

Veto No. 1978-13

HB 238

October 3, 1978

To the Honorable, the House of Representatives
of the Commonwealth of Pennsylvania:

I return herewith, without my approval, House Bill No. 238, Printer's No. 3882, entitled "An act amending the act of March 4, 1971 (P.L.6, No.2), entitled 'An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties,' further providing for exclusions from tax for education, for timely filing of tax petitions, and the time for filing reports and returns and other documents, establishing a standard refund procedure and setting forth an appellate procedure for the taxpayer to the courts of this Commonwealth, adding a definition relating to blasting, clarifying the recognition of the valuation portion of the loan loss reserve in assessing the value of capital stock for the bank shares tax and making certain repeals."

The bill provides some needed changes particularly in the area of establishing the refunding procedures for the Personal Income Tax and in establishing the filing date for tax reports, petitions and payments. However, the bill, if enacted, will result in the loss of approximately \$4,000,000 of General Fund revenues through the proposed changes in the Bank Shares Tax. Normally, the benefits of this bill would far outweigh this revenue loss. However, in 1978-79 the Commonwealth faces a potential deficit in program funding of over \$100,000,000 and cannot absorb further revenue losses of the magnitude presented in this bill.

For this reason the bill is not approved.

MILTON J. SHAPP