using doublespeak, that is about \$250 a year, and for people in this chamber and for people who work for government, that \$250 a year might not make a difference, but for a lot of the people that I represent, a lot of the people that we represent, that \$250 a year makes a big difference to them.

Mr. Speaker, this severance tax – this myth, this golden goose, this pot at the end of the rainbow – Mr. Speaker, a \$69 million severance tax, \$69 million— The city of Philadelphia's school budget is roughly \$2.7 billion. With 185 school days, that is \$14 1/2 million a day. This severance tax, this once-in-a-generation vote, funds the city of Philadelphia School District for 4 3/4 school days, while at the same time there is a lot of risk.

Mr. Speaker, who are the people who authored this amendment trying to fool by saying that this money put into education will solve our education problems? Last I checked, it is October. Last I checked, classrooms are established, teachers are hired for the year, and programs are set. The earliest that any increased State appropriation will have a difference in a classroom setting is next September, yet every shareholder in this budget has been held hostage by this process.

Mr. Speaker, folks are watching, people are watching what we do in this State.

We heard a lot from prior speakers about how our income tax rate is lower than other States and our neighboring States, but let us be intellectually honest about that. When we talk about States like Texas and Oklahoma and Alaska that have lower personal income tax rates than us, Mr. Speaker, they are using that natural resource revenue to eliminate a tax. That is not the conversation we are having here.

We are just going to order another thing off the menu. We are not offering to reduce any taxes with this severance tax. Yeah, you can say that we have a low income tax rate, but at the end of the day, Pennsylvania is still the 10th worst tax State in this nation.

Folks are watching. Governors from other States – the Governor from Florida, on one of his first acts in office this year, publicly came to the State of Pennsylvania. Why? Because even though we have so many intangible advantages – our infrastructure, our people, our proximity to populations, our unlimited natural resources and water – despite all those advantages, the Governor of Florida figures that he can

convince businesses to leave and relocate to Florida, manufacture their products there, and ship them all the way back up the East Coast cheaper than we can do it in Pennsylvania because of our policies here in Harrisburg. Mr. Speaker, amendment A03468 simply exacerbates that problem. It makes it worse.

Stand with the people of Pennsylvania. Let us be on a race to the top, not on a race to the bottom. I ask for a "no" vote. Thank you.

The SPEAKER. Representative Evans.

Mr. EVANS. Thank you, Mr. Speaker.

I will make these comments from this side, because, Mr. Speaker, in my 36 years – or 35 years, I have never spoken from this side – never. That is true, and that is why I am here. I am here to come speak to this side because, Mr. Speaker, we are in this together, and too often and too many times we allow this artificial line to not face up to the fact that we may come from different places, but we are in this entire State together. And although we will have different opinions on how we approach things, most Pennsylvanians do not operate the way we operate. We have a tendency around here not to understand that it is about moving the entire State forward.

Now, this is a difficult, difficult time. It is not easy. It is not a Democratic problem, nor is it a Republican problem. It is a Pennsylvania problem. And I do not say that lightly, because I have a little experience in dealing with this problem.

The gentleman who you have leading your side of the caucus, this was not created by him, and nor was it created by Tom Wolf. There are a lot of factors that have gone into why we are where we are today. You can talk about the global economy, you can talk about competitiveness, but the reality is, we have a problem.

Now, some of my members from this side of the aisle walked up to me privately and said, "I should have listened to you." They did not say that when I used to say it to them before, they used to think, "Darn, I am not going to listen to that guy." But we have a problem. And no, I do not think, magically, just by raising taxes is going to solve the problem. I do not think that.

However, when we did the transportation issue and you had a Republican Governor, that was \$2.3 billion that we did. When Governor Thornburgh was Governor – for some new members over there who were asking me when I was around as a newbie – we raised some taxes when Thornburgh was Governor. When Bob Casey was Governor, we did the same thing. The person who used to sit in that seat right there, who used to tell me, at 36 years of age; he told me at 36 years of age, he said to me – by the name of Matthew Ryan – he said to me, "It is not soup yet." We went 34 days past the deadline. The reason the Speaker at that time, or the Republican leader said to me that it was not soup was because he said that we as members, and the way this process works, we as members have just as much responsibility as the Governor.

Now, the Governor put a plan on the table and what I do not think you understand on this side, at least in my view, is you can sort of declare victory because you reduced the number from where he started out on March 4. That is what you did. This plan that is being offered is less than what the Governor offered on March 4, so you can declare victory in that respect. But one thing you cannot declare victory about is there is a need for more money. You recognize there is a need. You may differ in how you get there, but you recognize there is a need for more money.

So I would hope, at the end of the day, what we are trying to do is get this done. It is not about one-upmanship. It is not about the Democrats or the Republicans. It is really not about that, and I can say that because I have been here.

I was chairman of the Appropriations Committee for 20 years. I was on that committee for 28 years, so I understand a little bit about finances, and I understand at the end of the day, it has to be a deal with Republicans. That is what it has to be.

So the question is, when is that going to be done? That is the question, because the people who are most being affected – right? – are not us in this room. The people who are mostly being affected are not us in this room. It is people outside of this room who are being affected. So the question is, when?

I think this is a great start, that is why I am for it. I am for it because it is a stepping-stone. And we have done this before; this is not history. We did it on this side even when my members used to get upset with me and I used to tell them, "You are going to give me that vote." That is what I used to say to them. You hear one of my colleagues laughing. I said, "You are going to give me that vote."

Because at the end of the day, I understand you are kings and queens, and I understand all of you think you know more than what you do, but the way the process works is, this is the start. There is a Governor and you have to negotiate with him, and the way the Constitution works, we have to figure out how we work it together.

So I am not blaming you and I am not blaming the Democrats and I am not blaming Wolf. Wolf did not ask for this, the majority leader did not ask for this, the minority leader did not ask for this. We are in this together. So the question is, this is a start. I am voting for this amendment.

Now, you are probably not shocked about that, because some of you probably said that you think I like doing this. No, I do not like raising people's taxes. I do not like raising people's taxes, but we have a problem. You only have to look at the arithmetic, and the argument that some of you will make is, it is a spending problem. That is usually the argument I hear.

Now, I came over here, Mr. Majority Leader, because I do not have my olive branch. And for those of you who know me, I used to always bring my olive branch with me, and I used to bring my olive branch over here, and I used to say many times, "We are in this together." It has not changed. It has not changed.

So sooner or later there is going to be a budget. We should vote this bill, this amendment. Let us think, if this amendment should pass, then I would say we can probably get this done in 30 days. If this does not pass, then it may be stretched on a little longer. But this is the start.

So I appreciate you allowing me to come across here. In my 35 years this is the first time I ever spoke from this podium, and maybe that mistake is on me. I should have come here a long time ago. Some of my colleagues over here know me – I hear them laughing – because I used to come to you when I could not get anything from over there. I will be honest with you, I used to come over here and talk to you because there were some over there who did not understand.

I know you understand. I know you understand about business, I know you understand about marketplace, and I know you understand about competitiveness. And in order for us to be competitive, we must make investment in people and infrastructure. That is why we did \$2.3 billion, and I was a part of that. I was a part of that.

So I want to say this to you: I hope you really think about what I have said. I do not expect to convince any of you about your votes today. I have been on this floor too long. I do not expect you are going to be convinced at what I have said, but in those quiet moments that you bump into me in the hallway and you see me and you whisper to me – do me a favor, whisper it on the floor. Do not whisper it to me, because we have a problem.

It was not created by this gentleman, it was not created by Wolf, and it was not created by that gentleman. We have a problem. Thank you very much.

The SPEAKER. Thank you, Representative.
Representative Nick Miccarelli.

Mr. MICCARELLI. Thank you, Mr. Speaker.

In the interest of brevity, I will be less than 2 minutes, so if the mace would like to put me on the clock.

This morning I saw a link on the Keystone Report that said, a group from Delaware County says that the world is going to end today, October 7. In the chance that that does not happen, we are going to have to come to a compromise. It is inevitable, as the gentleman said.

Now, I think we all agree there is a structural deficit that we have to figure out. We all agree that there is a deficit in this chamber in trust, but there is a surplus, I believe, in blame. We can stand here, we can blame the current Governor, former Governors, the other side of the aisle. We can blame everyone – our municipalities, school boards, dogcatchers – whomever we want to blame, but that will solve nothing.

While I cannot support this measure here today, I promised the Governor that I would keep an open mind and I would consider all possible solutions to this problem. I think we would all do well to leave all possible solutions on the table.

After I met with the Governor, I met with the majority Appropriations chair, the gentleman from Delaware County, and he said something that I have heard over and over again back in my home district. It is that the working people, the hardworking taxpayers of Pennsylvania, are strained. We do not need to further burden them.

I urge a "no" vote on this amendment, but I urge support for an expedited compromise so we can get back to the business of the people of Pennsylvania.

Thank you, Mr. Speaker.

The SPEAKER. Thank you Representative.

FILMING PERMISSION

The SPEAKER. Members, at this time WCAU will be coming onto the floor. They will be doing videotaping and videotaping with audio.

CONSIDERATION OF HB 283 CONTINUED

The SPEAKER. Representative Greg Vitali.

Mr. VITALI. Thank you, Mr. Speaker.

I rise in support of the Markosek amendment.

At this point in the debate, pretty much all of the concepts have been laid out, but what I am going to try to do is maybe lend a little bit of quantification to those arguments in support of the severance tax, because Pennsylvania really has gone way too long without a severance tax.

Mr. Speaker, the current impact fee has an effective rate of 1.9 percent, 1.9 percent. I am going to just quote from the Pennsylvania Budget and Policy Center document of June 9, 2014, and that is that in 2013 "Companies paid \$223 million in impact fee for... an effective tax rate of...1.9 percent." The Independent Fiscal Office and other studies indicated that this is "...the lowest effective...tax rate..." of all "...the groups studied." So while you can argue that in fact we have a tax on drillers right now, it is in effect only 1.9 percent, and the lowest of all States that do impose this tax.

Mr. Speaker, I would like to just quantify what some other States have with regard to the severance tax. New Mexico has a severance tax of 9.9 percent; Texas, 7.5 percent; Oklahoma, 7 percent; Wyoming, 6 percent. Now, you compare all those figures to Pennsylvania that has an effective tax rate of 1.9 percent – Pennsylvania, frankly, is being played for suckers by the drilling industry. We really ought to be paying more.

Mr. Speaker, I would like to go to the issue of, can these drillers afford to pay it? There are maybe 200 drilling companies in Pennsylvania. Let me just outline the income figures of the top three – and these are total figures, not just Pennsylvania figures. The drilling company Chesapeake in 2014 had gross profits of \$19 billion – that is b – \$19 billion. Now, we are talking the entire industry, several hundred companies in Pennsylvania paying about \$200 million in a severance tax. Chesapeake alone for 2014 had \$19 billion in gross profits. Anadarko, another one of the 200 companies, \$16 billion – billion – in gross profits; and EOG, \$10 billion in gross profits. Mr. Speaker, we truly are being played as suckers by these very wealthy large corporations.

Mr. Speaker, it has been noted that, well, Pennsylvania has other taxes, but, Mr. Speaker, these studies show – and this is data from the Pennsylvania Budget and Policy Center – that over two-thirds of Pennsylvania drilling companies do not pay the corporate income tax, two-thirds of Pennsylvania companies do not pay the corporate net income tax. What they do, they create these entities and they pass through the revenues and they pay these taxes, if at all, at the very low PIT level of 3.07 percent. So most drilling companies, three-quarters or two-thirds do not pay, do not pay the corporate net income tax.

I want to find a quote by Range Resources. This is it: "Range Resources, the third largest natural gas producer in Pennsylvania, has acknowledged this for several years in its...filings with the...(SEC)." Quote – this is Range Resources – "At this time, we generally do not pay significant state income taxes due to our state net operating loss carryovers and our ability to follow the federal treatment of deducting IDC in most of the states in which we operate."

So these large companies have had the ability to really evade their fair share of Pennsylvania taxes.

The rate of severance tax, the methodology of imposition, is essentially the West Virginia rate with certain modifications, and the same drilling companies are operating in both Pennsylvania and West Virginia. It is all part of the same Marcellus Shale formation. These companies are paying and operating with this West Virginia severance tax in West Virginia. They certainly can do the same with that same tax in Pennsylvania.

Mr. Speaker, another thing I want to correct is this, what I believe, misinformation that if we impose a severance tax, it is going to result in higher utility bills for Pennsylvanians. I think that is absolutely false.

I think a key economic point to be made is that gas is a global commodity. It is a global commodity, and its price is determined by global market forces. We as Pennsylvanians are already paying the severance tax of other States. We are paying New Mexico's severance tax and Texas's severance tax. We are already paying those severance taxes because this is a global commodity, so it is about time that other States start paying our severance tax.

Mr. Speaker, these same studies I have indicated, the PA Budget and Policy Center indicates – well, this is from the Energy Information Administration. If Pennsylvania in fact imposed a severance tax, 90 percent of it would be paid by other States – 90 percent of it. Mr. Speaker, it seems to me that is appropriate, that is something that would save Pennsylvanians money in the long run. If Pennsylvanians had to pay one more dollar and we were getting nine more from other States, in the end, we would be way ahead and paying less for our budget because we are getting this from other States.

Mr. Speaker, with regard to the price of our utility bills, the supply of natural gas has already depressed the utility bills in real dollar terms that we pay, so we are already paying low utility bills because of the supply of natural gas being what it is. So I totally, totally reject the argument that this severance tax would be an imposition upon those who pay their utility rates.

Mr. Speaker, the bottom line is that someone has to pay for government, someone has to pay for government. The real question is, do we have the drillers pay their fair share, or do we have the share they should have paid for by the citizens we represent? I think if you vote "yes" to this, you are saying that the drillers need to pay their fair share, so I urge an affirmative vote. Thank you.

The SPEAKER. Representative Chris Ross.

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

I think that some of the comments from my good friend, the former chair of the Appropriations Committee, bear in on our discussions today. We do understand, and I think most of us that have looked at it recognize that we do if not have a problem for '15-'16 in the fiscal year, are looking at increased costs for pension and a variety of other issues that are going to bear in on '16-'17 fiscal year. Since we are now deep into October, we are already planning for the year '16-'17, so ignoring '16-'17 does not make sense to me.

That having been said, we need to do two things.

First of all, quantify the size of the problem and then agree on what sorts of revenues we might wind up using to address it, and that is where I have problems with the amendment that we have in front of us.

After carefully reviewing the details of what we have coming at us with the so-called structural deficits, the costs that are coming at us that we are not able to control, I am convinced that the number that we are looking at today is inflated. That is important because all of our taxpayers do not want to pay unnecessarily raised taxes. I think they are legitimately concerned to address and target funds for those increases that are definitely coming our way. So that is the first point: I think we need to get a right number, not an excessively high number, and I have shared my thoughts with the Governor on exactly what that number is.

Secondly, we have to make sure that we use the right mix of revenues, and we ought to use intelligent revenue sources first before we go toward a broad-based tax. One of the things I am disappointed in seeing here is that there is no reference to the

approximate \$300 million of liquor proceeds that we would get from the plan that we have passed out of this House and also successfully passed out of the Senate. That is money that we are leaving on the table and it ought to be factored into the discussion, and because of that, the number that we are looking at for the income tax increase is, in my opinion, is excessively high for that reason as well.

So I urge my colleagues, as we go forward and look in the future, to be clear on exactly the size of the problem, and secondly, to take advantage of things such as the privatization of the operations of liquor here in Pennsylvania, to take those dollars and use them first before we go to the taxpayers.

Remember, what we are shooting for in that regard is a better system for everybody involved in Pennsylvania as well as more revenue for the State in a system that works better for restaurants, for everyone else that is involved.

So this proposal, as you see it right now, is not one that I can support, and I am hoping that before long we will continue our negotiations and get a proposal that I can support. Thank you.

The SPEAKER. Representative Madeleine Dean.

Mrs. DEAN. Thank you, Mr. Speaker.

Good afternoon. I rise in support of the Markosek amendment, not because I think it is perfect, but because I think it represents something very important. It represents an honest compromise.

I do not think I can say it much better than my colleague from Philadelphia who talked about the positive side of this compromise, because what does it get at? It gets at something I think we all want, which is to restore the devastating cuts to our educational system that has so hurt Pennsylvania's children, to restore the cuts to human services that you all agree are the wrong way to go, to get at property tax relief – much-needed property tax relief. All of those things, in a compromise way, are built into this amendment, and I think almost more important than any of that is that it also tackles the ugly thing that we have been unable to tackle for too long, which is our structural deficit.

As I look over the five downgrades in our credit rating – in July of 2012 Moody's downgraded us, in July of 2013 Fitch downgraded us, in July of 2014 Moody's downgraded us, and in 2014 Fitch and S&P also downgraded us – there are real consequences to that. There are real tax dollars increased on Pennsylvanians when we decrease our credit rating.

In part, what the credit agency said was, we are decreasing your credit rating because, Pennsylvania, you seem unwilling to get your house in order. You cannot just keep using one-time transfers or nonrecurring revenues for recurring expenses. Payment shifts simply will not do it. A structurally unbalanced budget is viewed by investors and rating agencies that we are not serious about facing our problems, that we are not serious about fixing them. It translates into hundreds of millions of dollars in increased borrowing costs – something we can reverse and turn around.

So I rise in support of a budget bill, the Markosek amendment, that has the modest increase to PIT, that has a reasonable severance tax, and that, importantly, offers \$400 million worth of property tax relief to seniors and others who need it. The budget bill that we are voting on today represents a significant compromise from what our caucus wanted, from what the Governor wanted.

A few weeks ago we heard from so many of you from the other side of the aisle about the desperate need to get funding to our schools, to our human services providers. You wanted to do that by way of a stopgap. I know that you and my office are hearing every day from parents with children in parochial schools about the fact they cannot even get their books. We could change that – not with stopgap, but with this honest compromise. We could fund our schools, we could fund human services providers, not just for a 3-month period, but for the whole year, as is our responsibility.

Mr. Speaker, I rise in support of the Markosek amendment. I hope we can find it in our hearts to meet the compromise that is really our fiscal responsibility, now nearly 100 days past our budget deadline.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

Representative John Maher.

Mr. MAHER. Thank you, Mr. Speaker.

A few minutes ago we heard some analysis about the severance tax that is proposed in this amendment, and the gentleman from Montgomery County – or I forget where you are from, Greg, but – Delaware, thank you. The gentleman from Delaware County I am in agreement with on a very important point, which is that a year ago, June 2014, the impact fee effective rate was 1.9 percent. Since that time the price of gas has gone down more than half, so the effective rate for the same impact fees, which do not change based upon the price of gas, is somewhere over 4 percent.

I am glad that the gentleman – I also agree with him that the impact fee is in fact a severance tax, so yes, we do already have a severance tax. It is currently north of 4 percent. The Governor ran on a 5-percent severance tax, but that is not what this proposal is. This proposal, by including a nickel in Mcf – 4.7 cents – plus an additional specific severance tax, takes the effective rate over 12 percent. This would make us not just the highest severance tax in the country, but 25, 30 percent higher than the next highest. That is a lot of money.

It is a lot of money and at a time when the gas industry is actually in distress, which is heavily due to world gas prices, but worse here in Pennsylvania because of policy positions on regulations that are forthcoming. And the fear of a huge increase to severance taxes is causing companies that need to deploy their capital to look around and say, "Where is the best place to invest?" There is not as much to invest now as there was a year and a half ago, so where are you going to invest? Are you going to invest where life is best or life is worst?

I believe that we need to make Pennsylvania the best place to do business. The drillers come and go, but once they are done, that infrastructure remains, and around that infrastructure we will see permanent manufacturing jobs arising. But if we run these folks off now, we will not have that infrastructure, and we will not have the permanent manufacturing jobs that can come with it, so I think we need to be rather careful.

On the education front, the gentleman from Lancaster pointed out and helped remind us that he voted against \$5 billion to go to public schools to help them pay for the cost of buildings that are constructed. He voted against it. What is he actually supporting for education funding? Well, we do not know, because our friends who are asking for the tax increase have yet to put forth what they believe spending plan should be. I would like to know what their spending plan should be since the gentleman from Lancaster has apparently line-itemed out the

\$5 billion for local schools to pay for the buildings they have already constructed.

So we do not know, and there are some other things that I do not know, and I am hoping that the minority Appropriations chairman who sponsored this amendment would rise for brief interrogation.

The SPEAKER. The gentleman from Allegheny and Washington Counties has requested the minority Appropriations chair to stand for interrogation. Sir, will you so stand?

The gentleman has indicated he will. Representative Maher, the floor is yours. Representative Markosek, thank you.

Mr. MAHER. Thank you.

I have heard this tax proposal characterized as restoring funding to public schools and cutting property taxes in half for the average homeowner. Do you think that is a fair characterization of what happens with these taxes?

Mr. MARKOSEK. Mr. Speaker, I do not recall saying that it would cut property taxes in half. There are certain aspects of this particular amendment which will cut property taxes further for a lot of people. It will add people to the property tax and rent rebate program, for example; I believe the number is roughly about 200,000 new people to that program. They may not get a total property tax reduction, but they will see property tax reduction that they currently do not have now. There will be many, many additional people who will see some reduction in their property taxes from this amendment.

Mr. MAHER. Okay. So your expectation then is, I think it is about \$400 million or so that would go towards property taxes?

Mr. MARKOSEK. Yes, Mr. Speaker.

Mr. MAHER. And we can agree that is not 50 percent of the property taxes that people pay?

Mr. MARKOSEK. Well, the entire school property taxes paid in the Commonwealth is about \$14 billion, so obviously we would have to raise – and there are people in here, many on your side of the aisle, who suggest that we raise taxes to pay for that. Those taxes would be huge, would be huge.

This is a compromise, or we are looking for a compromise. My whole idea of this amendment is to provide a compromise for members. There were many of us that perhaps would have liked something more, and I am sure many that would like something less.

At the end of the day, and I hope you will agree with me, we all have to find a way to compromise our way out, and we all have to find new revenue, new revenue – we cannot do it with gimmicks anymore – we have to have new revenue to fund the budget so we do not have a structural deficit that goes on ad infinitum, on and on and on.

Mr. MAHER. And as order of magnitude, I am guessing that that \$14 billion estimate of the property taxes paid for schools sounds about right. Would you agree that the property taxes overall is about \$18 billion? None of us has a precise calculation; they are really estimates. Is it in that ballpark?

Mr. MARKOSEK. I do not want to guess. We can have staff look into that.

Mr. MAHER. All right. But clearly, this is not a 50-percent tax cut in school taxes for homeowners.

Mr. MARKOSEK. I am sorry?

Mr. MAHER. Clearly, this proposal does not translate into a 50-percent tax decrease for homeowners.

Mr. MARKOSEK. It is a modest increase for some, it is a significant increase for others, and it is a total elimination for still some more.

Mr. MAHER. But on average, it is not 50 percent.

Mr. MARKOSEK. I think rather than quibbling over some of the words that we are using here, I think overall this will help a lot of people either reduce or eliminate their property taxes. It is not going to eliminate everybody's, that is true.

Do not forgot, we have a lot of other things in this amendment way beyond this. We have, certainly, funding for education, which will help cut property taxes as well. Part of the thing that we have seen the last 4 years is, with the tremendous cuts to education, we have seen the school districts raising their property taxes. So let us get together and fund education properly so that that will help school districts reduce property taxes as well.

Mr. MAHER. Thank you. May I return to the amendment?

The SPEAKER. Yes. Interrogation has closed. Representative Maher, on the amendment.

Mr. MAHER. I am glad that the Appropriations chairman for the Democrats and I are in agreement on some essential things, because I think the only way we really advance toward a solution is if we are candid with each other and straightforward with each other about how much money we are talking about and what it accomplishes.

I will accept his estimate of \$14 billion as the property tax burden on homeowners for schools. A 50-percent reduction would require \$7 billion then. What this bill would do is send out about \$400 million, not \$7 billion. So if you look at it, you are dealing— And because I just had the \$14 billion put in front of me, I am going to do some quick math here and say that is somewhere about 8-percent, maybe.

You and I – certainly, I got one; I imagine everybody in this chamber got one, and I am told hundreds of thousands of people in their home got some correspondence from the Governor earlier today, where he characterizes this proposal as restoring funding for public education and cutting property taxes in half for the average homeowner – half. In fact, it is not even 10 percent.

If we are ever going to reach agreement here, we have to be honest about what we are imposing and what the impact is, and promising an impact five and a half times what is really happening is not reflecting the transparency and integrity that we were promised. If we are going to reach agreement, that has got to be a starting point.

As has often been said over the years – and I forget who said it first, maybe it was Churchill – you know, everyone is entitled to their own opinion, but not everybody can have their own set of facts. Let us start with the real facts.

But this is a historic day in this chamber no matter which way this vote goes. This proposal is not just the largest increase in income taxes on the residents of Pennsylvania, that if it became law would be the largest ever – and it is not just by a little bit.

I mean, everybody remembers the Rendell income tax increase. The first year of the Rendell income tax increase amounted to just more than \$300 million. This one would be \$1.4 billion, nearly five times as much as Rendell's historic income tax increase.

The Casey tax increase is the champion, of course, of all time. In '91-'92 – and there are not many who were here; I certainly was not – Casey, on an annualized basis, was \$1.5 billion in increased income taxes.

On an annualized basis, this proposal would be \$2.1 billion. So congratulations, congratulations – 50 percent higher than the all-time record income tax increase in Pennsylvania, five times as much in its first year as Rendell's income tax increase.

People are going to notice and people are going to want to know what is happening with that money and what it really would do. Right now we do not have a proposal about what you would do with this money. We do not have an accurate statement from the Governor of what the impact of this money would be, but I have noticed something. As we ended the first quarter of this fiscal year with the characterization to the public that the State has stopped spending due to the budget impasse, I have had constituents say to me, "I cannot tell anything is different. I cannot tell anything is different, so maybe it is a good thing that the State is not spending. Maybe that is a good thing." You are actually inspiring people to become fiscal conservatives in ways that I never could, so I want to thank you for that assistance.

I am certainly going to vote "no" on this proposal, because we do not know what anybody would do with this money, except for we know it is not what the Governor says he would accomplish with it.

Thank you, Mr. Speaker.

FILMING PERMISSION

The SPEAKER. Members, WHP-TV, WHP-TV will be on the floor to record the debate on amendment 3468 to HB 283.

CONSIDERATION OF HB 283 CONTINUED

The SPEAKER. Representative Rosita Youngblood.

Ms. YOUNGBLOOD. Thank you, Mr. Speaker.

Several months ago I spoke on the House floor and said that doing the same thing over and over again and expecting different results is the true definition of insanity. Well, today this chamber has the ability to regain its sanity and do something different. We will have the ability to move Pennsylvania forward and to end the insanity of budgets using one-time, unsustainable revenue tricks. We have the ability to stop doing the same thing over and over and over again and do something different that will create different results for the people of the Commonwealth.

This amendment is a different approach and it is a different path. We can continue the insanity and do the same things, but I will be voting to end the insanity and do something different to help the people of this great Commonwealth by voting "yes" for A03468 to HB 283.

I urge all my colleagues to support this amendment and pass this bill. Thank you.

The SPEAKER. Representative Jim Christiana.

Mr. CHRISTIANA. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to amendment 3468.

Mr. Speaker, so much of the discussion since March about the Governor's budget proposal has been about a severance tax. Many of us on the Republican side of the aisle and the conversations we have had back home are looking at the numbers, and the proportion of the tax increase on hardworking families versus what is discussed about the severance tax seems out of balance. It seems like 90 percent of the conversation is

about the severance tax, yet it only represents about 10 percent, if that, of the Governor's tax increase. But since the other side wants to make this a discussion about a severance tax for education – I have not really understood how they could make that argument since the Governor's proposal took his severance tax revenue and did not spend it on education, they spent it on handouts to wind and solar companies.

One of the good things in this amendment is that the Democratic chairman abandoned that philosophy. Thankfully, he abandoned the Governor's proposal that spent money not on education but on wind and solar handouts. I commend the gentleman for taking the leadership to say that the deal all along was that a severance tax would be used for education, and we should live up to that commitment. I commend the gentleman for his leadership in that respect.

But I also am getting frustrated when I hear that the minority chairman on the Environmental Resources and Energy Committee said that the impact fee has an effective rate of 1.9 percent. Well, he cited the Budget and Policy Center, which sounds like an independent, fiscally fair and balanced and politically fair and balanced organization. It is the Budget and Policy Center. But that group, let us be honest, is not neutral. They are a left-wing ideological think tank, so let us just put the 1.9-percent effective rate in perspective.

I actually think we should use the Independent Fiscal Office. Let us use their numbers as they testified to the Appropriations Committee. They testified that the impact fee in 2014 was 4.7 percent, 4.7 percent effective rate in the impact fee. Now this new proposal of a severance tax is 3.5 percent plus 4.7 percent, plus the 4.7 percent impact fee – comes out to taxing this industry at 14.1 percent. Throw on top of that the 9.9-percent corporate net income tax.

It is not, like the minority chairman had mentioned, whether or not these big drilling companies can afford the tax. Big oil and big gas, of course they can afford any tax rate, really. But it is naive, if not delusional, to think they would actually stay here and pay a 14.1-percent plus a 9.9-percent tax rate. It is delusional.

These companies did not just start drilling in 2011. No, they came to Pennsylvania because we had a competitive advantage. We still have a competitive advantage today, but let us look and see where those companies are moving their resources.

Are they increasing their investments in Pennsylvania? No, they are decreasing. They are moving jobs out of Pennsylvania. We have seen layoffs in Allegheny County and Beaver County and Washington County by these big drilling companies, not because they are closing their doors – they are still in business – but they are moving to more competitive environments. The severance tax is not a debate about whether or not big oil or big gas can afford it; it is about where they are going to operate.

And I know some of the critics of the natural gas industry have not even stepped foot on a well site, but if you were to come visit a well pad, you would notice that these well pads may be operated by those big companies that the minority chairman mentioned. It might be an Exxon or a Chesapeake well pad, but thousands of our homegrown businesses rely on those well pads operated by these big companies. Thousands of our businesses in our districts, like Hawbaker, who builds the well pads, McDonald Landscaping, Hugill Sanitation, Kephart Hardware – all these companies rely on these investment decisions by these big companies, and they all work and rely on the natural gas industry. So a severance tax is a tax on them.

A severance tax is a tax on the Roscoe family. Mr. Roscoe, a Beaver County native, changed the course of his family. He worked two jobs, two full-time jobs, while raising his daughter, Madison. And then in 2011, as Madison says, he changed the course of their family. He went to New Castle School of Trades. He took a 6-week course, got his CDL (commercial driver's license), and his next job doubled his family income. He is now sending his daughter to the University of Ohio, and he is relying on the natural gas industry as a truck driver. A severance tax is a tax on the Roscoe family.

Many of us in this chamber, we talk about job creation. We talk about supporting our laborers. Well, what do they think about this severance tax debate, and what do they think about the natural gas industry? Well, Chris Petrone, the International Union of Operating Engineers Local 66, this is what he said: "Those in the building trades – local plumbers, boiler makers, pipefitters and electricians – say the Marcellus Shale has been a godsend." Those are not my words. Those are his words, The president of Local 66. He said, quote, "It's been a real blessing for our members." A severance tax is a tax on the local plumbers, boilermakers, pipefitters, and electricians, not to mention that you are increasing those same folks, you are increasing their personal income tax as well.

Dennis Martire from the Laborers' Union of North America said, "The pipelines have been a lifeline for us. It's all about the jobs." This severance tax is a tax on those working in the pipeline.

Jocelyn just posted on my Facebook page yesterday. She goes, quote, "This is not big oil and big gas. This is my job, my community. Governor Wolf's plan is detrimental to all of us." I believe Jocelyn is right. I believe that a 14.1-percent severance tax is a tax on her job, and it does risk her job, and Pennsylvania leading the nation in another tax will risk her job.

And Mr. Roscoe, he says, quote, "Right now with all the layoffs that have gone on in the industry, the natural gas industry, we cannot afford, we cannot afford to have any of these companies decide to abandon the area because of more taxes. Not only would this affect my immediate family" – Mr. Roscoe says, but he says – "it is also an attack on my brothers and sisters in the patch."

Mr. Roscoe, you are right, and I am not going to vote for what is deemed a reasonable severance tax – and only in Pennsylvania can the highest in the nation be deemed as reasonable – but some have called it a reasonable or a compromise. I do not think it is much of a compromise. This severance tax is not much of a compromise when you look at the effective rate, and the effective rate is real. It is \$220 million that the industry is paying in the impact fee.

And the last thing I would like to talk about, Mr. Speaker, are the wild revenue projections we have heard over the last 19 months. A 5-percent severance tax back in February of 2014, Governor Wolf said, would bring in \$550 million. Then the same 5-percent tax would bring in \$700 million in May. And then in September the same 5-percent severance tax all of a sudden would bring in \$1 billion. In March we heard the same thing again, a 5-percent severance tax would bring in \$1 billion.

Well, today we see that an 8 1/2-percent severance tax only brings in \$65 million. Thankfully, I guess, the progress for me that we can be a little satisfied about today is that we are making progress, and the wild revenue projections that we have heard for 19 months have finally come to an end. And, Mr. Speaker, raising taxes for us to justify time and time again

to spend more money is falling on deaf ears back home. People have heard all of the reasons why they need to pay more money. The natural gas industry heard why they are not paying enough. But I feel, Mr. Speaker, that if we are going to reach a budget compromise, we need to come in grips with reality, and I do think that today is progress. I do think that we need to pass an emergency spending bill, because as we will see today, we are far from a budget and an end to this budget impasse. We should no longer hold these agencies hostage. We should fund our schools on an emergency basis. Our schools should be funded. They should have been funded 2 weeks ago, because clearly by today's bill and the vote that is to come, we are far from a budget.

I urge a "no" vote, and I urge the Governor to sign the next emergency spending bill.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.
Representative DeLissio.

Ms. DeLISSIO. Thank you, Mr. Speaker.

I rise today just to share with my colleagues that I am in. I am a "yes" vote because this is a responsible budget proposal. This is a responsible amendment that puts forth a budget that is desperately needed by the citizens of the Commonwealth. I was always baffled over the past 4 years that I have been in office how our budgets always focused almost exclusively on the expense side and never addressed the revenue side at all. In my career before I came to office, I put together budgets in the millions, if not the billions, and it was very important to address both sides of a budget: revenue and expenses. Well, I always wondered where that would take us by ignoring the revenue side, and it now is very evident. We have a built-in, large structural deficit – \$1 billion is large.

And the budget that was passed by the House and Senate in June, also much to my bafflement, included not only perpetuating that structural deficit but exacerbating it. And I cannot reconcile that action with responsible governing. I cannot even reconcile that with being a responsible businessperson.

I thank the Governor for exhibiting the courage and the leadership to put forth the budget that he has, and want to share today that my constituents are particularly appreciative of the opportunity for property tax relief. They are appreciative for the opportunity to ensure that as a result of this amendment their children will have a better opportunity at an adequate and equitably funded basic public education. And just as importantly, my constituents are grateful that their neighbors, their friends, and their relatives will have the services that they may need that are provided by our human services programming that the Commonwealth offers.

Without this particular amendment and without these additional revenues, these programs have already been impacted, and they will continue to be impacted. Our basic public education will continue to be deficient, and property tax relief will only be a vision and not a reality.

So I am a "yes" vote for this budget, Mr. Speaker. Thank you.

THE SPEAKER PRO TEMPORE (MATTHEW E. BAKER) PRESIDING

The SPEAKER pro tempore. The Chair thanks the lady and recognizes the gentleman, Mr. Saylor.

He waives off. Thank you very much.

The gentleman, Mr. Metcalfe, is recognized.

Mr. METCALFE. Thank you, Mr. Speaker.

Mr. Speaker, I sent an e-mail out to my constituents back toward the end of summer talking about the proposed Wolf tax increases and asking them to e-mail me to share their stories with me if the budget impasse was actually impacting their lives. And I also shared with them that if it was not currently impacting their lives, it certainly would if the Governor had his way and we increased taxes by \$4.7 billion this year.

Well, as a result of that e-mail, I heard from virtually nobody that was going to be impacted currently by the impasse, but I have heard from a lot of people that will be impacted if this tax increase would be passed, just as they would have been impacted if the \$4.7 billion tax increase would have been passed.

So I think everybody is glad that the Governor has changed from his first tax increase proposal to a second tax increase proposal to now a third tax increase proposal, and he keeps whittling that down as anybody might do in a negotiation. But my constituents are still, as one writes here, "troubled by the continuing State budget impasse."

I wanted to share a little bit of the content of a few of the e-mails that I have received from some of my constituents, Mr. Speaker, regarding this tax increase. This constituent writes, "Like many of your constituents, I am troubled by the continuing State budget impasse. Citizens like me are growing weary of the constant attacks and the resulting uncertainty that comes from this 'my way or the highway' approach to governing. At the heart of the problem is Governor Wolf's seemingly immovable position that Pennsylvania citizens and businesses must endure an additional \$5 billion in new taxes." Now, of course, this is referencing what we were looking at last week and not necessarily today. They continue later in the e-mail, "At a time when most other States around us are pursuing new ways to grow jobs and businesses, all we are talking about is growing the size of State government and penalizing job creators. Natural gas businesses have been cutting jobs all year, and additional taxes will only result in more Pennsylvanians out of work. Please do the right thing for your constituents and reject these crushing new taxes and instead look for ways for us to grow jobs, opportunities, and our economy."

Another constituent writes, "Please do not vote for Governor Wolf's latest budget proposal. Even though it is smaller than the first scheme, it will also stifle job growth. We must hold the line on these tax proposals for the good of all the citizens of Pennsylvania. Thank you."

Another constituent writes, "I am a resident of Adams Township in Butler County and work as an electrical engineer in the gas industry. Please vote against the severance tax proposed by the Governor and other tax increases. My company recently had layoffs, and I am fortunate to still be working. I am

the main provider for my family and have three children to support. I started my career in the steel industry 25 years ago. Over the years I have seen so many jobs and industries fade away and never return."

Another constituent writes, "Governor Wolf has vetoed the responsible budget that increased education spending without raising taxes on hardworking Pennsylvanians. Pennsylvania's next budget must protect taxpayers by limiting spending growth to the rate of inflation by eliminating corporate welfare, prioritizing spending, and eliminating prevailing wage mandates. The General Assembly can balance the budget without further burdening Pennsylvania families. We have to live within our means and so should our government."

And yet another constituent writes to me – just this morning I believe I received this one; actually this afternoon – "I have lived in Cranberry Township for over 5 years working in the natural gas industry. Our industry is going through a significant downturn, and many of my friends and coworkers are losing their jobs. Many of them are being forced to leave Pennsylvania to find oil and gas work elsewhere. Please do not pass the severance tax that will hurt our industry even more and result in the loss of more jobs and good people from this State."

And in response to a message that I put up just this morning while we were sitting here debating this, related to the 16-percent increase in the State income tax, one respondent on Facebook wrote that they wish they could move to another State if this goes through. Another constituent of mine from Adams Township in Butler County wrote that if this goes through, this will be the catalyst for him to move to Texas. So we see that there are a lot of our constituents that, if this were to actually become law and their taxes would be increased, would vote with their feet and would leave Pennsylvania in search of prosperity elsewhere as taxes go up in Pennsylvania.

Mr. Speaker, there were some comments made earlier by, I believe, the Democratic whip related to support of this Markosek amendment today, and he had mentioned that the Governor has compromised, because I think he said it was about 27 or 28 percent of what the Governor's original tax increase proposal was, that this tax increase was about 28, 27 percent of that. Our calculations put it more at around 30 percent, but either way, 27, 28, 30. He is making the claim that this is compromise. You should embrace this, you Republicans on the other side of the aisle and some of his fellow Democrats that may not vote for this today, because this is a compromise.

Well, Mr. Speaker, when one side says we are not for increasing taxes but want to deal responsibly with a budget, live within our means as every working family, as every working taxpayer has to do, and the other side says we want to spend more so we need to tax more, and then they make the claim that a compromise is for us to increase taxes not quite as much as they originally proposed – that is not compromise, Mr. Speaker.

Mr. Speaker, I would liken that to you walking down the street or any one of you walking down the street in the evening, and you run into someone out on the street that stops you at gunpoint and by force demands that you give them all the money you have in your pockets. And when you say to that individual, "I cannot give you the money that I have in my pockets because my mortgage is due, my daughter needs new shoes, my son needs a new winter coat, I have to put food on the table for tonight's dinner," and that thug with a gun says to you, "Okay, then give me half the money you have in your pockets. We will compromise." Mr. Speaker, no one in their right mind

would say that that theft on the street would be a compromise, that that person holding you hostage at gunpoint until you give up the wealth in your pockets, no one would say that that was a compromise when he was demanding from you something that you cannot afford to give, by force he is demanding it of you.

And, Mr. Speaker, that is exactly what this Governor has done, because government is force. The Governor has utilized his position to hold the State hostage for over 3 months, to hold the vendors that sell to this State for the last 3 months and have provided services, to hold them hostage to the ones that have not been paid. We gave him an opportunity to meet our fiscal obligations and pay the bills for the last 3 months on money that has already been spent and he vetoed it, Mr. Speaker. And now he is coming forth with a third tax increase proposal and holding Pennsylvanians hostage to his unreasonable demand to strip away more of their wealth that they are creating for the benefit of themselves and their family.

Mr. Speaker, this is no more a compromise than a thug on the street telling you at gunpoint, "Give me the money in your pockets."

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Mr. Dush, on the amendment.

Mr. DUSH. Thank you, Mr. Speaker.

Mr. Speaker, as a freshman member of this body, it has been my distinct honor to work with a number of people who have come to this body who care about their citizens, the people who cannot take care of themselves, but are also mindful and care about the people who are paying the freight. They are the people who are looking to continue government, take care of the services that need to be taken care of, but they are also, again, mindful of the people who are paying the freight. They are also looking for where government is not functioning efficiently or where there is waste. I feel compelled today to address some of the statements that have been made on the floor of the House in support of this amendment which do not comport with that philosophy.

Mr. Speaker, I have heard the minority whip quote Charles Zogby, that there are no more places to make cuts, yet we have identified \$70 million of positions that have not been filled for over 3 years. That \$70 million was going to those departments and being used to circumvent the budgetary review process. That is waste. That is fraud. Mr. Zogby was wrong. There are others that could be identified.

The minority whip also stated that the impact tax – and make no mistake, a government fee in this context is a tax – would be left in place by this amendment, and that the local governments would continue to receive that revenue. Mr. Speaker, the makers of this amendment know, as do my county commissioners, township supervisors, and other municipal government leaders, that that is a falsehood, plain and simple.

The contracts that these companies are entered into have clauses that state that should that severance tax be imposed, that impact fee goes away. The courts will definitely rule that that is an impairment of the contracts. Those local governments are going to be missing out on that revenue. If they take the revenue, if they take the money, they are going to be on the hook and have to pay it back or it is going to get shut off. And let me tell you about how that is going to affect just one of my little townships, Heath Township. Their operating budget, outside of what this impact fee is giving them, is less than the cost, less than the cost of funding one student in Philadelphia

County, Delaware County, Bucks County. That is their operating revenue. Now, you tell me how my roads are going to get fixed for those people in Heath Township when that money goes away. Those people are working outside of the district, many of them were working in gas industries until this government's policy started destroying those jobs.

My nephew is a rig foreman. Not too long ago he sent me a text asking me, "Uncle Cris, do you know where you can find some jobs for my crews? They are hardworking men and women." They are gone. He also asked me a short time later, or I asked him how many jobs are gone with Universal. He said in his local area it is 90 jobs. Within hours, he sent me another text saying, "Uncle Cris, I have just found out about 15 more." We have people who have to travel outside of State. They are working in places like Ohio and North Dakota while they leave their families back at home because their wife or other person has to care for an elderly family member.

Thank you very much for deciding that you want to kill more of these jobs. Thank you very much for deciding that sitting down here or sitting where you come from, where your key revenue source in your district is not the Marcellus, that you deem it that you are going to reach out and snag the jobs, destroy the jobs for those people in my district and others. I am sure you would have a very big problem if I found the key industry in your area and identified a certain tax to target your industry and do the same thing to your industry that you are doing to mine, to your economy that you are doing to mine.

I have people driving around on dirt and gravel roads that you guys would never put up with in your districts. Those roads were being fixed by this impact fee and now you want to take it away. Thank you for making my constituents have to pay for driving on axle-busting roads to repair the tie rods and everything else that goes wrong on their cars because of this. Thank you very much for that. Thanks for proposing that for the people of my district.

Mr. Speaker, the author of this amendment and others have tried to sell this as a means of property tax reductions. I want to thank the gentlemen from Allegheny and Westmoreland Counties who got up here and went through how that song and dance has been played over and over and over again over the last 15 years. My constituents may not have much in the way of Internet access because of where they live, but they are not stupid. They understand. They have seen this song and dance before, and what they are telling me is, that is garbage. One of my best friends back home says, you know, we had this old saying: "Fool me once, shame on you; fool me twice, shame on me." For this body to turn around and vote again, anybody who has done it before, and vote again for another tax increase based on a promise that has been shown to be false over and over and over again, is the one to be labeled a fool.

And while we are on the property tax issue, I would like to give the members who are supporting the idea of a severance tax something else to think about. For most of you, the number one issue in your districts is property taxes. What is the second largest line item on most municipal governments? Behind the personnel issues, it is utilities. Whether it is electricity to take care of the water and sewer lines, to light the streets, to light the government buildings, the courthouses, the schools, the jails, it is the second largest line item.

You want to see a 25-percent increase in the electricity costs that have to be done, because most of our electricity now is generated by natural gas. Do you really want to see your

property taxes go up because you voted for a severance tax? Answer that to your constituents 6 months after you get the severance tax and they start seeing their property taxes go up.

And lastly, the Governor sent Katie McGinty to my office to try and argue for a severance tax a few months back. I asked her this. That is a single revenue stream that the Governor is trying to tax. That single revenue stream can create thousands of different products. That is thousands of difference revenue streams from other manufacturing companies. Those generate millions of jobs. Now you are talking about millions of revenue streams. What is the sense in choking off that one revenue stream when it can generate tens of thousands, hundreds of thousands, millions of other revenue streams? Where is the sense in that?

Ronald Reagan said that a rising tide lifts all boats. He proved that to be true. Open up and let our gas industry do what Procter & Gamble has done up in Mehoopany: parked one of the largest facilities under one roof on top of a Marcellus well, where they have all the energy supply that they need in order to make that plant run. And they are selling the excess electricity out to the local economy. It is benefiting everybody.

Let us do that in western and northern Pennsylvania. You want to see the revenue increase? Give us our jobs back. Our best export has been our working-class children. Let us get them back. Let us keep the ones that we are raising. But no, you keep wanting to ship us out. Go ahead. Vote to kill the jobs and the people in my district, because I will be looking for a way to target yours.

Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Mr. Saccone, on the amendment.

Mr. SACCONI. Thank you, Mr. Speaker.

I rise in opposition to this amendment. You know, I watched the Governor's press conference the other day. He talked about dishonesty of the budget. I was listening objectively to his press conference. I really was waiting. I was hopeful that something he would say would give us encouragement that we were going to vote on it today. I think it is clear that through this amendment, truth and honesty have actually been the first casualties in the Governor's war on the natural gas industry and the taxpayers.

As has been already said that he told us, he told the people that a severance tax would yield a billion dollars for education. Well, this amendment, this proposal would become the largest tax on that industry in the nation. And we know now that it would net less than \$100 million, one-tenth of what the Governor promised, while mortally wounding the very industry that has been the engine of job growth in this State.

I have heard the other side say several times, and I have heard it over and over again in the long debates that we have had here, that every other State has a severance tax. Yes, that may be true, but none of them have an impact fee, and none of them have both. None would dare try to do both, yet that is what this amendment is proposing. And know the dirty little secret about the amount of revenue in this proposal, in this amendment, is that 95 percent of this massive tax increase is not from the severance tax, what the Governor said, but from the personal income tax and other taxes that are on the backs of the working people and seniors. People back home are not being told that.

No, this proposal is just a cheap magician's trick. Look over here. Look over here. Look over here while I am taking money out of your other pocket with my other hand. That is what this Governor is about. This amendment is totally disconnected from the taxpayer's wishes. You know, a philosopher once said that when government power is untethered from the will of the people, it becomes self-serving and oppressive. That is what this proposal is. It is self-serving and oppressive on the taxpayers.

None other than our great President Abraham Lincoln said that you cannot strengthen the weak by weakening the strong, and that is what this Governor is trying to do to our most productive industry. I will tell you, if the Governor continues to insist on constructing broad-based tax increases for spending, he will be no more successful than the builders of Babel.

Now, this Governor also promised property tax relief, and through this amendment, this amendment touts property tax relief. We have heard it said by members on the other side, and the people surely need it. We have talked about it many times. Some say property tax is a necessary evil, but I say it is much more evil than it is necessary. You know, I have always been a proponent of total elimination of property tax. It is a scourge on this State, and it goes back hundreds of years. A wise man once said that since the creation of this nation, there has been no tyrant like property tax and no taxpayer treated so cruelly as property owners.

This amendment has not brought property tax relief. It offers the illusion of it. And we all know that partial relief never works because it will soon be overcome by cost increases in local school districts. So we need to stop that charade. I know logic and economics are not this administration's strong suit, but this proposal is ridiculous. It is a sham, and the people know it. They see right through it.

We keep repeating the myth of \$1 billion in cuts in education. There is no one left that believes that, except maybe some union zealots and a few stalwarts on the other side. Come on. We know that we spent more money on education in this State since William Penn was Governor. The truth is, we spend \$27 billion a year on education in Pennsylvania – the sixth highest in the nation. And you would think with all that money we would have built an education utopia by now – \$27 billion – yet we have far too many failing schools; violent, unsafe places for our children. Our public education system has become a wasteland where violence has replaced obedience, where vice has replaced virtue, where ignorance has replaced learning, and where vulgarity has replaced decency. We funded the schools with a \$400 million increase. This Governor rejected it. And his proposal – I want the people back home to get this straight – his proposal sends 34 percent of the money earmarked for education to one school district, and I can tell you it ain't in my district. You figure it out.

My colleague from Allegheny County said the last thing he wants to do is raise taxes. Then do not do it. Stand up. Do not raise taxes. Vote "no." We have offered other nontax revenue; from liquor, for example. The people overwhelmingly want it, but of course the unions do not, so we are not going to go to liquor. It is nontax revenue. This will not be the end, I tell you. You give them this tax increase, they will be back for more. The people back home know that. They are not going to be scammed again like they were with the casinos.

We in this House are the sword and breastplate in defense of the taxpayer, facing a Governor and his administration who would rob every one of the fruits of their labor to repay the

union leaders who put him in power. I tell you, at the end of the day, this is a pay cut for the working man, and the working man has had enough.

We cannot wait for the Governor to realize his error in retrospect; we must correct it in advance. We must do it now. I have said it before, and I will say it again: There is never a wrong time to do the right thing. Vote "no" on this amendment.

Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

REMARKS SUBMITTED FOR THE RECORD

The SPEAKER pro tempore. The Chair recognizes the majority whip, Mr. Cutler, on the amendment.

Mr. CUTLER. Thank you, Mr. Speaker.

Mr. Speaker, I just have some comments I would like to submit for the record.

The SPEAKER pro tempore. The Chair thanks the gentleman.

Mr. CUTLER submitted the following remarks for the Legislative Journal:

I voted against the Governor's tax proposal because I believe that the choice to raise taxes should be the last choice, not the first, in solving the budget issues. Families all across the 100th Legislative District and the Commonwealth have made the same choices over the past few years as the economy struggled. They made choices to cut household spending where they could and live within their means. The taxpayers expect us to live in the same manner.

The budget that was vetoed provided for an increase in State spending of 3.6 percent. Most people have not seen that kind of raise in their own paychecks, but under this proposal they are being asked to give a little more so that government can increase spending and grow a little more. For me, going back to the original budget that was vetoed, the emergency funding measures and veto overrides have all been about getting the money to those people who rely on these services. Many of these people are still waiting on the State to send them money they are owed, but in the meantime they are being asked to pay more. Pay more in taxes to sustain a pension system that they themselves no longer have at their place of employment, and to support the status quo. Raise taxes before we change the pension system or sell the State store system to raise revenue.

For me, this vote is about impacting the take-home pay for the residents I have been asked to represent. This tax increase will ultimately fund an increase in the rate of government spending while we are asking residents to pay more taxes because government refuses to do the very thing we are asking them to do: make do with less.

Many alternatives have been offered to make government improve the quality of life for our Medicaid patients, while at the same time saving money, reducing costs, and decreasing fraud. There are many other options available to use our tax money more efficiently.

I believe we will reach a compromise and we will continue to work with our colleagues to find that solution, but in the meantime we should look to government efficiencies first and taxes last.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Philadelphia, Mr. Cohen, on the amendment.

Mr. COHEN. Mr. Speaker, 4 years ago, right after my daughter enrolled in college, I had to buy a car, and I tried to save money by buying a used car for \$1900. The neighbor was selling it and I bought the car. For a while it seemed like it was a pretty good investment until the repairs started coming in.

And gradually, you know, every few months it would be a \$1,000 or so repair bill. And gradually I figured out we were basically buying a new car anyway, except the money was going to auto mechanics. There is just a limit to how much money you can save by deferring basic costs, and I think we have reached that limit in Pennsylvania. We are taxing our citizens at a lower rate than any of the surrounding States, and there is no mass migration from the other States to Pennsylvania as a result of our low taxes compared to the other States.

We have a need to meet the obligations to our constituents for education, for social services. We have a need to create a structure of opportunity to lift people out of poverty that we do not have now, though everybody in the abstract favors the lowest possible taxes. You know, one of the prior speakers mentioned the time of William Penn. He compared education in Pennsylvania today with education at the time of William Penn, and he is right: We are spending a lot more money than we did in the time when William Penn was Governor. When William Penn was Governor, we did not have a single public school in the State of Pennsylvania. We saved a lot of money by not having any public schools, but I seriously doubt that is what anyone here is advocating, that we go back to the education policy in the time of William Penn. We did not have State roads when William Penn was Governor. I think we had one prison in the entire State when William Penn was Governor. The inevitable effect of time and greater sophistication of society has been to create programs that cost money. Why do we not have programs that do not cost any money? Because you cannot run fundamental programs on volunteers. I am sure if we did not pay any teachers, some people would volunteer, but they would not show up very reliably and they would not do a very good job.

This budget, this budget right now has a structural shortfall. We all know that. The Markosek amendment attempts to deal with the structural shortfall and to set forth a new foundation of money to meet our basic needs in Pennsylvania. I wish we could do it without taxes. I wish we could massively increase expenditures while cutting taxes by 50, 75, or 100 percent. That is not reality.

Reality in governing consists of dealing with the world as it is. The world as it is means that programs that are needed to meet human needs in Pennsylvania cost money. There is no way around that. There is no way around paying people decent wages; otherwise, we are not going to have people willing to serve running these programs.

I believe that the Markosek amendment is reasonable. It is rational. It is sane. It solves problems. It is worthy of our support. I urge a "yes" vote for this amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentleman, Mr. Santora, on the amendment.

Mr. SANTORA. Thank you, Mr. Speaker.

Mr. Speaker, today I rise with great concern for this amendment. I went to a meeting with the Governor with an open mind, and today I still have an open mind for future discussions. I asked questions of the Governor and his staff regarding the funding levels for basic education, Pre-K funding, higher education funding, and the structural deficit as it pertains to this proposal, and they could not give me answers on those funding levels.

I cannot vote for this proposal because I feel it is irresponsible to vote on taxes with no solid facts on how this revenue will be spent. We put \$400 million in increased funding for basic education on the table, and I was unable to get an answer if that level of funding would still be part of the overall package. As for property tax relief, we passed real property tax relief in this chamber with bipartisan support. The Governor has included expansion of a good program that gives property tax relief to seniors in this package. I think it is a good idea; however, it is wrapped into a tax bill that includes \$1.4 billion in personal income tax increases on working families in Pennsylvania.

It includes a severance tax – not a \$1 billion severance tax, but less than 30 percent of that next year and even less this year. But more importantly, I ask the question, "Does 100 percent of that money go to basic education funding?" I was told yes. However, today Chairman Markosek stated right here on this floor that it goes to education in general, but not necessarily K through 12 basic education to fund our schools. The public needs to know that. There are some good ideas that have been discussed here today and I support them, but to increase the personal income tax on families of Pennsylvania by over 16 percent and ignore property tax relief for these families just is not acceptable.

To create a severance tax based on a campaign promise to fund basic ed and support our public schools and then allow it to come up for a vote where it is not solely going to basic ed is just wrong. What this comes down to is we are asking homeowners in Pennsylvania to pay 16 percent more in personal income tax and keep their exorbitant property taxes with no commitment to fund their public schools at the levels they were promised.

Please vote "no" for this amendment.

The SPEAKER pro tempore. The Chair thanks the gentleman and recognizes the gentlelady, Ms. Donatucci, from Philadelphia, on the amendment.

Ms. DONATUCCI. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of the Markosek amendment. It is clear that the status quo is not working anymore. The status quo led us to credit downgrades, local property tax hikes, and letting go of thousands of teachers across Pennsylvania, especially in my home city of Philadelphia. This cannot go on any longer. Today's vote is not just about getting us through the next fiscal year. It is about putting our State on the right path so our children and grandchildren do not have to clean up our mess later.

Governor Wolf was clear about his priorities when he ran for office, and Pennsylvanians responded. They liked what he had to say and voted him to be our leader. Pennsylvanians want to see school funding restored. They want a commonsense severance tax, just like every other major natural gas producing State already has, and they want property tax relief. This plan would give Pennsylvanians all of these things. My colleagues on the other side of the aisle say they are concerned about the middle class. If they were, they would support this plan, because kicking the can down the road is only going to make things worse for the middle class in the long run.

A "yes" vote today is a vote to put teachers, guidance counselors, and support staff back in our schools. It is a vote to give relief to hundreds of thousands of seniors and disabled Pennsylvanians who are being priced out of their homes, and it is a vote to finally hold our natural gas companies accountable for using the resources that belong to everyone in our State.

Mr. Speaker, today's vote is not an easy one, but it is a necessary one. Let us make sure we do right by future generations and pass this amendment. Thank you.

The SPEAKER pro tempore. The Chair thanks the lady and recognizes Chairman Hennessey from Chester County, on the amendment.

Mr. HENNESSEY. Thank you, Mr. Speaker.

The presentation of this amendment in early October reflects for the first time since March some flexibility on the part of the administration. We heard, as part of the debate on the stopgap budget we passed 2 weeks ago to help our struggling human services agencies, that the administration's tax proposals had remained static, without change, since the Governor's March 6 state of the State address.

We heard from our Appropriations chairman, and he recited the details: a PIT proposal of 3.7 percent, 6.6 was the sales tax proposal, an expansion of the scope of the sales tax to tax more items, and Marcellus taxed at the same rates even though the market price of natural gas has dropped precipitously. That was the proposal on March 6, and that was the proposal in late September. I listened carefully to see if a single Democratic leader stood to refute any of that, and not a single one did.

So today's amendment, which finally reflects some change from March 6, is a welcomed development. But as you study this proposal, this amendment, and listen to the debate, it is clear that the administration is only delaying the larger tax increases it proposed by scaling those back for the short term, but you can hear it in the arguments that we will be revisiting these proposals in the longer term. We the legislature passed a responsible budget back on June 30. The arguments we heard back in June were that we used smoke and mirrors, Band-Aids and Scotch tape, that we are robbing Peter to pay Paul in order to balance the budget. But go back a few years: Those were the same arguments we heard in 2011 when we were faced with a \$4.3 billion deficit.

They told us that the wheels were going to fall off the wagon, that we were robbing Peter to pay Paul, that none of it made sense and it was all smoke and mirrors, and we got through. Pennsylvania got through. There was pain because of that budget deficit of \$4.3 billion, but we got through. The same arguments were raised in 2012: smoke and mirrors, robbing Peter to pay Paul, but Pennsylvania got through. We heard it again in 2013 and again in 2014, but Pennsylvania survived. And today we hear it again: smoke and mirrors, holding it together with Band-Aids and Scotch tape.

The citizens of Pennsylvania ask us to live within our means to keep their taxes down, and we have tried to do that and we succeeded, but the Governor vetoed the bill. The administration now shows some flexibility, finally, and we are asked to jump at it. While I welcome the shift in attitude, I think the administration can do better. I think we can all do better. I think the leadership on the Republican and Democratic sides in the House and the Senate can do better. We can get a better end result for our citizens. It is our job to do that.

I suggest we vote against this amendment, send this back to the bargaining table, and come up with a good product for our citizens.

Thank you, Mr. Speaker.

THE SPEAKER (MIKE TURZAI) PRESIDING

The SPEAKER. Thank you, Representative.
Representative Michael O'Brien.

Mr. O'BRIEN. Thank you, Mr. Speaker.

Mr. Speaker, I have always been intrigued by the Mevlevi sect of Islam, perhaps better known as the Whirling Dervishes. I have always thought that I would like to go to Istanbul and see the Whirling Dervishes, but I do not have to. I am a member of the Pennsylvania House of Representatives, and I have seen enough whirling and spinning during my 9 years here to last a lifetime. I have seen whirl over here, take money out of a fund for one time, go to the steps of the Capitol and spin that it is good for the people. I have seen whirl over and take money that is earmarked for one thing by the Federal government in the Tobacco Settlement Fund, spend it for something else, whirl out to the steps, spin that it is good for the people of the Commonwealth. Whirling and spinning, whirling and spinning.

And then some bald guy in a Jeep comes down the pike, and he says, I am going to raise taxes, and all the political apparatchik say, what are you, nuts? You cannot say that. You will never get elected. You cannot say "I am going to raise taxes." And he gets elected. He beats an incumbent by 10 points. And during the time as he became not candidate but Governor, the people of the Commonwealth have continued to say, you are doing an all right job. You said what you were going to do during a campaign and you are doing it. That is all right. And you know something? You are not whirling. You are not spinning. You are governing. You are governing.

Now—

The SPEAKER. The gentleman will please suspend.

Members, I know that it has been some time, but the good gentleman has the floor and is entitled to be heard. I would ask all members to please take their seats. All members please take your seats. Any conversations, if you could take them to the anteroom outside the hall chambers.

Representative O'Brien, the floor is yours.

Mr. O'BRIEN. You know, Mr. Speaker, I have always prided myself on holding the attention of this body by my robust and entertaining rhetoric. Obviously I am neither robust nor entertaining this afternoon. So I will whirl and spin my way back to my seat, but nonetheless hope that my colleagues will hear the people, hear what they said last November, put a revenue package in place that allows us to negotiate this budget and be done with it.

The SPEAKER. Thank you very much, Representative.

Members wishing to speak for the first time are the following, and these are the last members before we are going to get to the leaders. But wishing to speak for the first time are Representative Gabler, Representative Parker, Representative DiGirolamo, Representative Dawkins, Representative Pyle, Representative Kinsey, and Representative Day. And then the leaders, Representative Dermody and Representative Reed, will be able to give the final remarks.

Representative Thomas, you are listed as well. I will mark that down.

Representative Gabler.

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

Today is day 99 of the budget impasse of 2015. Throughout these 99 days legislative majorities in the General Assembly have continued to bring solutions to the table. We passed a budget with a \$1 billion increase over last year, with over two-thirds of the line items at or above the level of the Governor's request. I voted "yes." The Governor said no. We called up a vote on 20 line items that needed critical funding, whose numbers matched the Governor's request nearly 2 months ago. I voted "yes." The Governor and his allies said no. We brought forward legislation to authorize immediate emergency funding for critical services across this State. I voted "yes." The Governor said no.

Today, regretfully, is the first day during this impasse that I must say no. I must say no to this tax increase for two very important reasons. The first reason is taxpayers. Hardworking families cannot afford to pay 16 percent more in income taxes. And the second reason comes down to one word: jobs. First, let us talk about taxpayers. Despite the rhetoric suggesting otherwise, hardworking families bear the lion's share of the burden under this plan. While some may try to characterize this vote as a vote on severance taxes or a shift in certain property tax rebates, the numbers do not lie. For the current fiscal year, the income tax increase is \$1,400,000,000 in increased taxes on hardworking taxpayers. The expanded rebates and tax provisions amount to a paltry \$84 million. Think of it this way: If I told you I would give you \$84, and all you had to do was give me \$1,400 in return, would you consider it a good deal? Of course not. This proposal in front of us does the exact same thing as that to Pennsylvania's taxpayers.

Now, how about the severance tax? Well, despite the fact that this plan includes a large severance tax, over the next year the income tax increase still makes up over 95 percent of the tax increases contained in this proposal. Hardworking families will be picking up the tab for an insatiable administration in Harrisburg. Let us get past the rhetoric and deal in facts. This is a tax plan balanced on the backs of Pennsylvanians who get up and go to work every day.

Now, that brings us to our second topic, jobs. The fact of the matter is, this is a tax increase that will kill jobs. Will this be a tax increase that drives the drilling industry out of our State? Yes, it will. Will the job losses be in the big drilling companies? Maybe, but that is not whom I represent. Whom do I represent? I represent the small mom-and-pop, local businesses that do not have the luxury of picking up their rigs and moving to another State. The small mom-and-pop businesses are rooted right here where they are. They are the small trucking companies who haul water from here to there. They are the local companies that recognized a need in the industry and started making and selling supplies locally that the drilling companies previously shipped in from elsewhere. They are the local hotels and restaurants who are full when the drillers are here and empty when they are not. I have seen too many local trucking companies shut down or send their drivers away from their families to stay in hotels to chase the work that is no longer local.

We have heard testimony from small employers from around the Commonwealth who have testified to this. We heard from people like Frank Puskarich from Hog Father's restaurant, who told us how the growth of the industry enabled him to expand to five locations since 2007, and how his business and his employees feel the pain when the industry is forced to slow down.

We have heard from Dawn Fuchs of Weavertown Environmental, who told us how the arrival of the industry in the Commonwealth enabled her not only to keep her employees working but to expand and create new jobs. But when the industry declines, people like Frank and Dawn, and more importantly all the people they employ, will be hurt. These are just two of the dozens we heard from and the hundreds or thousands like them across our State who are hard at work every day.

Make no mistake, increased taxes on the industry will chase them away. They will go to make their profits in Ohio, where the legislature just said no to an increased severance tax. Or they will go to West Virginia to create jobs, where their overall tax burden and regulatory environment are friendlier than Pennsylvania. The other side looks at a severance tax as free money. The gas is here. They have to come here for it, right? That is what the other side says. But the facts tell a very different story. In June of 2011 there were 112 rigs in Pennsylvania. This month, in October 2015, there are 30. The sale price of gas in Pennsylvania markets is lower than in other places, so they will go to where the gas provides the better prices. Increase the severance tax and we will make it even harder for them to break even here, and we will simply accelerate the exodus from our State. Once again, who is left behind? Local small Pennsylvania businesses. The drillers will still profit, but they will just do so by creating jobs in other States, not here.

Now, let us correct one fallacy that has been reported about this plan. The severance tax contained in this proposal is actually larger than the one previously proposed by the Governor. The Governor previously proposed a severance tax of 5 percent plus 4.7 cents per Mcf. Considering this week's average sale price of gas at \$1.05 per Mcf, that is a 9 1/2-percent effective rate.

The proposal in front of us is a severance tax of 3 1/2 percent plus 4.7 cents per Mcf plus the existing impact fee. The current impact fee, based on current prices, works out to an effective rate between 6 1/2 and 10 percent. That means that the severance tax in this proposal creates an effective rate of between 14 1/2 and 18 percent. Some people might like that if they think that a severance tax amounts to free money. I do not like it because I know that it will cost my constituents jobs. But consider this: Even with this job-crushing severance tax proposal 2.0, the Governor's own numbers still show that the severance tax provides only about 10 percent of his overall tax increase over the next 2 years. In other words, out of \$3.7 billion in total revenue from this proposal, \$3.5 billion of that comes from increases on income tax payers, not natural gas taxes.

A 14- to 18-percent tax on a natural gas industry that is barely breaking even in today's market will send them packing across the State line. That will leave many of my constituents without jobs or with fewer customers to provide income. A 16-percent increase in income taxes will also leave them with less of their paychecks, if they still have the privilege of collecting one. Those are the cold, hard facts.

Let us stop with the bait and switch. Let us stop disingenuously telling people that we are just taxing someone else. We know that every tax is ultimately passed on to our constituents. This tax proposal falls squarely on the backs of hardworking families. Let us stop telling them there is such

thing as free money. The price we would pay for this tax bill will not only be measured in lost dollars; more tragically, it will be measured in lost jobs. That is not a price I am willing to pay. That is not a price my constituents are willing to pay.

For these reasons I respectfully urge a "no" vote on this unrealistic proposal, and I look forward to returning to the important business of bringing workable solutions to the table in the form of a budget that Pennsylvania's taxpayers can afford.

Thank you very much.

The SPEAKER. Thank you, Representative.

Representative Cherelle Parker.

Mrs. PARKER. Thank you, Mr. Speaker.

Mr. Speaker, before I begin with my remarks, I just had to state for the record, because I have only been a member of this body for a short 10 years – this will be my 10th year – but I have been a great student and I love the history of this institution. And the remarks that we heard earlier from the former chair on the Democratic side of the Appropriations Committee demonstrated why I believe he is one of the last of the great Mohicans when I hear about the great men and women who served this body in the past. Young people would say what he did was make "drop the mike" comments earlier today with his history lesson. So to him, I say thank you.

On amendment A03468, Mr. Speaker, after listening to several of my colleagues consistently express their concern about how bad this amendment will hurt working people, Mr. Speaker, I was, you know, really surprised to hear people even start naming industries. They named teachers, retail workers. They talked about their concern for nonprofit workers. I needed to let my voice, what little of it is left, be heard.

First, Mr. Speaker, I support this amendment because like many of you here today I readily acknowledge the dire fiscal straits that we find ourselves in today as a Commonwealth. And we have already heard it all: the structural deficit, \$1 billion-plus and growing; terribly underfunded school districts in all of Pennsylvania, Mr. Speaker – urban, rural, and suburban districts of the like suffering from a pattern of inequitable distribution of funding that must be addressed if we want to train a skilled workforce, Mr. Speaker, that can compete in a global economy. And because we have not invested adequately in public education across the Commonwealth, we have seen an unbearable rise in property taxes, especially for our seniors, veterans, and the disabled – those who are on fixed incomes – which comes as a direct result of our lack of investments in education.

Lastly, Mr. Speaker, and one of my colleagues reminded me of this when I was walking down the aisle, I remember when we were working on the stopgap proposal and I remember the sense of urgency and the overwhelming amount of emotion and empathy that was expressed as it related to the need to keep human services agencies afloat. Well, the cuts borne by those human services that provide services for our most vulnerable citizens are part of the reason why I support the Markosek amendment.

I also believe wholeheartedly, Mr. Speaker, that this is an opportunity to embrace a compromise that represents shared sacrifice in our efforts to come up with a plan to generate the revenue needed so that we can make those investments in the areas that we all claim we care about. And I believe, Mr. Speaker, that we do, but we want to make these investments so that all of our citizens, regardless of their ZIP Codes (Zone Improvement Plan Codes) or their age, in the case of our

seniors, have a chance to benefit from the shared prosperity and ultimate growth in Pennsylvania's economy if we work towards generating the revenue needed so that we can invest in people, the citizens who keep our Commonwealth alive.

Now, Mr. Speaker, as it relates to what I hope our ultimate goals are as we vote on this revenue package when we eventually get to a spending plan, my hope, Mr. Speaker— And members of the Philadelphia delegation did this explicitly in Philadelphia not long ago when we met with our social services providers, education advocates, and early education providers. We noted that our ultimate goal was an effort to get to \$120 million in early childhood education funding, \$400 to \$410 million, Mr. Speaker, in K through 12 education, and \$27.9 million we hoped would help us begin restoration of the cuts that were made to human services, plus efforts to increase seven specific human services line items. Now, I am hoping, ultimately, that this is a goal that we can reach and that we can do it by generating recurring revenue that will help rid our citizens of having to face what I consider to be annual crisis mode, the patch-it-up governing and patch-it-up budgeting, Mr. Speaker.

Now, because of these working people that we talked about that we cared so much about earlier— And I believe that in our heart of hearts each and every one of us, on both sides of the aisle, does care about this constituency, but, Mr. Speaker, if we do not make the tough vote to generate the revenue that is needed so that we can invest in public education – the children are already suffering by having access to inadequate, inefficient public education. They are already suffering because when we have not made the investments in public education, then local property taxes have increased. Now, we have been able to run around for the past 4 years with our chests pumped out saying that we have not raised your taxes, but the burden of funding public education got shifted to local government, okay?

One of my colleagues from Philadelphia earlier just referenced that one of the things that this Governor has done is that he actually campaigned on the issues that he is promoting right now. I will dare say to you that I said the same thing about our former Governor Corbett. When people had challenges about Governor Corbett's policies, I was very direct with them. The first thing I said was, you cannot say that Governor Corbett ever lied to you. He did not lie on the campaign trail. He told you that he would cut and cut and cut to what he believed ensured that Pennsylvania was on the path to economic stability, and his remedy was historic cuts in public education. It really was. It was these cuts in human services. So while I think we need to commend this Governor for his efforts to invest, I think we also need to recognize that our past Governor did exactly the same.

And finally, Mr. Speaker, I was moved when I heard one of my colleagues talk about this personal income tax increase, this PIT increase, Mr. Speaker. When I heard them talk about that, I said to myself, a lot of challenges have been posed over the past few days about this vote, but I pose, Mr. Speaker, what I think would be a grand solution to addressing the income disparity, particularly as it relates to who will pay an increase in the personal income tax, and for me, the solution is to do away with the antiquated and outdated uniformity clause that forces us to have to charge the same level of tax across the board. So if there are any of my colleagues on the other side of the aisle who are interested in working in a bipartisan manner to take the lead to do away with that uniformity clause so that we can finally

have a progressive, a progressive income tax here in the Commonwealth of Pennsylvania, I am willing to work with you in a heartbeat to get that done. Philadelphia already took the lead in 2012 when we introduced legislation asking that we amend the Constitution to do away with the uniformity clause as it related to real estate property taxes, and I think we should work on trying to do the same on property taxes.

So, Mr. Speaker, I want to thank you for your patience and thank my colleagues for bearing with my very frail voice right now.

I ask for an affirmative vote on amendment A03468. Thank you, Mr. Speaker.

The SPEAKER. Representative Gene DiGirolamo.

Mr. DiGIROLAMO. Thank you, Mr. Speaker.

As has been mentioned, tomorrow will be 100 days.

There is a saying, or maybe you could say a prayer, that is used an awful lot by people who are in recovery for drug and alcohol treatment, and they use this saying or prayer especially when they first get into treatment, and it is called the Serenity Prayer, and it goes something like this: Lord, grant me the courage to change the things that need to be changed, the serenity to accept the things that I cannot change, and most importantly, the wisdom to know the difference between the two.

Mr. Speaker, last year to balance the budget, Mr. Speaker, our companies who provide the benefits and the services for the Medicaid program – our MCOs, our managed-care organizations – Mr. Speaker, they were told that they were only going to get 11 months' worth of payments last year, and 1 month's worth of payments to them is worth, Mr. Speaker, \$400 million. So last year, quite simply, instead of getting 12 months' worth of payments, they only got 11 months, and if that is not bad enough, Mr. Speaker, the previous administration under Governor Rendell did exactly the same thing in the last year of his administration. So our managed-care organizations, Pennsylvania businesses who employ thousands of Pennsylvanians, are right now 2 months behind, \$800 million behind in payments for services and benefits that they have already provided. And to compound that problem, Mr. Speaker, there is a Federal match that goes along with the State payment. Back in the Rendell era, the Federal match was 54 Federal, 46 State. Last year it was 52 Federal, 46 State. So they are not only \$800 million behind that the State owes, but they are also \$850 million behind because they did not get the Federal match. So right now they are behind \$1.65 billion in payments for services that they have already provided.

There has been some talk about transfers and eliminating funds, and, Mr. Speaker, that has been going on for a long time, just not last year or the year before but in the previous administration, Mr. Speaker. Hey, I guess I am okay with that. I mean, it is taxpayers' dollars, and if the money is sitting in a fund and not being used, I mean, I guess I am okay for using it for helping out to balance the budget. But the point is, Mr. Speaker, I do not think there are any more places to go to next year. I think we have exhausted all those funds and we are not going to be able to go back there.

There was some talk this year about delaying payments in Social Security this year, Mr. Speaker. Mr. Speaker, this is a problem, the problem of the structural deficit that has been going on not in the past year or two but for a number of years, Mr. Speaker.

Mr. Speaker, we are at a crossroads right now, in my opinion. You cannot run your household for long doing those types of things, you cannot run a business doing those kinds of things, and you certainly cannot run State government doing those types of things, Mr. Speaker.

Back in the middle of August I was down in the Media Center, and I stood there and proposed what I called a compromise budget, similar to the proposal that we have in front of us in that there was a Marcellus Shale tax involved in my proposal, and there was also a PIT increase in my proposal, Mr. Speaker. And I targeted the revenue that that would generate specifically – basically, half of it to help close the structural deficit and the other half to put additional revenue into things that are all important to us, and that would be education, and also in something that is extremely important to me, human services.

And when I think about human services right now, Mr. Speaker – and again, tomorrow will be 100 days – it is for me, and I know for all of you, heartbreaking the stories that we are starting to hear. I mean, it is not going to be very long, Mr. Speaker, that some of the providers that provide services to our most vulnerable citizens might not be able to make payroll, and what that will mean, Mr. Speaker, is that these home health-care workers that go into the home that provide services for our seniors, for our disabled, for those who are intellectually disabled, will not be getting paid, and more than likely will not be going into those homes to provide services, Mr. Speaker.

And when I look at my family – and I think my family is typical of all your families, and of course, all the families across the State of Pennsylvania – I have raised four children. Three of them graduated from Catholic schools, and when we think about the budget in Catholic schools, I am thinking about payments on the books, transportation, EITC (educational improvement tax credit). One of my daughters graduated from public school, and we all know how important the public school funding is to all of us and that they need additional revenue. My children went to college. One son went to Kutztown; the other one graduated from West Chester. I had two daughters that both went to Penn State. One graduated from Penn State; the other one graduated from another school, only attended Penn State for 2 years. So I know the importance of the funding for higher education. My mom, who is 87 years old, lives by herself – thank goodness next to my sister. I mean, she is very healthy. She pays her property taxes. So my family is the same as every other family, and when I made my proposal back in the middle of August, I said back then that if we could generate additional recurring revenue and put it in the budget for education, community colleges, higher ed, early childhood education, if it would go into human services, that there is not one family in the State of Pennsylvania that would not benefit from that additional revenue.

My friend from Philadelphia came over to the other side of the aisle, and I think he spoke very eloquently. And my friend from Philadelphia, his dad, God rest his soul, used to live in my legislative district, and I tell him all the time that I was able to change him from a Democrat over to a Republican. Now, he told me he did that, but I am not sure that he ever did that. But the gentleman from Philadelphia said that today this is not the final vote, that this is basically just the beginning – 100 days tomorrow, Mr. Speaker.

And I am just going to close with this, Mr. Speaker. People elect us as State Representatives. If you are the Governor, if you are a State Senator, people elect us to work together, to get things done, and to solve problems, and they expect us to solve problems and they expect us to get this budget done, Mr. Speaker. One hundred days tomorrow. This is not the final vote. Let us work together, and as quickly as possible, to try to come up with a compromise, to try to get additional revenue into this budget, and let us solve this budget problem, Mr. Speaker. Thank you very much.

The SPEAKER. Members, we are soon to enter our sixth hour of debate.

Representative Dawkins, the floor is yours.

Mr. DAWKINS. Thank you, Mr. Speaker.

I will not be long, because I know we have been here all day, and I realize when I rose today to actually speak that I realized that I am a freshman. But I know my memory is still strong, and what I have yet to hear today is all the concern about our public sector that we were so passionate about losing funding for. Now we have an opportunity to actually put the votes up to pay for those same services that we all seem so compassionate about, but I do not see or hear that same compassion today.

One thing I have learned in my short time on this earth is that leaders lead, and we all got sent here to do some form of leading. I understand this might not be the most popular thing to do, and believe me, I did not come here as a freshman to raise anyone's taxes, but here we are, and this is what we have to do. Skillful sailors are not made in calm seas. This is the time that we have to show some type of fortitude within our membership. And are we willing to put on the table all those services that folks in our district back home say they want and they say they need?

I can tell you a little bit about being in low income and in poverty. If my mother had an opportunity to pay a little bit more money out of her check to ensure that we had good education, adequate education, and safe streets for our children, I can guarantee you she would have done it. I buried my oldest brother when he was 21 years old because we did not have adequate funding for our education system.

So I will not stand here and be a hypocrite. I will not stand here and not lead. So today you do have my vote, and I want the folks back home to know that I am standing here fighting for your rights.

The SPEAKER. Thank you, Representative.

Representative Jeff Pyle.

Members, members. Representative Pyle, if you will just give me a moment. Thank you, sir.

After Representative Pyle, we have Representative Kinsey, then Representative Day, then Representative Thomas, then Representative Miller, Representative Gainey, Representative Harris, Representative Bishop, and Representative Davidson.

I would ask that we please, all members, take your seats. All members, please take your seats. Members, please take your seats. Take any conversations to the anterooms outside the chamber. Please take your seats. Any conversations, we would ask that you please take to the anterooms.

Representative Pyle has the floor. He will be followed by Representative Kinsey.

Mr. PYLE. Thanks, Mr. Speaker.

Mr. Speaker, I had the benefit of being raised by people you would all consider salt of the earth – people that were raised poor, people that knew how to stretch a dollar if they had the

chance to see one. Both of my grandparents were raised during the Depression. My granddad was a college graduate on an athletic scholarship and went to the University of Illinois, came back, and finding no jobs in his field, took a job in the steel mill. He would later go on to serve in the church. They named a mountain after him at the Boy Scout camp in New Mexico. He imprinted upon us one essential quality: always give more than you take.

Now, today what we are discussing, A3468, amendment to Representative Keller's HB 283, is whether or not we are going to choose through the power of our vote to release funding in record amounts to our social services, to our schools, and all at the same time of not raising taxes.

Now, another thing my grandparents stressed upon me was the importance of education, and my family fell into that. I taught for 14 years, my mother taught for 32, my grandfather occasionally pinch-hit in biology for 5, and my great-grandfather for 40 before that. My sister currently teaches in Florida. My dad was a certified teacher. This budget, untouched without this amendment, returns record amounts of funding to our schools, exceeding even the superinflated stimulus years, which the gentleman from Lancaster so capably pointed out earlier was only temporary money.

Sitting in a file in my office I have a copy of a letter that both leaders of the Senate and House sent to all 498 school districts' superintendents, informing them that this was one-time money. Do not use it for your operating budgets. Use it for capital fixes – fix your roof, pave a parking lot, buy a new set of textbooks that you are going to get years out of. I still have that letter – Sam Smith, Joe Scarnati. Every single superintendent knew this; whether they chose to follow it or not was up to them. I know a lot of them in the midstate did.

Now, Mr. Speaker, 99 days. I am greatly heartened by the gentleman from Philadelphia saying, let us care about those kids. Let us get that money moving. I am with you. But to do that we have got to take our foot off the throat. We have had three chances to do that. This is the third.

Now, my granddad was a very elemental man. He thought of things binary – black, white; yes, no; simple, not simple. I am going to make it simple. You have got a finger. You are going to press a button. If you press that green button and vote in favor of A03468, Markosek, you are voting on a pipe dream. You are voting on dragging in revenue that has not been elaborated in text or script. You are voting for, take my word for it. Or you can press the red button and you can insist upon the budget that we passed on the 30th of June, which again, turns back record amounts of money to our social services. How is that for irony? Let us help them, let us help them. Yeah, but to help them, you cannot talk it; you have got to put it up. Vote against this amendment and we can start that discussion about returning that record amount of funding to our social services and to our schools.

I do not know if you guys have seen it. Have you not seen the lineup of what goes out? We are already seeing it happen in front of our very eyes. Our rape and domestic violence centers are now borrowing money to keep operations. They do not care about derivative swaps or investments or structural deficits. They want to know, is a door going to be open if they need it open? Vote "no" and we can start to talk about opening the doors.

Do you want to get real scared? School lunch funding is coming up, and to that gentleman in Philadelphia, I do not

relegate the idea. I do not feel good that my poorer kids who have their lunches subsidized are going to have nothing. That is a doomsday scenario, but again, you have got to take the foot off the throat.

Now, we could talk about how this Governor went out and smoked the former Governor in an election. That is great. I just read a survey from here in the midstate, not even where I live, that his disapproval rating is over 80 percent. You want to tie your vote to that one? Feel free. I am not.

Everybody sees this severance tax as being the great cure of all. That is great. You probably do not know the 82 wells of Armstrong. I do. I know where most of them are. I have toured most of them. Those 82 wells help contribute \$1 million a year to the school district of the city of Philadelphia, and if we take out the Act 13 money, you are going to have to wait at least a year for this severance tax to replace that \$1 million. Good luck with that.

Do you want to know what is happening because of this proposal of the severance tax? The 300 drilling rigs we had here 2 years ago are now down to less than 30. The State of Ohio is doing to us exactly what we did to West Virginia. They went there first and West Virginia said, "We're going to put 5 percent in place," and boom, they came here. Now this uberpopular Governor says, we are going to tax the drillers and put it into education, but it is nowhere on paper. Nonetheless, on that threat, those guys have gone west. They do not even care about the Marcellus. They are drilling the Utica.

Do you know what is crazy? New York has got a moratorium in place too. No drilling. Why? They are waiting for Ohio to go for severance so they can see all the rigs go there, and do you know what? A couple weeks ago Ohio's legislature told their Governor, Mr. Kasich, "We're not voting it," and do you know what? None of the rigs left. That is kind of where we want to be.

Now, what is the condition of this market of Marcellus gas? The condition is this: Pennsylvania is blessed with a geologic structure that allows us to store vast reserves of gas underground; unfortunately, those reservoirs are full, and we cannot move that gas to market because we do not have the pipelines done yet. We are estimated at 4 to 5 years before they will be, but when we can move that gas to market – which, by the way, is in Kentucky – then we can start opening the valves and landowners can realize those royalties. We can collect income tax.

And I forget who said it earlier, but to say these people do not pay taxes is ludicrous. It is turning your head to the facts. Armstrong County, because of the drilling that happened there, got 92 miles of free roads on the drillers' dimes. Who wants to walk into my townships? North Buffalo, North Buffalo got \$170,000 last year. The population is 33,012 people. Do you want to walk into Manor and tell them no more 150 grand? East Franklin, West Franklin, Buffalo, Winfield, Young Township, do you want to talk to them? I say no. This is not a hard choice, Mr. Speaker.

You know, I came into this thing I think with a fairly open mind. I really did not know which way I was going to go. Okay, I am lying.

Here is the thing. We are able to put more money into our schools and social services than they have ever seen without raising taxes. Mr. Speaker, governmentally, that is catching lightning in a bottle.

Please vote "no" to the Markosek amendment.
Thank you, Mr. Speaker.

REMARKS SUBMITTED FOR THE RECORD

The SPEAKER. Representative Stephen Kinsey.

Mr. KINSEY. Thank you, Mr. Speaker.

You know, initially, initially I was going to stand up here and say 99 days 99 times, but then I thought it might be too gut-wrenching for the members of the House. But then I started thinking about the people that we serve that have gone 99 days without support and knowing that we have their backs. Mr. Speaker, instead of letting the members here endure my gut-wrenching voice and hearing me say 99 days 99 times, I am going to submit my notes for the record.

The SPEAKER. Representative Kinsey, those will be accepted. Thank you, sir.

Mr. KINSEY submitted the following remarks for the Legislative Journal:

Mr. Speaker, 99 days. It has been 99 days that our most vulnerable constituents have gone on without the security of knowing that we have their backs.

Today, more than any other day, needs to be a gut-check moment for all of us. There are a lot of people out there hurting – small businesses that may not be able to continue their operations, schools that may not be able to continue to teach our children, social service and senior programs that may not be able to serve those in need.

Mr. Speaker, we can point our fingers all we want and blame the D's, blame the R's, blame the Governor, but at the end of the day, we can only blame ourselves. We have an opportunity to get this done. We have an obligation to help the people.

This amendment is not the end-all; it is just the beginning.

We have gone 99 days too long.

The SPEAKER. Representative Gary Day.

Mr. DAY. Thank you, Mr. Chairman. I mean, Mr. Speaker. Sorry, sorry for the demotion. I apologize for that.

I rise in opposition of this amendment, A03468, and I urge you all to vote "no" on this amendment.

You know, I had three pages here, and as I listened to everybody, I thought to myself, how can I edit this down a little bit and just add to today's debate? It seems almost impossible. Some of my friends over here are talking about the Marcellus Shale gas tax and what that impact would be, what it is pretended to be or said to be, might be pretending. I am not going to talk about that.

I rise today in opposition to this amendment, and really the only thing I can add is to drive the attention. Hopefully, the Governor and his team are watching or go over the notes later. And to my friends over here, our leaders in the minority advancing this amendment, I am sure the Governor and the minority team thank our majority team for allowing them to put this on the floor, and hopefully it accomplishes what it was intended to do. Let the Governor see where this package would end up to be. The only thing that I think I can try to do is drive the attention back. The Governor has identified we have a structural deficit, and I am so glad that he has done that and he said that out loud, and he is trying to say, "Let's raise taxes." I want to drive attention back to the mechanisms that cause the structural deficit. People, people that the Governor needs, people that the minority needs to increase revenue want to see a

change in the mechanism that is causing the structural deficit. This is the worst thing that I ever, and I just really get uncomfortable with. When I stand up or in a negotiation and have to tell my negotiating partner on the other side of the table, "Here's how you get me in line. Here's how you get me into a compromise," I always do not like to do it. I feel like that is your job. But we are so far along, somebody has to stand up and start doing this, and we are in our different ways. But what are those mechanisms? Imagine a 55-gallon drum right here on the House floor. Fill about three-quarters of it with water, and then drill in the side 1/8-inch drill holes in that for about maybe 100 plan participants in our defined benefit pension plans, and then when you look at that and say that it is running out faster than we are putting in, that is the way I look at the defined benefit pension plan. That is one of the causes to our structural deficit.

So to sit here and say, "Hey, Gary, will you help me raise taxes?" I said to one of my colleagues from the Lehigh Valley, "Are you going to vote for this?" "Absolutely," he said, from the minority side. And I walked past him – and I was just curious if he was having a problem with this particular package – and he said, "No, no. Absolutely I am going to vote for this."

Why can I not vote for this? The people that I represent in my district, I cannot even begin to say I need to raise your taxes if I am not going to change the vessel that we use for retirement that is just leaking out and causing that structural deficit. Listen, my good friend from Northampton County and Bethlehem, I always say whenever I put an analogy together he is always back there scribing and getting ready to reanalyze my analogy, and that is a good thing to do, many times. But when I look at this, I want to make sure.

The Governor did not call me. I did not have an opportunity to tell him. I went to his press conference when he came into my district. I was the only Republican there. Afterwards I had a chance to say, hey, Governor. I see a compromise. I am not the only one. There has got to be other people that understand this and can see where both sides give to have a budget going forward. But a compromise is not telling me what I want. A compromise is listening, and what I want is, I want a change in the mechanisms that caused the structural deficit. He has identified there is a structural deficit, and I have identified these are the changes. Then the hard part is, if he would come that way, I guess I would have to go back to the people in my district and maybe explain why we have to fund those new things, and maybe then I would be able to say to them, but guess what? Here is what we got in return. We plugged the holes. We closed the mechanisms that were causing the structural deficit.

Mr. Speaker, I promised that I was going to try to reduce my comments, and they really were much longer, and I want to thank everybody for your indulgence and your attention.

I would just like to say to the Governor, urge the Governor, to please consider what we believe on our side, what we believe is causing the structural deficits. You need to look at those things a little bit more than you have. Do not just paint them up. Do not just dress it up. We need to change the vessel for our employees for their retirement. That is one of the core things, and at the same time maybe then we can go back to our districts and say that we have stopped the flow of water. We have stopped the bleeding. Therefore, let us bring everything even. Let us make the promises to our employees come true, and that to me looks like one of the places to compromise in this budget

impasse. I urge the Governor to please look at that, and our Democratic friends here in the House and in the Senate to drive toward that solution, along with many of the others that both sides have talked about today.

And I also urge a "no" vote on this amendment, because I really think it is a really bad vote for many of my friends. Thank you very much.

The SPEAKER. Representative Curtis Thomas. Representative Thomas waives off.

Representative Louise Bishop.

Ms. BISHOP. Thank you, Mr. Speaker.

Give me less than 3 minutes. I will be on and gone.

Pennsylvania is faced with some very serious financial problems because of the past years of irresponsible and unbalanced budgets. The result of those past budgets has resulted in overcrowded schools, overcrowded classrooms, a lack of nurses, a lack of librarians, and a lack of guidance counselors, as well as a lack of supplies – and that is only the tip of the problems faced in our Philadelphia School District. Without critical recurring revenue, we are facing more of the same today. Our Philadelphia schools will face more funding cuts to education, they will face more teacher layoffs, and they will also face additional program restrictions and cuts. They deserve better. The children of Philadelphia deserve better, and our community and social services programs will continue to struggle to provide services to those who need them the most.

It is for these reasons that I cannot vote against our children, that I cannot vote against putting more teachers in our classrooms. I cannot vote against the disabled who rely on human service programs to sustain them. Every single day we need to remember what they are going through, and we need to restore the education and the social services funding that was cut over the last 4 years. We need also to help our schoolchildren to get the education they deserve and they need so that we can move Philadelphia forward.

So I ask each and every one of you as you cast the vote to remember to vote "yes" so that our Philadelphia schools can compete with some of the rest of the schools in the Commonwealth of Pennsylvania. Thank you.

The SPEAKER. Representative Margo Davidson.

Mrs. DAVIDSON. Thank you, Mr. Speaker.

I had no intention of speaking this afternoon, and I try only to speak if I have something to add to the debate that has not already been offered by my colleagues. Contrary to the opinion of a few, I do not rise to speak just to hear myself speak.

Mr. Speaker, these remarks are actually an exception to this rule. I want to be on the record during this historic vote to let my constituents know that I have their back. When \$1 billion was cut from education in 2011 – that is right, I said \$1 billion – I know that you say that it was stimulus money, but it was more than just stimulus money. But even if that were true, a cut bleeds the same no matter who wields the knife. We have replaced that money from stimulus to the prison budget to the tune of \$500 million in that year. It is now time in this year to do the right thing and restore those cuts.

There were two campaigns last year, one that said let us restore the cuts and the other one that said Wolf, the Governor, if he becomes Governor, is going to raise your taxes. Wolf said that he would raise taxes on Marcellus Shale and find a way to reduce our property taxes. His March proposal fulfilled the promises of both campaigns, that there would be a rise in taxes and that there would be a restoration to education cuts, but,

Mr. Speaker, gerrymandered districts delivered to us a divided government, and it is no more divided than it is in this House.

I also have legislative memory, Mr. Speaker, and mine might not be as long as some, but I remember in 2012 when the citizens of Upper Darby were in open revolt against their government. They did not care who made the cuts. They were blaming everyone – the school districts, State government, and Federal government – but since they were actively protesting on the streets of my community, I wanted to act. A man that became my friend right here in this House of Representatives, former Representative Nick Micozzie, met in the middle of this aisle, right in the center, and said that we have to do something for the citizens of Upper Darby and for the children of our district. It did not matter who was Democrat and who was Republican, but we knew we had to do something to restore the cuts that were made to the school districts. That is what we need to do today. We need to come together regardless of party and do the right thing.

This package and the soon-to-come spending package are the right things to do for education and are the right things to do for human services. I wish that today we could come together like Nick Micozzie and I did in 2012, which is in the finest tradition of this body, and get a budget plan done and the necessary revenue package done. If not today, Mr. Speaker, I certainly hope it is a day real soon.

Thank you, Mr. Speaker.

The SPEAKER. All members who have desired to speak for the first time have been recognized. We only have the leaders left. I do understand Representative Hanna is the only person who is requesting to speak a second time. Is there any other member requesting to speak a second time, or is it just Representative Hanna?

Representative Hanna, it is yours.

Mr. HANNA. Thank you, Mr. Speaker.

Mr. Speaker, I am flattered by the fact that so many people were listening to my earlier comments. I really need the opportunity to respond to some of the misinformation that followed.

First off, what I would like to assure my friend from Indiana County is that my district is in the Marcellus region. It is right in the heart of the Marcellus region. In fact, there is a well within less than 9 miles of my home. Mr. Speaker, this was not a survey – the survey that he spoke about – this was not a survey done in the southeast or anywhere else in Pennsylvania. This was a survey that was done in the 76th District, and my district is rural Clinton County and the rural part of Centre County; again, the heart of the Marcellus region. This is a district of working-class Pennsylvanians who understand and share in the burdens and benefits of drilling. Now, I will repeat for you what the survey said. Of the 1,043 people who responded, 79 percent support a Marcellus Shale tax. Mr. Speaker, that is fact, and I want to ensure my friend that that comes from people who are definitely impacted by the shale drilling.

Secondly, I want to also let him know that he need not be concerned about any repeal of the impact fee. In fact, he is correct. Section 2318 does carry an expiration date on the current impact fee, but if you will take a look at the Markosek amendment, on page 10, line 23, and I am reading it, "§ 2318 is repealed." So let me assure my friend that he need not be worried about his municipalities. Under the Markosek amendment, all the impact fee money will be continued to be collected the way it is collected, distributed, and nothing will

change with respect to the impact fee. We have written that in the law, and it is clear that what the legislature enacts in law, the legislature can repeal in law. So he can feel secure that his municipalities will be protected, all of your municipalities will be protected. You will get your impact fee money.

Now, Mr. Speaker, it was also suggested that raising the PIT a half a percent was somehow astounding and even calculated out to be a 16-percent increase. First off, let me point out to you that my good friend from Butler County has acknowledged that in fact what we bring before you today is a 70-percent cut in the revenues that the Governor asked for in March. So if we are talking about the amount of the increase, remember that overall we have reduced the revenues that were originally requested by some 70 percent.

Mr. Speaker, my friend from Beaver County talked about a number of issues, and number one that he spoke about, and I appreciated, was he acknowledged the improvements that we made in the Marcellus Shale language as we put together this bill, and I appreciate him making that clear to everyone.

Thirdly, he argued that the industry is suppressed today, and I do not think anybody disagrees with that. In fact, we heard that also from my other friend from Jefferson County. But the reality is that drilling rigs and jobs are driven by supply and demand, and what is the biggest factor in the supply-and-demand equation in Pennsylvania today? It is exactly what my friend from Jefferson County said: it is pipelines. Pipelines are what is driving what is going on today. And what is Pennsylvania doing about that? We are building two of the biggest pipelines in the country in Pennsylvania today. So we will get this gas to market, and when we get it to market, the price will rebound. Every economist tells you that, and that is the reality of it.

Now, let us talk a little bit about the rate, because several people talked about the rate and said that they had real concerns about the rate. Well, the calculation that was done by my friend, again, from Beaver County, included an extrapolation from the IFO that said that the impact fee today equates to a 4.7-percent tax rate. He acknowledged at the same time that the budget policy office talks about the impact fee being 1.6 percent. Then he went on to say that when you add the impact fee, the effective rate together with the actual tax rate and the 4.7 percent, you end up with, I think he said, a 14.1-percent effective tax rate. How can that happen? How can you have two credible sources come up with two wildly different numbers? Well, the simple answer is, if you take the 77 cents or 80 cents, whatever the current rate is that gas is bringing, which is actually the seller – it is as low as it has been and it is as low as we hope it goes – you can then say that both the impact fee and the 4.7 percent is a higher percentage because the price is so greatly suppressed. It would be like me standing here and saying to you that if you look at the peak, the \$8 rate that I have done the math, and that if you add everything together, we would have the lowest tax rate in the nation at 4.7 percent. And that is right if you do the calculation, but that is only if you do the calculation, if you take the price at its— A dollar less than the peak is what I actually used. I did not want to use the peak because I thought that was terribly unfair.

So what is the truth? The truth is, obviously it lies somewhere in between. What we need to do is average out the rate over the course of 12 months and see how it impacts, and that is what actually tells you where the rate will be, and I am here to tell you that if you do that, it is a reasonable rate. It is a rate that is targeted below West Virginia's effective rate and will

help us as we continue to move forward with this industry. In fact, it has the added incentive, as I just pointed out to you from the calculation, that the effective rate goes down as production goes up. So it makes sense, under our method of doing this, for the industry to actually increase production, because it reduces their actual effective rate.

Mr. Speaker, let me conclude where I began. There are no easy answers to our budget needs or to this impasse. If there were, as I said before, my friends would have already accomplished that. But there is still a right way, albeit not an easy way, to fix this problem, and I believe that this amendment is doing the right thing for Pennsylvania's future.

I again urge a "yes" vote on this amendment. Thank you, Mr. Speaker.

The SPEAKER. Members, please take your seats. Please take all conversations to the anterooms.

The final speakers will be the leaders – the minority leader followed by the majority leader – and then we will proceed to vote.

Representative Dermody, the floor is yours.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, earlier in the day we heard from the gentleman from Philadelphia, our former Appropriations chairman, and he said it very well. He said that we need to work together – we need to get a budget done and we need to work together to do it. He is right. I am looking forward to doing that.

But over these last 100 days there were very few things we agreed on, but probably one we did agree on is that we have a \$1.2 billion deficit this year and around a \$2 billion deficit next year. And there were two fairy tales that were running around here today that I heard, and one was that there is \$2 billion floating around out there that we have missed. Well, the truth is, there is no \$2 billion floating around out there, and we have not missed it. It is not there.

And the other one is that you have not raised taxes, because you have. Because over the last 4 years, in the last four budgets, because they were misguided, because they were not adequately funded, that they were based on smoke and mirrors, school districts and counties were forced to raise property taxes all over the State every single year. So you have forced taxes.

And the Budget Secretary in the Corbett administration, Charles Zogby – no great big spender is he – at the end of his last budget year in the Corbett administration he said that we reached our maximum threshold for pain. There are no further cuts to make. So it is time for us to be honest with Pennsylvanians, and it is time for us to be honest with ourselves.

We need to pay our bills. We need to lay the groundwork for our future, for the future of all Pennsylvanians. This is a very important vote, one of the most important votes we will ever make, because the future of Pennsylvania is at stake. We need to begin the process of restoring the education funding cuts. We need to start funding human services and restoring the cuts that were made to human services so our counties and our schools will not have to continue to raise their property taxes. This bill has provisions to reduce or eliminate property taxes for hundreds of thousands of Pennsylvanians, but it takes us to make a tough stand.

As has been said many times throughout the day, there is no easy solution, there is no easy way out, but it is necessary for us. The people of Pennsylvania voted and showed they want to fund education, they care about human services, and they want

us to tell them the truth and be honest about what the problem is. Well, we know what the problem is. We have agreed what the problem is, but now we have to decide how we fix it. This is the beginning of the way to start fixing it. This is the beginning to restore the funding cuts to education, to restore the funding cuts to human services, to give property tax relief to the hundreds of thousands of Pennsylvanians who need it, the most vulnerable among us, and to begin the process of finally finalizing a budget.

For the future of Pennsylvania, Mr. Speaker, we need to support and vote "yes" on the Markosek amendment.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, sir.

The majority leader, Representative Reed.

Mr. REED. Two weeks ago I myself made an offer to the Governor. After months of hearing how his proposal for broad-based taxes for increased spending had support within the legislature, Republican and Democrat, House and Senate, for passage, and after months of having the same discussion round and round, out of frustration I finally said to the Governor, "If you have the votes, if you believe you have the votes, I will give you your chance to make that case on this House floor." Today is that day. I told the Governor I would give him notice. I would give him a full week to make sure he had secure all of the votes he believed he already had. I told the Governor I would personally ask our members, upon request, to sit and discuss with him his proposal and their rationale for supporting it or opposing it. I told the Governor I would not take a position. I would not push people one direction or the other. I would not interfere with the process. I would let the chips fall as they may. Today I stand before you and can say with complete honesty that I have kept that commitment. Today I will not ask you to vote for or against this amendment. It deserves to stand or fall on its own merits.

But today we are faced with a decision. We are at a fork in the road, and maybe we should have reached that fork in the road some time ago. Maybe it should have been after we put a balanced budget with no tax increases on his desk on June 30 and he vetoed it. Maybe it should have been when we attempted to override the veto on agreed-to line items for human services agencies and schools. Maybe it should have been immediately after we passed a stopgap budget to send desperately needed funds to our human services agencies and our schools once again. Maybe I should have demanded today that we vote on the Governor's proposal that he has been insistent for over a month that he has the votes for privately in these meetings. But for sake of moving the process forward, we let them change their proposal at the last minute, file the amendment at 2 o'clock yesterday, and not even show it to us until yesterday evening, because we need to move this process forward. We are at a fork in the road, and today is the day we choose a path.

If this amendment passes, I believe we will have a budget in no time. That budget may or may not be in the best interest of the people of Pennsylvania, but we will have a budget. If not, it is time to come to the reality of what can pass and what cannot and get about the business of negotiating a complete final plan for expenditures in this State over the next year.

I stood at this podium 9 months ago when I first took this job, and I stood here with optimism and idealism and faith in our democracy and hope for our future. I still hold those ideals today. You could have faith in our democracy and hope for our future even through troubled waters and disagreements. I still

believe there is a way to formulate an agreement on the issues that divide us. I still believe we can agree to reform our public pension system. I still believe we can bring our liquor system into the 21st century. I still believe we can alleviate burdens upon each and every homeowner across this State in a way that ensures their property taxes just do not rise again in the future. I still believe we can increase funding for education and we can reform the way we spend that \$27 billion so that we know we are getting the biggest bang for our buck with increased accountability and standards, and I still believe we can balance a budget in a manner that funds our core functions of government and is respectful to the people who foot the bill for that operation. It can be done. Today does not represent that sort of complete agreement, but today is a step, as many of our members have pointed out, to recognizing that that day must come sooner rather than later.

After I took this job, many folks inside and outside this building had talked to me about how this would be the most frustrating but yet thrilling job I would ever have. I can say with 100-percent certainty, that is not the case. The most frustrating and thrilling job I have ever had is being the parent of three children. Sometimes I feel like I am a parent of 203 children, but as the parent of three children at home, my oldest son is 7 years old, and I remember when he first grew to the age where you really had an interaction with him, you know, 6 months, 9 months, the first year. One of the first real interactions we had together was putting together puzzles, and at that age you are putting together a puzzle, and it is kind of a puzzle, it is kind of not a puzzle, but you have got, you know, this wooden board, and you have got pictures of farm animals and you put the farm animals where the picture goes. And if it is a cow, it moos; if it is a goat, it baas; if it is a pig, it goes oink oink. But that is the challenge to that puzzle. And then as he grew older, he would move to more complex puzzles, and we would be putting together, you know, puzzles that would take our entire living room floor; the pieces would be the size of his head, but it would be Lightning McQueen from "Cars" or it would be a dinosaur or it would be a train. And then as he grew just a little bit older, it would be more complex puzzles, until a couple years ago he had no interest in puzzles anymore. And I often wondered to myself, why this sudden disinterest in putting together puzzles? Instead, he moved on to Lincoln Logs and Legos. And what I came to understand was my son had already determined that when you put together a puzzle, the end, the finish, the grand finale is already predetermined. There is no room for deviation. There is no room for creativity. There is no room for thinking outside the box. He wanted to take his thoughts, his imagination, his abilities to the next level to see what could be done if he challenged himself.

When we began this budget process, I often talked about it as a jigsaw puzzle, and we had to figure out, how do we put together the pieces of education reform, pension reform, liquor reform, revenue balancing with expenditures, property tax reform? How do we put those pieces together? And just recently I came to the realization that the reason we cannot do it is because we fall victim to a lack of creativity and a lack of imagination. And today we are going to take a vote where everybody on the outside world is going to fall victim to, well, Democrats should stay unified because they have got to protect their Governor, and Republicans should stay unified because they are against this Governor. Maybe this is a discussion we need to have today. Maybe this is a vote that is needed to get us

to beyond putting together puzzle pieces. We need to take those items and we need to build new buildings. We need to build a different future. We need to think outside the box. And as long as we are having discussions about, well, we have got to put the PIT, the personal income tax, puzzle piece where it says it goes or this severance tax piece where it says it goes, we are never going to create a bolder vision for where we want this State to go. We are going to continue to have the same discussion year after year after year. We are going to see our liquor system be the same liquor system 80 years from now as it was 80 years ago. We are going to continue to have folks talk about property tax relief and never see anything occur. We are going to continue to have the same arguments about revenues and expenditures and funding education, but yet we are all still frustrated with the results we get from that educational system.

When we had that discussion on swearing-in day, I told you – each of us, including myself – to look in the mirror and make sure that when we complete our term together, we were worthy of our place in history. We now have the opportunity to live those words. I am not a man who lives with my faith on my sleeve. I have a personal, deep relationship with the Lord above, and that is a relationship between me and my maker, but I firmly believe each of us is put into each situation we face for a reason. Each challenge we face is no more than each of us can handle.

It is no accident that the 203 members of this body were brought together in the year 2015 to change Pennsylvania. We have that opportunity to do so.

Today is not that day, but tomorrow, the 100th day of this budget impasse, I would challenge each of you to wake up in the morning, look in the mirror, and come to this position with a different perspective, because it is time to get about the business of getting this done. It is time to take ideas and formulate them and put them together to build a better future. It is time to put aside Republican and Democrat, Governor versus legislature, political philosophies versus political philosophies, and talking points versus talking points. It is time to rise to the greater good.

And that discussion can be had between each and every one of us. It does not have to be a big fancy room with only the legislative leaders or the Governor. I will have that conversation with any one of you who wants to join me, as we keep the charge we were presented with by the folks in this State to exit this position in a better way than we found it.

So today we make this vote, but tomorrow we build together, we lead together, and we bring this impasse to a conclusion.

Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—73

Acosta	Davis	Hanna	O'Brien
Barbin	Dawkins	Harkins	Parker, C.
Bishop	Dean	Harris, J.	Pashinski
Bizzarro	Deasy	Kavulich	Ravenstahl
Boyle	DeLissio	Keller, W.	Readshaw
Bradford	Dermody	Kim	Roebuck
Briggs	Donatucci	Kinsey	Rozzi
Brown, V.	Driscoll	Kirkland	Samuelson
Bullock	Evans	Kortz	Santarsiero
Caltagirone	Fabrizio	Krueger	Schlossberg

Carroll	Farina	Longiotti	Schreiber
Cohen	Flynn	Markosek	Schweyer
Conklin	Frankel	McCarter	Sims
Costa, D.	Freeman	McClinton	Sturla
Costa, P.	Gainey	McNeill	Thomas
Cruz	Galloway	Miller, D.	Vitali
Daley, M.	Gergely	Mullery	Wheatley
Daley, P.	Goodman	Neilson	Youngblood
Davidson			

NAYS—127

Adolph	Grove	Marsico	Roae
Baker	Hahn	Masser	Ross
Barrar	Harhai	Matzie	Rothman
Benninghoff	Harhart	McGinnis	Saccone
Bloom	Harper	Mentzer	Sainato
Boback	Harris, A.	Metcalfe	Sankey
Brown, R.	Heffley	Metzgar	Santora
Burns	Helm	Miccarelli	Saylor
Causser	Hennessey	Millard	Schemel
Christiana	Hickernell	Miller, B.	Simmons
Corbin	Hill	Milne	Snyder
Cox	Irvin	Moul	Sonney
Culver	James	Murt	Staats
Cutler	Jozwiak	Mustio	Stephens
Day	Kampf	Nesbit	Tallman
Delozier	Kaufer	O'Neill	Taylor
Diamond	Kauffman	Oberlander	Tobash
DiGirolamo	Keller, F.	Ortitay	Toepel
Dunbar	Keller, M.K.	Parker, D.	Toohil
Dush	Killion	Payne	Topper
Ellis	Klunk	Peifer	Truitt
Emrick	Knowles	Petrarca	Vereb
Evankovich	Kotik	Petri	Ward
Everett	Krieger	Pickett	Warner
Farry	Lawrence	Pyle	Watson
Fee	Lewis	Quigley	Wentling
Gabler	Mackenzie	Quinn	Wheeland
Gibbons	Maher	Rader	White
Gillen	Mahoney	Rapp	Zimmerman
Gillespie	Major	Reed	
Gingrich	Maloney	Reese	Turzai,
Godshall	Marshall	Regan	Speaker
Greiner			

NOT VOTING—0

EXCUSED—3

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

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

The SPEAKER. Representative Barbin is recognized.
Mr. BARBIN. Thank you, Mr. Speaker.

My amendment to this bill to strip the severance tax provisions is now moot, and I will be withdrawing my amendment.

BILL PASSED OVER

The SPEAKER. We will be going over HB 283.

HEALTH COMMITTEE MEETING

The SPEAKER. Representative Matt Baker, chair of the Health Committee, is recognized for an announcement.

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

There will be an immediate meeting of the Health Committee to move five bills in room 60, East Wing.

Thank you very much, Mr. Speaker.

The SPEAKER. There will be an immediate meeting of the Health Committee to move five bills in room 60, East Wing.

VOTE CORRECTION

The SPEAKER. Representative Kinsey, you are recognized on unanimous consent.

Mr. KINSEY. Mr. Speaker, on HB 470 I was noted as a negative; I want to change that to a positive. My button was stuck.

The SPEAKER. Yes, sir. The record will so reflect.

BILLS RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader, who moves that the following bills be recommitted to the Committee on Appropriations:

HB 1170;
HB 1201;
HB 1202;
HB 1317;
HB 1341;
HB 1540;
SB 765; and
SB 890.

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

BILLS REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader, who moves that the following bills be removed from the tabled calendar and placed on the active calendar:

HB 602;
HB 950;
HB 965;
HB 1265; and
HB 1326.

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

RESOLUTION

Mr. REED called up **HR 140, PN 790**, entitled:

A Resolution urging the Congress of the United States to defeat H.R. 707 and any other legislation which would prohibit states from authorizing and conducting Internet gaming.

On the question,
Will the House adopt the resolution?

RESOLUTION TABLED

The SPEAKER. The Chair recognizes the majority leader, who moves that HR 140 be removed from the active calendar and placed on the tabled calendar.

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

RESOLUTION REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader, who moves that HR 140 be removed from the tabled calendar and placed on the active calendar.

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

VOTE CORRECTION

The SPEAKER. Representative Ed Gainey is recognized on unanimous consent.

Mr. GAINNEY. I just wanted to switch HB 470 to a "yes."

The SPEAKER. Sir, on HB 470, do you want to correct your vote on that? How did you vote?

Representative Gainey had voted in the negative but wants to be recorded in the positive. There was a malfunction. That will be reflected in the record.

Thank you, Representative Gainey.

BILLS AND RESOLUTIONS PASSED OVER

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

ADJOURNMENT

The SPEAKER. Representative John Lawrence moves that this House now adjourn until Monday, October 19, 2015, at 1 p.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 3:24 p.m., e.d.t., the House adjourned.