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Senate of Pennsylvania

June 1, 2011

TO: All Senators

FROM: Senator Dominic Pileggi 

RE: Co-sponsorship of Legislation to Fund a School Property Tax Freeze for Senior Citizens

I plan to introduce legislation to fund a school property tax freeze for senior citizens. The funding would be generated by a reasonable and competitive tax on the extraction of natural gas from the Marcellus Shale and other shale formations in Pennsylvania. This tax will be based on a fixed rate applied to both the volume and price of the gas extracted. At current levels, the tax would generate an average of approximately \$250 million per year over the next five years.

There would not be any net tax increase under this proposal. All revenue would be deposited into a dedicated fund to provide a school property tax freeze for Pennsylvania residents 65 and older, as described in my cosponsorship memo dated May 27, 2011. The tax burden would be shifted from seniors, many of whom are struggling to stay in their homes on a fixed income, to companies involved in natural gas drilling in Pennsylvania.

This proposal does not address the issue of the Marcellus Shale industry's impact on the environment and local communities. I support Senator Scarnati's approach in that regard, implementing a fee to cover the cost of these impacts.

If you would like to co-sponsor this legislation please contact Michelle Kreiger at mkreiger@pasen.gov or 787-4712.

DP/ea