

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

TUESDAY, MARCH 9, 1999

SESSION OF 1999

183D OF THE GENERAL ASSEMBLY

No. 14

### HOUSE OF REPRESENTATIVES

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

**THE SPEAKER (MATTHEW J. RYAN)  
PRESIDING**

#### PRAYER

REV. CROFT M. PENTZ, Chaplain of the House of Representatives and pastor of senior adult and outreach ministries, Calvary Assembly of God, Waynesboro, Pennsylvania, offered the following prayer:

God, as we begin a new day, we thank You for our health, family, and friends. We are grateful for all things, including our nation and Commonwealth. You have been so good to us.

We remember the words from the Book of Proverbs, "Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths." We are thankful for past leaders such as Washington, Franklin, Lincoln, and others who sought God often for help and guidance.

Lord, we ask that You will grant each member in this chamber a warm heart and a cool mind. May each member place themselves within those they serve. May they remember the words of the Old Testament prophet, "I sat where they sat."

May each member in this chamber draw upon the unlimited resources of Your wisdom and understanding. Make each one sensitive to those they serve. Help us always not to wait for a crisis to seek Your help. May we always be in tune with You for guidance and direction.

Thank You for Your concern, help, and assistance. In Thy holy name we pray. 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 Monday, March 8, 1999, will be postponed until printed. The Chair hears no objection.

### JOURNAL APPROVED

The SPEAKER. The Journal for Wednesday, February 3, 1999, is now in print. Without objection, the Journal will stand approved. The Chair hears no objection.

#### SENATE MESSAGE

AMENDED SENATE BILL RETURNED  
FOR CONCURRENCE AND  
REFERRED TO COMMITTEE ON RULES

The clerk of the Senate, being introduced, returned **SB 255, PN 229**, with information that the Senate has declared the amendments made by the House of Representatives to be unconstitutional and is returning Printer's Number 229.

#### SENATE MESSAGE

ADJOURNMENT RESOLUTION  
FOR CONCURRENCE

The clerk of the Senate, being introduced, presented the following extract from the Journal of the Senate, which was read as follows:

In the Senate  
March 8, 1999

RESOLVED, (the House of Representatives concurring), That when the Senate adjourns this week, it reconvene on Monday, March 15, 1999, unless sooner recalled by the President Pro Tempore of the Senate; and be it further

RESOLVED, That when the House of Representatives adjourns this week, it reconvene on Monday, March 15, 1999, unless sooner recalled by the Speaker of the House of Representatives.

Ordered, That the clerk present the same to the House of Representatives for its concurrence.

On the question,  
Will the House concur in the resolution of the Senate?  
Resolution was concurred in.  
Ordered, That the clerk inform the Senate accordingly.

#### BILLS REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader.  
Mr. PERZEL. Mr. Speaker, I move that HB 102 and HB 125 be taken from the table.

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

### BILLS RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader.  
Mr. PERZEL. Mr. Speaker, I move that HB 102 and HB 125 be recommitted to the Committee on Appropriations.

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

### BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**HB 76, PN 853 (Amended)** By Rep. REINARD

An Act amending the act of July 28, 1953 (P.L. 723, No. 230), known as the Second Class County Code, further providing for increase in hotel tax of certain counties; establishing the Southwestern Pennsylvania Convention Center Design Commission; imposing restrictions on activities of design commission members and employees; providing for design of convention center; and making repeals.

URBAN AFFAIRS.

**HB 649, PN 688** By Rep. REINARD

An Act establishing standards regulating residential swimming pool, hot tub and spa design and construction; providing for safety precautions and protection against potential immersion accidents for children; and imposing a penalty.

URBAN AFFAIRS.

### ADDITIONS AND DELETIONS OF SPONSORS

The SPEAKER. The Chair acknowledges receipt of additions and deletions for sponsorships of bills, which the clerk will file.

(Copy of list is on file with the Journal clerk.)

### SOUTHERN LEHIGH HIGH SCHOOL FIELD HOCKEY TEAM PRESENTED

The SPEAKER. Mr. Rooney.  
Mr. ROONEY. Thank you, Mr. Speaker.

Ladies and gentlemen, my friends and colleagues, it is an honor for me to introduce to you today a group of gifted young athletes who hail from my legislative district and from Representative Don Snyder's legislative district in the Lehigh Valley. Joining us in the hall of the House today are the 1998 AA field hockey champions, the Southern Lehigh Spartans — the players and coaches of the Southern Lehigh High School field hockey team.

Under the direction and leadership of their head coach, Pat Dierking, and assistant coach, Patti Mack, these 26 talented young women met every challenge with sharp determination and a willingness to go the extra mile through an entire team effort. Their crowning achievements in 1998 include an undefeated

season, the Colonial League championship, the District 11 crown, and finally, their most proud accomplishment, the PIAA AA title.

I am told that many of these young women fostered the goal of bringing home the State trophy since their freshman year. At the beginning of the 1998 season, their preseason party featured a cake with a gold medal. Each girl kept a piece of that cake in their freezer, saying that they would only eat it once they had won the State championship. It was an exciting time for the team when they had that opportunity to enjoy their cake and their State championship at the same time.

I would like to congratulate each and every one of these young women for their achievements and their historymaking championship. Please join me now in a round of applause to congratulate the 1998 AA field hockey State champions, the Southern Lehigh Spartans, and the rest of the team in the back, please rise and be recognized by the members of the House.

Finally, Representative Snyder and I would like to introduce to you, the members, the young women that are standing with us on the rostrum: Lauren Tomes, cocaptain; Whitney Harris, cocaptain; Amber McQuillan — Amber had the distinct honor and pleasure of scoring the winning goal in the State championship — and Monisha Deka. Ladies, thank you very much.

### GUESTS FROM SLOVAK REPUBLIC INTRODUCED

The SPEAKER. We have a number of distinguished guests here today, seated on the rostrum with me. At this time I would like to introduce our guests.

The Ambassador to the United States from the Slovak Republic, Martin Butora. Mr. Ambassador.

We have the Speaker of the National Council of the Slovak Republic, Jozef Migas, who understands the difficulty of bringing everyone to order. Mr. Speaker.

And when he is worn out, he has a Deputy Speaker, the gentleman, Mr. Pavol Hrusovsky, Deputy Speaker of the National Council of the Slovak Republic.

We have also on the rostrum with us Peter Weiss, chairman of the Foreign Affairs Committee of the National Council of the Slovak Republic. Thank you, Mr. Chairman.

Accompanying our international guests is the United States Ambassador to the Slovak Republic. This is the first Ambassador since the changes of the midnineties, and he is also the deputy commandant at the Army War College in Carlisle. Mr. Ted Russell.

The legislative host for this group is State Senator Michael O'Pake. We all know Senator O'Pake.

And the lady who makes it possible for us to communicate, Ms. Katarina Cocrell, the interpreter for the group.

The House will stand at ease momentarily while I give our guests commemorative gavels. I should get an extra big one for the Speaker.

(Whereupon, the Speaker presented commemorative gavels to the guests from the Slovak Republic.)

The SPEAKER. Our guests have a busy day, so they are going to stay with us a short while and then depart. I feel very privileged to have had the opportunity to introduce them to the House.

**GUESTS INTRODUCED**

The SPEAKER. There are certain other guests in the House that I would like to introduce at this time.

From my district is a group of Penncrest High School representatives. They are here today in support of the legislation that Representative Geist is presently having hearings on dealing with the updating of licensing of minors in Pennsylvania. They are very much in favor of it. They are active students in the group known as SADD, Students Against Drunk Driving; very responsible young people and people that I am very proud of and I know the school district and all of its residents are proud of. Would they please rise, students from Penncrest High School.

Today with us as the guests of Representative Don Snyder are Mr. and Mrs. Brian Stauffer. Would these guests please rise. They are seated to the left of the Chair. Their daughter, Tara, recently lost her life in an automobile accident, and it seems particularly fit that they are here at the same time that the Penncrest SADD organization is here and that the Transportation Committee's public hearings are taking place. Thank you.

**LEAVES OF ABSENCE**

The SPEAKER. The Chair recognizes the majority whip, who requests a leave of absence for the gentleman from Cumberland County, Mr. MASLAND, and the gentleman from Philadelphia County, Mr. TAYLOR. On that question, are there any objections? Hearing none, the leaves are granted.

The minority indicates that they have no leaves at this time. Mr. Daley remains on leave for the week.

**MASTER ROLL CALL**

The SPEAKER. The Chair is about to take today's master roll call. Members will proceed to vote.

The following roll call was recorded:

**PRESENT—199**

Adolph	Fairchild	Manderino	Saylor
Allen	Fargo	Mann	Schroder
Argall	Feese	Markosek	Schuler
Armstrong	Fichter	Marsico	Scrimenti
Baker	Fleagle	Mayernik	Semmel
Bard	Flick	McCall	Serafini
Barley	Forcier	McGeehan	Seyfert
Barrar	Frankel	McGill	Shaner
Bastian	Freeman	McIlhatten	Smith, B.
Battisto	Gannon	McIlhinney	Smith, S. H.
Bebko-Jones	Geist	McNaughton	Snyder
Belardi	George	Melio	Solobay
Belfanti	Gigliotti	Metcalfe	Staback
Benninghoff	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Gordner	Miller, R.	Steil
Blaum	Grucela	Miller, S.	Stern
Boyes	Gruitza	Mundy	Stetler
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Strittmatter
Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Cam	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio

Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Horne
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitaii
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGirolo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker
Evans			

**ADDITIONS—0**

**NOT VOTING—0**

**EXCUSED—3**

Daley Masland Taylor, J.

**LEAVES ADDED—1**

McIlhinney

**LEAVES CANCELED—1**

Taylor, J.

**CALENDAR**

**RESOLUTION PURSUANT TO RULE 35**

Mr. COHEN called up HR 46, PN 671, entitled:

A Resolution declaring March 1999 as "Arts in Education Month" and March 9, 1999, as "Arts in Education Day" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

**YEAS—199**

Adolph	Fairchild	Manderino	Saylor
Allen	Fargo	Mann	Schroder
Argall	Feese	Markosek	Schuler
Armstrong	Fichter	Marsico	Scrimenti
Baker	Fleagle	Mayernik	Semmel
Bard	Flick	McCall	Serafini
Barley	Forcier	McGeehan	Seyfert
Barrar	Frankel	McGill	Shaner
Bastian	Freeman	McIlhatten	Smith, B.
Battisto	Gannon	McIlhinney	Smith, S. H.
Bebko-Jones	Geist	McNaughton	Snyder
Belardi	George	Melio	Solobay
Belfanti	Gigliotti	Metcalfe	Staback

Benninghoff	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Gordner	Miller, R.	Steil
Blaum	Grucela	Miller, S.	Stern
Boyes	Gruitza	Mundy	Stetler
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Strittmatter
Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Home
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGirolamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker
Evans			

NAYS—0

NOT VOTING—0

EXCUSED—3

Daley Masland Taylor, J.

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

### ARTS IN EDUCATION DAY PROGRAM

The SPEAKER. If the members please, the vote that was just taken was a resolution declaring March 1999 as "Arts in Education Month" and March 9, 1999, as "Arts in Education Day" in Pennsylvania.

Today is the fourth annual Arts in Education Day here at the State Capitol. During the day members and guests in the Capitol will hear and see some of Pennsylvania's best student dancers, actors, singers, and musicians. Some students will recite poetry. Others are participating by loaning their works of art for exhibition in the East Wing and also in the halls of the Department of Education.

It seems fitting to be surrounded by the magnificence of this building as we pay tribute to our young artists. Trained and nurtured by caring and skilled art educators, the students' artistic talents enhance the splendor of this building, which, in 7 more years, will be 100 years old.

Arts in Education Day lends us the opportunity to reflect on the artistic freedom we have enjoyed in Pennsylvania for over 300 years. That freedom began as a vision of William Penn, who saw his settlement as a site where religious and artistic expression could flow freely among people of diverse cultural backgrounds. That vision became more focused when Benjamin Franklin suggested in 1749 that "something of drawing" be included in our basic school curriculum. It became more clearly defined as Andrew Wyeth, Violet Oakley, Edwin Austin Abbey, Marian Anderson, and Eugene Ormandy and countless others made their way to immortality.

We in Pennsylvania have had a long and bountiful relationship with the arts. We are grateful to all the young people, the art educators, corporate sponsors, parents, and friends who have come to Harrisburg today to participate in this celebration. I am grateful for the inspiration and joy their work brings to me and to the lives of all Pennsylvanians.

I thank all of these students as well as their parents and teachers. We recognize their contribution to our culture, particularly those in the field of education, by educating our children in the arts. We thank you for what you are doing for Pennsylvania's and America's future.

At this time I recognize the lady from Allegheny County, Miss Orie, for the purpose of introducing special guests.

Miss ORIE. Good morning, Mr. Speaker.

I would like to take this opportunity to introduce to the members of the House two exceptional students from my district who are here today to perform on the floor in the celebration of Pennsylvania's Arts in Education Day 1999.

Singen Elliot, age 11, and Cherith Elliot, age 9, are students at Marshall Elementary School in the North Allegheny School District. Both are members of Pittsburgh's Children's Festival Chorus. Singen is in his third season with the chorus, and Cherith is performing in her second season, and they will sing "The Prayer Duet" from the opera "Hansel and Gretel," a piece they performed last year at Heinz Hall with the Pittsburgh Symphony Orchestra.

In addition to participating in the chorus, these students enjoy a number of other extracurricular activities. Singen is a catcher for his baseball team and also plays soccer. Cherith has taken dance lessons for the past 4 years and enjoys ice skating.

The children are accompanied today by Christine Jordanoff, the artistic director for the Children's Festival Orchestra, and Mark Weinstein, the executive director of the Pittsburgh Opera.

I am personally inspired by their dedication shown to the performing arts. Their talents and hard work, like those of so many of our youth in Pennsylvania, deserve our praise and commendation. I am a strong proponent of a well-rounded and diverse education, and needless to say, these students certainly display that.

And at this time I would like to introduce Singen as well as Cherith Elliot. Thank you.

("The Prayer Duet" from the opera "Hansel and Gretel" was presented by Singen and Cherith Elliot.)

The SPEAKER. That was wonderful. I have not heard the House so quiet in quite some time.

Mrs. Vance.



**THE SPEAKER PRO TEMPORE  
(PATRICIA H. VANCE) PRESIDING**

**RESOLUTIONS PURSUANT TO RULE 35**

Mr. FICHTER called up **HR 48, PN 673**, entitled:

A Resolution proclaiming March 1999 as "DeMolay Month" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

**YEAS—197**

Adolph	Evans	Manderino	Schroder
Allen	Fairchild	Mann	Schuler
Argall	Fargo	Markosek	Scrimenti
Armstrong	Feese	Marsico	Semmel
Baker	Fichter	Mayernik	Serafini
Bard	Fleagle	McCall	Seyfert
Barley	Flick	McGeehan	Shaner
Barrar	Forcier	McGill	Smith, B.
Bastian	Frankel	McIlhattan	Smith, S. H.
Battisto	Freeman	McIlhinney	Snyder
Bebko-Jones	Gannon	McNaughton	Solobay
Belardi	Geist	Melio	Staback
Belfanti	George	Metcalfe	Stairs
Benninghoff	Gigliotti	Michlovic	Steelman
Birmelin	Gladeck	Micozzie	Steil
Bishop	Godshall	Miller, R.	Stern
Blaum	Gordner	Miller, S.	Stetler
Boyes	Grucela	Mundy	Stevenson
Browne	Gruitza	Myers	Strittmatter
Bunt	Habay	Nailor	Sturla
Butkovitz	Haluska	Nickol	Surra
Buxton	Hanna	O'Brien	Tangretti
Caltagirone	Harhai	Oliver	Taylor, E. Z.
Cappabianca	Harhart	Orie	Thomas
Carn	Hasay	Perzel	Tigue
Casorio	Hennessey	Pesci	Travaglio
Cawley	Herman	Petrarca	Trello
Chadwick	Hershey	Phillips	Trich
Civera	Hess	Pippy	True
Clark	Horsey	Pistella	Tulli
Clymer	Hutchinson	Platts	Vance
Cohen, L. I.	Jadlowiec	Preston	Van Home
Cohen, M.	James	Ramos	Veon
Colafella	Josephs	Raymond	Vitali
Cornell	Kaiser	Readshaw	Walko
Corrigan	Keller	Reinard	Washington
Costa	Kenney	Rieger	Williams
Coy	Krebs	Roberts	Wilt
Curry	LaGrotta	Robinson	Wogan
Dailey	Laughlin	Roebuck	Wojnaroski
Dally	Lawless	Rohrer	Wright
DeLuca	Lederer	Rooney	Yewcic
Dempsey	Leh	Ross	Youngblood
Dermody	Lescovitz	Ruble	Yudichak
DeWeese	Levdansky	Ruffing	Zimmerman
DiGiroIamo	Lucyk	Sainato	Zug
Donatucci	Lynch	Samuelson	
Druce	Maher	Santoni	Ryan,
Eachus	Maitland	Sather	Speaker
Egolf	Major	Saylor	

**NAYS—0**

**NOT VOTING—2**

Kirkland      Petrone

**EXCUSED—3**

Daley      Masland      Taylor, J.

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

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Mr. SEMMEL called up **HR 51, PN 755**, entitled:

A Resolution declaring the week of March 14 through 20, 1999, as "Emergency Service Providers Week" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman from Lehigh, Mr. Semmel.

Mr. SEMMEL. Madam Speaker, prior to the vote, I would like to call on Representative Stan Saylor to mention an activity that will be held here on the Capitol grounds during the course of the week, if that would be in order at this time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from York County, Mr. Saylor.

Mr. SAYLOR. Thank you, Madam Speaker.

On Thursday of next week, March 18, the Pennsylvania Fire Institute will be hosting "Behind the Lights & Sirens," from 11 to 12:30 next week, on the front steps of the Capitol on Third Street. I would like to invite all members of the House and the House staff to attend that opportunity to see what goes on with the Pennsylvania Fire Institute and fire safety. It is very important, with this week being Emergency Services Week. Thank you, Madam Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

On the question recurring,  
Will the House adopt the resolution?

The following roll call was recorded:

**YEAS—197**

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stern
Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Stevenson
Browne	Habay	Myers	Strittmatter
Bunt	Haluska	Nailor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	O'Brien	Tangretti
Caltagirone	Harhart	Oliver	Taylor, E. Z.

Cappabianca	Hasay	Orie	Thomas
Casorio	Hennessey	Perzel	Tigue
Cawley	Herman	Pesci	Travaglio
Chadwick	Hershey	Petrarca	Trello
Civera	Hess	Petrone	Trich
Clark	Horsey	Phillips	True
Clymer	Hutchinson	Pippy	Tulli
Cohen, L. I.	Jadlowiec	Pistella	Vance
Cohen, M.	James	Platts	Van Home
Colafella	Josephs	Preston	Veon
Cornell	Kaiser	Ramos	Vitali
Corrigan	Keller	Raymond	Walko
Costa	Kenney	Readshaw	Washington
Coy	Kirkland	Reinard	Williams
Curry	Krebs	Rieger	Wilt
Dailey	LaGrotta	Roberts	Wogan
Dally	Laughlin	Robinson	Wojnarowski
DeLuca	Lawless	Rohrer	Wright
Dempsey	Lederer	Rooney	Yewcic
Dermody	Leh	Ross	Youngblood
DeWeese	Lescovitz	Rubley	Yudichak
DiGirolamo	Levdansky	Ruffing	Zimmerman
Donatucci	Lucyk	Sainato	Zug
Druce	Lynch	Samuelson	
Eachus	Maher	Santoni	Ryan,
Egolf	Maitland	Sather	Speaker
Evans	Major	Saylor	

NAYS-0

NOT VOTING-2

Carn Roebuck

EXCUSED-3

Daley Masland Taylor, J.

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

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Mr. SEMMEL called up HR 53, PN 757, entitled:

A Resolution observing the 100th anniversary of the Veterans of Foreign Wars.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-198

Adolph	Evans	Manderino	Saylor
Allen	Fairchild	Mann	Schroder
Argall	Fargo	Markosek	Schuler
Armstrong	Feese	Marsico	Scrimenti
Baker	Fichter	Mayernik	Semmel
Bard	Fleagle	McCall	Serafini
Barley	Flick	McGeehan	Seyfert
Barrar	Forcier	McGill	Shaner
Bastian	Frankel	McIlhattan	Smith, B.
Battisto	Freeman	McIlhinney	Smith, S. H.
Bebko-Jones	Gannon	McNaughton	Snyder
Belardi	Geist	Melio	Solobay
Belfanti	Gigliotti	Metcalfe	Staback
Benninghoff	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Godner	Miller, R.	Steil
Biaum	Grucela	Miller, S.	Stern

Boyes	Gruitza	Mundy	Stetler
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Strittmatter
Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Home
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnarowski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGirolamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker

NAYS-0

NOT VOTING-1

George

EXCUSED-3

Daley Masland Taylor, J.

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

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Ms. BARD called up HR 55, PN 759, entitled:

A Resolution proclaiming the year 1999 as "Landscape Architecture Year" in Pennsylvania.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-198

Adolph	Evans	Manderino	Saylor
Allen	Fairchild	Mann	Schroder
Argall	Fargo	Markosek	Schuler
Armstrong	Feese	Marsico	Scrimenti
Baker	Fichter	Mayernik	Semmel
Bard	Fleagle	McCall	Serafini
Barley	Flick	McGeehan	Seyfert
Barrar	Forcier	McGill	Shaner
Bastian	Frankel	McIlhattan	Smith, B.
Battisto	Freeman	McIlhinney	Smith, S. H.
Bebko-Jones	Gannon	McNaughton	Snyder

Belardi	Geist	Melio	Solobay
Belfanti	George	Metcalfe	Staback
Benninghoff	Gigliotti	Michlovic	Stairs
Birmelin	Gladeck	Micozzie	Steelman
Bishop	Godshall	Miller, R.	Steil
Blaum	Gordner	Miller, S.	Stern
Boyes	Grucela	Mundy	Stetler
Browne	Gruitza	Myers	Stevenson
Bunt	Habay	Nailor	Strittmatter
Butkovitz	Haluska	Nickol	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhai	Oliver	Tangretti
Cappabianca	Harhart	Orie	Taylor, E. Z.
Carn	Hasay	Perzel	Thomas
Casorio	Hennessey	Pesci	Tigue
Cawley	Herman	Petrarca	Travaglio
Chadwick	Hershey	Petrone	Trello
Civera	Hess	Phillips	Trich
Clark	Horsey	Pippy	True
Clymer	Hutchinson	Pistella	Tulli
Cohen, L. I.	Jadlowiec	Platts	Vance
Cohen, M.	James	Preston	Van Horne
Colafella	Josephs	Ramos	Veon
Cornell	Kaiser	Raymond	Vitali
Corrigan	Keller	Readshaw	Walko
Costa	Kenney	Reinard	Washington
Coy	Kirkland	Rieger	Williams
Curry	Krebs	Roberts	Wilt
Dailey	LaGrotta	Robinson	Wogan
Dally	Laughlin	Roebuck	Wojnaroski
DeLuca	Lawless	Rohrer	Wright
Dempsey	Lederer	Rooney	Yewcic
Dermody	Leh	Ross	Youngblood
DeWeese	Lescovitz	Rubley	Yudichak
DiGirolamo	Levdansky	Ruffing	Zimmerman
Donatucci	Lucyk	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker

NAYS-0

NOT VOTING-1

Lynch

EXCUSED-3

Daley Masland Taylor, J.

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

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Ms. BARD called up **HR 56, PN 760**, entitled:

A Resolution recognizing and congratulating the Department of Conservation and Natural Resources and others for their work in certifying the Commonwealth's 2.1 million acres of State forest land.

On the question,  
Will the House adopt the resolution?

The following roll call was recorded:

YEAS-198

Adolph	Evans	Manderino	Saylor
Allen	Fairchild	Mann	Schroder
Argall	Feese	Markosek	Schuler
Armstrong	Fichter	Marsico	Scrimenti

Baker	Fleagle	Mayernik	Semmel
Bard	Flick	McCall	Serafini
Barley	Forcier	McGeehan	Seyfert
Barrar	Frankel	McGill	Shaner
Bastian	Freeman	McIlhattan	Smith, B.
Battisto	Gannon	McIlhinney	Smith, S. H.
Bebko-Jones	Geist	McNaughton	Snyder
Belardi	George	Melio	Solobay
Belfanti	Gigliotti	Metcalfe	Staback
Benninghoff	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Gordner	Miller, R.	Steil
Blaum	Grucela	Miller, S.	Stern
Boyes	Gruitza	Mundy	Stetler
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Strittmatter
Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Horne
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGirolamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker

NAYS-0

NOT VOTING-1

Fargo

EXCUSED-3

Daley Masland Taylor, J.

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

GUESTS INTRODUCED

The SPEAKER pro tempore. The Chair welcomes to the hall of the House Catherine Bianchi, the student artist for Pennsylvania Arts Day, and her mother, Maryann Bianchi, who are the guests of Speaker Ryan, and they are seated in the back. Would the guests please rise.

**RECESS**

The SPEAKER pro tempore. The House will stand in recess until 1 p.m.

**AFTER RECESS**

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

**THE SPEAKER (MATTHEW J. RYAN)  
PRESIDING**

**HOUSE BILLS  
INTRODUCED AND REFERRED**

**No. 748** By Representatives CORRIGAN, PETRARCA, JAMES, LYNCH, LUCYK, RAYMOND, McCALL, BELARDI, LEVDANSKY, FLICK, MAHER, GRUCELA, HENNESSEY, CAWLEY, PESCI, TANGRETTI, LAUGHLIN, SHANER, SOLOBAY, MELIO, WILLIAMS, BELFANTI, DeLUCA, WALKO, SEYFERT, COLAFELLA, TRICH, TRELLO, SERAFINI, HARHAI, ROONEY, VAN HORNE, CURRY and SAINATO

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the fee for registration plates for volunteer firefighters.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 749** By Representatives CORRIGAN and COY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for alteration of maximum speed limits.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 750** By Representatives CORRIGAN, BUNT, LAUGHLIN, LUCYK, BELARDI, MAHER, GRUCELA, WOGAN, MELIO, SEYFERT, COLAFELLA, TRELLO, MCGILL, ROBERTS and MYERS

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, authorizing vehicles having POW registration plates to park in areas reserved for handicapped persons.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 751** By Representatives CORRIGAN, LYNCH, YOUNGBLOOD, GEIST, HENNESSEY, HUTCHINSON, EGOLF, ROBINSON, GRUCELA, DALEY, LUCYK, LAUGHLIN, MICOZZIE, SHANER, PESCI, MELIO, BELARDI, McCALL, SEYFERT, BELFANTI, DeLUCA, MARKOSEK, WALKO, SOLOBAY, E. Z. TAYLOR, READSHAW, TRELLO, RAYMOND, RUFFING, WOJNAROSKI, DIGIROLAMO, STERN, HARHAI, ROONEY, KENNEY, LEDERER, HORSEY,

ROBERTS, PETRARCA, MYERS, BASTIAN, GLADECK, FAIRCHILD, JAMES, BENNINGHOFF and GIGLIOTTI

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, exempting ex-prisoners of war from paying any fees for titling or registration of vehicles.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 752** By Representatives CORRIGAN, JAMES, READSHAW, YOUNGBLOOD, LUCYK, McCALL, GEIST, STERN, STABACK, LYNCH, BELARDI, SANTONI, MASLAND, MAHER, E. Z. TAYLOR, GRUCELA, DALEY, HENNESSEY, HUTCHINSON, CAWLEY, SCHULER, SHANER, SOLOBAY, MELIO, DeLUCA, LAUGHLIN, SEYFERT, WALKO, BARRAR, COY, COLAFELLA, TRELLO, PLATTS, MCGILL, RUFFING, MICHLOVIC, DIGIROLAMO, HARHAI, ROONEY, HORSEY, CURRY, MANN, ROBERTS, MYERS, SAINATO and CIVERA

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, authorizing the surviving spouse of an ex-prisoner of war to use the POW registration plate until his or her death.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 753** By Representatives PESCI, GORDNER, READSHAW, WALKO, MARKOSEK, GEORGE, CURRY, LAUGHLIN, SHANER, PETRARCA, CLARK, WRIGHT, CORRIGAN, TRAVAGLIO, HALUSKA, SEYFERT, VAN HORNE, MUNDY, STABACK, STEELMAN, MAHER, SURRA, DALEY, YOUNGBLOOD, SATHER, ROBINSON, TRELLO, BELFANTI, SERAFINI, MELIO, M. COHEN, HENNESSEY, DeLUCA, TRICH, STERN and MICHLOVIC

An Act providing for pharmacy services in health insurance policies and employee benefit plans and for the rights of pharmacists and persons enrolled in health insurance plans and employee benefit plans; promoting competition, choice and availability in the purchase of prescription drugs and pharmaceutical services; and imposing penalties.

Referred to Committee on INSURANCE, March 9, 1999.

**No. 754** By Representatives PESCI, KAISER, READSHAW, WALKO, BUNT, HARHAI, CURRY, SOLOBAY, LAUGHLIN, WOJNAROSKI, CLARK, CORRIGAN, TRAVAGLIO, HALUSKA, SEYFERT, ROBERTS, S. H. SMITH, MAYERNIK, B. SMITH, MUNDY, STABACK, TIGUE, MAHER, DALEY, McILHINNEY, FARGO, HERSHEY, SAYLOR, WILT, SAINATO, KELLER, TRELLO, BELFANTI, MELIO, GRUCELA, M. COHEN, DeLUCA, STETLER, MICHLOVIC and WASHINGTON

An Act amending the act of December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer Protection Law, further defining "unfair methods of competition" and "unfair or deceptive acts or practices."

Referred to Committee on CONSUMER AFFAIRS, March 9, 1999.

**No. 755** By Representatives PESCI, WILLIAMS, YOUNGBLOOD, TRELLO, BELFANTI, M. COHEN and BENNINGHOFF

An Act amending the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, providing for reimbursement for the procedure artificial insemination.

Referred to Committee on INSURANCE, March 9, 1999.

**No. 756** By Representatives PESCI, ORIE, READSHAW, MARKOSEK, HARHAI, LAUGHLIN, WOJNAROSKI, SHANER, GIGLIOTTI, HERMAN, RUBLEY, TRAVAGLIO, McCALL, HALUSKA, ROBERTS, STABACK, TIGUE, MAHER, YOUNGBLOOD, TRELLO, LEDERER, RUFFING, BEBKO-JONES, PRESTON, CIVERA, GRUCELA, M. COHEN, LUCYK, PISTELLA and HORSEY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for a Gettysburg Civil War memorial registration plate for motorcycles; and establishing the Pennsylvania Monuments at Gettysburg National Military Park Fund.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 758** By Representatives PESCI, TIGUE, DeLUCA, STABACK, LEDERER, SAINATO, JAMES, FREEMAN, LAUGHLIN, BELFANTI, TANGRETTI, GRUCELA, M. COHEN, McCALL, HARHAI, STEELMAN and MICHLOVIC

An Act establishing a restricted receipts account within the General Fund for the Commonwealth proceeds from the tobacco settlement agreement.

Referred to Committee on APPROPRIATIONS, March 9, 1999.

**No. 759** By Representatives PESCI, ORIE, KAISER, MARKOSEK, SHANER, GIGLIOTTI, SCHULER, RUBLEY, TRAVAGLIO, ROBERTS, STABACK, FARGO, SAYLOR, SAINATO, PRESTON and M. COHEN

An Act designating a certain bridge connecting Apollo Borough, Armstrong County, and Oklahoma Borough, Westmoreland County, as the Governor Tom Ridge Bridge.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 760** By Representatives PESCI, FEESE, TRAVAGLIO, McCALL, ROBERTS, VAN HORNE, S. H. SMITH, STEELMAN, TIGUE, DALEY, SAINATO, RUFFING, M. COHEN and STETLER

An Act authorizing counties to impose sales and use or personal income taxes or in certain circumstances a combination of both; authorizing municipalities to impose personal income and municipal service taxes; empowering municipalities to require county sales and use taxes; establishing county sales and use tax funds; authorizing school districts to impose taxes on personal income; providing for the levying, assessment and collection of such taxes; establishing county personal income tax funds; providing for the powers and duties of the

Department of Community and Economic Development, the Department of Revenue and the State Treasurer; and providing for limitations on spending by counties, municipalities and school districts.

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 761** By Representatives McNAUGHTON, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF, BUNT, CORRIGAN, FARGO, FORCIER, GEIST, HARHAI, MAHER, MAITLAND, ORIE, ROHRER, ROSS, SAYLOR, SERAFINI, SEYFERT, B. SMITH, STERN, E. Z. TAYLOR, TRELLO, WILLIAMS, WILT, YEWIC and ZUG

An Act repealing the act of April 4, 1870 (P.L.834, No.765), entitled "An act relative to contracts by county commissioners in certain counties of this commonwealth."

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 762** By Representatives McNAUGHTON, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF, BUNT, CORRIGAN, FARGO, FORCIER, GEIST, HARHAI, MAHER, MAITLAND, ORIE, ROHRER, ROSS, SAYLOR, SERAFINI, SEYFERT, B. SMITH, STERN, E. Z. TAYLOR, TRELLO, YEWIC and ZUG

An Act repealing the act of May 15, 1874 (P.L.193, No.126), entitled, "An act requiring county commissioners, railroad and other corporations to make annual reports to the secretary of internal affairs, in lieu of similar reports heretofore made to the auditor general."

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 763** By Representatives McNAUGHTON, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF, BUNT, CORRIGAN, FARGO, FORCIER, GEIST, HARHAI, MAHER, MAITLAND, ORIE, ROHRER, ROSS, SAYLOR, SERAFINI, SEYFERT, B. SMITH, STERN, E. Z. TAYLOR, TRELLO, YEWIC, ZUG and WILT

An Act repealing the act of May 8, 1919 (P.L.130, No.96), entitled "An act authorizing any county and city in any county in which the county-seat is within the limits of such city, to erect a joint county and municipal building or buildings; providing for the conditions and agreements under which such building or buildings may be erected and occupied, and for the ownership thereof; providing for the selection of a site for said building or buildings, and authorizing said county and city to make a sale or exchange of properties under certain conditions for the purpose of securing such site; authorizing the acquisition of property for such building or buildings by purchase or condemnation; and authorizing the county to issue bonds in payment of any indebtedness incurred for its share of the cost of such building, or buildings, and land."

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 764** By Representatives McNAUGHTON, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF, BUNT, CORRIGAN, FARGO, FORCIER, GEIST, HARHAI, MAHER, MAITLAND, ORIE, ROHRER, ROSS, SAYLOR, SERAFINI,

SEYFERT, B. SMITH, STERN, E. Z. TAYLOR, TRELLO, YEWIC, ZUG and WILT

An Act repealing the act of May 20, 1921 (P.L.976, No.347), entitled "An act fixing the salary of the jury commissioners of the counties of the third class."

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 765** By Representatives McNAUGHTON, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF, BUNT, CORRIGAN, FORCIER, GEIST, HARHAI, MAITLAND, ORIE, ROHRER, ROSS, SAYLOR, SERAFINI, SEYFERT, B. SMITH, STERN, E. Z. TAYLOR, TRELLO, YEWIC, ZUG and WILT

An Act amending the act of May 21, 1943 (P.L.571, No.254), known as The Fourth to Eighth Class County Assessment Law, deleting provisions relating to assessment for lands annexed to a borough in another county.

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 766** By Representatives McNAUGHTON, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF, BUNT, CORRIGAN, FORCIER, GEIST, HARHAI, MAITLAND, ORIE, ROHRER, ROSS, SAYLOR, SERAFINI, SEYFERT, B. SMITH, STERN, E. Z. TAYLOR, TRELLO, YEWIC and ZUG

An Act repealing the act of September 28, 1965 (P.L.543, No.282), entitled "An act authorizing incorporated towns to adopt and enforce zoning ordinances regulating the location, construction, and use of buildings, the size of courts and open spaces, the density of population, and the use of land."

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 767** By Representatives McNAUGHTON, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF, BUNT, CORRIGAN, FARGO, FORCIER, GEIST, HARHAI, MAHER, MAITLAND, ORIE, ROHRER, ROSS, SAYLOR, SERAFINI, SEYFERT, B. SMITH, STERN, E. Z. TAYLOR, TRELLO, WILLIAMS, WILT, YEWIC and ZUG

An Act repealing the act of April 7, 1830 (P.L.387, No.193), entitled, "An act graduating the duties upon wholesale dealers and retailers of merchandize, and prescribing the mode of issuing licenses and collecting said duties."

Referred to Committee on LIQUOR CONTROL, March 9, 1999.

**No. 768** By Representatives TRELLO, GANNON, DALEY, LEDERER, THOMAS, NAILOR, READSHAW, BUXTON, LUCYK, RIEGER, STABACK, WALKO, RUBLEY, WOJNAROSKI, E. Z. TAYLOR, GEIST, TIGUE, GIGLIOTTI, PESCI, MELIO, CAPPABIANCA, RAMOS, TRUE, McCALL, SOLOBAY, WILLIAMS, M. COHEN, SHANER, PRESTON, SAINATO, DeLUCA, CORRIGAN, LYNCH, CASORIO, SERAFINI, YOUNGBLOOD, MICHLOVIC, HARHAI, STEELMAN, ALLEN, CIVERA, ROBERTS, MAHER, KAISER,

TANGRETTI, MARKOSEK, EVANS, ORIE, BEBKO-JONES, HASAY and MANN

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, prohibiting the sale of clothing and wearing apparel containing the fur of dogs or cats.

Referred to Committee on JUDICIARY, March 9, 1999.

**No. 769** By Representatives SURRA, GEORGE, BELARDI, PESCI, S. H. SMITH, FAIRCHILD, STEELMAN, WALKO, WOJNAROSKI, HALUSKA, MANDERINO, CAWLEY, BELFANTI, McCALL, GRUCELA, MELIO, M. COHEN, FREEMAN, KIRKLAND, COSTA, LAUGHLIN, SHANER, TRELLO, CURRY, PRESTON, RUFFING, TANGRETTI, COLAFELLA, SOLOBAY, DALEY, PETRARCA, RAMOS, SCRIMENTI, MUNDY, YOUNGBLOOD, YUDICHAK, HARHAI and ROONEY

An Act imposing requirements for host municipality agreements relating to certain facilities and landfills; and providing for a public input process.

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, March 9, 1999.

**No. 770** By Representatives SANTONI, CALTAGIRONE, THOMAS, STURLA, MARSICO, PESCI, HARHAI, PRESTON, TRELLO, YOUNGBLOOD, McCALL, ROBINSON, STABACK, RAMOS, SEMMEL, M. COHEN, WILLIAMS, STETLER and WASHINGTON

An Act amending the act of February 1, 1966 (1965 P.L.1656, No.581), known as The Borough Code, renaming special school police as school crossing guards; and providing for their powers and duties.

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 771** By Representatives SANTONI, CALTAGIRONE, THOMAS, STURLA, MARSICO, PESCI, HARHAI, PRESTON, TRELLO, YOUNGBLOOD, McCALL, ROBINSON, STABACK, RAMOS, SEMMEL, M. COHEN, WILLIAMS, STETLER and WASHINGTON

An Act amending the act of May 1, 1933 (P.L.103, No.69), known as The Second Class Township Code, providing for school crossing guards.

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 772** By Representatives SANTONI, CALTAGIRONE, THOMAS, STURLA, MARSICO, PESCI, HARHAI, PRESTON, TRELLO, YOUNGBLOOD, McCALL, ROBINSON, STABACK, RAMOS, SEMMEL, M. COHEN, WILLIAMS, STETLER and WASHINGTON

An Act amending the act of June 24, 1931 (P.L.1206, No.331), known as The First Class Township Code, providing for school crossing guards.

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 773** By Representatives ADOLPH, HARHART, CIVERA, BARRAR, RAYMOND, MICOZZIE, ALLEN, ARMSTRONG, BAKER, BARD, BARLEY, L. I. COHEN, COLAFELLA, CORRIGAN, CURRY, DALLY, DIGIROLAMO, FARGO, FLICK, FORCIER, HARHAI, HENNESSEY, HORSEY, HUTCHINSON, JAMES, KELLER, KENNEY, LAUGHLIN, MAHER, McCALL, ORIE, PESCI, PISTELLA, PLATTS, READSHAW, ROHRER, ROONEY, ROSS, SAINATO, SAYLOR, SCHRODER, SCHULER, SEYFERT, SHANER, S. H. SMITH, STABACK, STERN, STRITTMATTER, E. Z. TAYLOR, TRELLO, WILLIAMS, WOGAN, WRIGHT and ZUG

An Act amending the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, further defining income to exclude a portion of railroad retirement benefits and Federal Social Security benefits; and providing for appropriations.

Referred to Committee on FINANCE, March 9, 1999.

**No. 774** By Representatives ADOLPH, CIVERA, MICOZZIE, RAYMOND, ALLEN, BAKER, BEBKO-JONES, BELARDI, BROWNE, CAWLEY, L. I. COHEN, CORRIGAN, COY, GEIST, GIGLIOTTI, HARHAI, HARHART, HORSEY, KIRKLAND, LAUGHLIN, MELIO, PESCI, PETRARCA, RAMOS, ROBERTS, ROSS, SCHRODER, SEMMEL, SERAFINI, SEYFERT, SHANER, E. Z. TAYLOR, J. TAYLOR, TRELLO, WILT, YEWIC, YOUNGBLOOD and ZUG

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, exempting property inherited by persons with a disability from inheritance tax.

Referred to Committee on FINANCE, March 9, 1999.

**No. 775** By Representatives ADOLPH, BARRAR, CIVERA, MICOZZIE, RAYMOND, M. COHEN, COLAFELLA, DeLUCA, FARGO, HARHAI, HENNESSEY, HERSHEY, HESS, KELLER, LEDERER, MAHER, McCALL, ORIE, PESCI, PISTELLA, RAMOS, READSHAW, ROHRER, ROSS, RUBLEY, SEMMEL, STABACK, STEVENSON, E. Z. TAYLOR, TIGUE, TRELLO, WILLIAMS and YOUNGBLOOD

An Act amending the act of April 6, 1951 (P.L.69, No.20), known as The Landlord and Tenant Act of 1951, further providing for escrow funds.

Referred to Committee on CONSUMER AFFAIRS, March 9, 1999.

**No. 776** By Representatives LYNCH, MAJOR, GEORGE, GEIST, ORIE, SERAFINI, HARHAI, CURRY, TRELLO, SOLOBAY, McCALL, SEYFERT, STABACK and STEELMAN

An Act amending the act of June 28, 1935 (P.L.477, No.193), referred to as the Enforcement Officer Disability Benefits Law, extending benefits to certain employees of the Bureau of Forestry in the Department of Conservation and Natural Resources.

Referred to Committee on JUDICIARY, March 9, 1999.

**No. 777** By Representatives LYNCH, GEIST, FORCIER, ALLEN, SEYFERT, COLAFELLA, TRAVAGLIO, HARHAI, ZUG, READSHAW, WALKO, HERSHEY and TRELLO

An Act providing for capital projects for the fiscal year 1999-2000, itemizing public highway projects to be constructed by the Department of Transportation, together with the estimated financial costs; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects to be constructed by the Department of Transportation; stating the estimated useful life of the projects; and making appropriations.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 778** By Representatives LYNCH, E. Z. TAYLOR, FORCIER, McILHINNEY, ARMSTRONG, BAKER, BARRAR, BELARDI, BELFANTI, L. I. COHEN, COLAFELLA, CURRY, DeLUCA, DERMODY, FAIRCHILD, GODSHALL, HARHAI, HENNESSEY, HERMAN, JAMES, LAUGHLIN, LEH, McCALL, MELIO, S. MILLER, ORIE, PESCI, PETRARCA, READSHAW, SEMMEL, SEYFERT, SHANER, STABACK, STERN, STEVENSON, TRAVAGLIO, TRELLO, TRUE, WALKO, WILLIAMS, YUDICHAK and STEELMAN

An Act providing for special tax exemptions from real property taxes.

Referred to Committee on LOCAL GOVERNMENT, March 9, 1999.

**No. 779** By Representatives PHILLIPS, BELFANTI, HESS, GEIST, BUXTON, DALEY, BELARDI, HENNESSEY, NAILOR, FLEAGLE, BARRAR, WILLIAMS, HASAY, BAKER, ZIMMERMAN, LYNCH, CLARK, TRUE, E. Z. TAYLOR, READSHAW, RUBLEY, FORCIER, STABACK, ROSS, S. MILLER, SOLOBAY, BARD, HARHAI, STERN, ROONEY, KENNEY, L. I. COHEN, GLADECK, SAINATO and STEELMAN

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, providing for police animals; and providing penalties.

Referred to Committee on JUDICIARY, March 9, 1999.

**No. 780** By Representative WRIGHT

An Act amending Title 24 (Education) of the Pennsylvania Consolidated Statutes, further providing for the definition of "eligible annuitants."

Referred to Committee on EDUCATION, March 9, 1999.

**No. 781** By Representatives DRUCE, MAJOR, BELFANTI, VANCE, CORNELL, ADOLPH, ARGALL, ARMSTRONG, BARD, BARRAR, BEBKO-JONES,

BENNINGHOFF, BROWNE, CALTAGIRONE, CIVERA, CLYMER, L. I. COHEN, M. COHEN, COLAFELLA, CORRIGAN, COY, CURRY, DAILEY, DALEY, DeLUCA, FREEMAN, GEORGE, GIGLIOTTI, GORDNER, GRUCELA, HALUSKA, HARHAI, HENNESSEY, HERMAN, HERSHEY, HESS, HUTCHINSON, JOSEPHS, KENNEY, KIRKLAND, LAUGHLIN, LYNCH, MAHER, MAITLAND, MANDERINO, MANN, MARSICO, McCALL, McILHINNEY, McNAUGHTON, MELIO, MICOZZIE, S. MILLER, NAILOR, ORIE, PESCI, PETRARCA, PLATTS, PRESTON, RAMOS, RAYMOND, READSHAW, ROBERTS, ROEBUCK, ROONEY, ROSS, RUBLEY, SAINATO, SANTONI, SATHER, SCHRODER, SCHULER, SEMMEL, SEYFERT, SHANER, B. SMITH, STABACK, STERN, STURLA, E. Z. TAYLOR, THOMAS, TIGUE, TRAVAGLIO, TRELLO, WALKO, WASHINGTON, WILLIAMS, WILT, WOJNAROSKI, YOUNGBLOOD and ZUG

An Act making an appropriation to the Department of Health for ovarian cancer prevention and educational programs.

Referred to Committee on HEALTH AND HUMAN SERVICES, March 9, 1999.

**No. 782** By Representatives LYNCH, E. Z. TAYLOR, BROWNE, STEELMAN, GLADECK, STERN, PESCI, WILT, FAIRCHILD, BELARDI, DeLUCA, WILLIAMS, LAUGHLIN, HORSEY, STABACK, CLARK, YOUNGBLOOD, CURRY, HARHAI, MAHER, MYERS, ROHRER, SHANER, BELFANTI and MICHLOVIC

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for fleeing or attempting to elude police officer.

Referred to Committee on JUDICIARY, March 9, 1999.

**No. 783** By Representatives HARHAI, SHANER, GIGLIOTTI, ORIE, PETRARCA, COLAFELLA, TRAVAGLIO, CASORIO, BELFANTI, WALKO, VAN HORNE, STEELMAN, SOLOBAY, MANN, YOUNGBLOOD, TANGRETTI, SAINATO, CORRIGAN, LEVDANSKY, DeLUCA, WILT, DALEY, PESCI, SEYFERT, ROBINSON, TRICH, ROONEY, SERAFINI, STABACK, BARRAR and BROWNE

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, requiring the Department of Transportation to issue additional identification cards to holders of certain disability registration plates.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 784** By Representatives SAYLOR, ARMSTRONG, E. Z. TAYLOR, TRUE, FARGO, BAKER, BARRAR, CLARK, CLYMER, DEMPSEY, FLEAGLE, FLICK, FORCIER, GEIST, HERSHEY, LEH, LYNCH, MAHER, McNAUGHTON, METCALFE, NICKOL, PETRARCA, PHILLIPS, ROHRER, SEMMEL, SEYFERT, STABACK, STERN, STRITTMATTER, WILT, WOGAN, YOUNGBLOOD and ZIMMERMAN

An Act regulating religious child-care facilities; providing for the powers and duties of the Department of Public Welfare; and imposing penalties.

Referred to Committee on AGING AND YOUTH, March 9, 1999.

**No. 785** By Representatives SAYLOR, PLATTS, B. SMITH, MASLAND, BARD, ARMSTRONG, BARRAR, BELFANTI, BENNINGHOFF, BISHOP, CAWLEY, L. I. COHEN, COLAFELLA, CORRIGAN, COY, DALLY, FICHTER, FORCIER, HUTCHINSON, JADLOWIEC, KENNEY, LAUGHLIN, LEH, LUCYK, MANDERINO, MARKOSEK, MARSICO, McCALL, MELIO, S. MILLER, ORIE, RAYMOND, READSHAW, ROSS, RUBLEY, SAINATO, SCHRODER, SCRIMENTI, SEMMEL, SERAFINI, SHANER, STABACK, STERN, SURRA, E. Z. TAYLOR, THOMAS, TRAVAGLIO, ZUG, HENNESSEY and WILLIAMS

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further providing for deposit of proceeds from the capital stock franchise tax.

Referred to Committee on FINANCE, March 9, 1999.

**No. 786** By Representatives SAYLOR, PLATTS, B. SMITH, MASLAND, BARD, ARMSTRONG, BARRAR, BELFANTI, BENNINGHOFF, BISHOP, CAWLEY, L. I. COHEN, COLAFELLA, CORRIGAN, COY, DALLY, FICHTER, FORCIER, HUTCHINSON, JADLOWIEC, KENNEY, LAUGHLIN, LEH, LUCYK, MANDERINO, MARKOSEK, MARSICO, McCALL, MELIO, S. MILLER, ORIE, RAYMOND, READSHAW, ROSS, RUBLEY, SAINATO, SCHRODER, SCRIMENTI, SEMMEL, SERAFINI, SHANER, STABACK, STERN, SURRA, E. Z. TAYLOR, THOMAS, TRAVAGLIO, ZUG, HENNESSEY and WILLIAMS

An Act amending the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, further providing for property tax and rent rebate claim eligibility.

Referred to Committee on FINANCE, March 9, 1999.

**No. 788** By Representatives BUNT, GLADECK, CURRY, DRUCE, FICHTER, FREEMAN, GODSHALL, HARHAI, HERMAN, KREBS, MAITLAND, McCALL, McGILL, McILHINNEY, NICKOL, ORIE, RUBLEY, SAYLOR, SEMMEL, SEYFERT, STERN, TRELLO, BENNINGHOFF, CORNELL, STEVENSON, E. Z. TAYLOR, BARD, WILLIAMS, B. SMITH, BROWNE, STEIL, HENNESSEY, CIVERA and STEELMAN

An Act providing for the creation, conveyance, acceptance, duration and validity of conservation and preservation easements; and providing for judicial actions.

Referred to Committee on AGRICULTURE AND RURAL AFFAIRS, March 9, 1999.

**No. 789** By Representatives BUNT, ARMSTRONG, BAKER, BEBKO-JONES, BELFANTI, BENNINGHOFF, CALTAGIRONE, CAWLEY, CHADWICK, CLARK, CLYMER,



COLAFELLA, CORRIGAN, COY, CURRY, DALLY, DeLUCA, DEMPSEY, DRUCE, EGOLF, FICHTER, FLEAGLE, FORCIER, FREEMAN, GEORGE, GODSHALL, GORDNER, GRUCELA, HALUSKA, HARHAI, HASAY, HENNESSEY, HERMAN, HERSHEY, HESS, KREBS, LAUGHLIN, LEH, LESCOVITZ, MAITLAND, MAJOR, MANDERINO, MASLAND, McCALL, McNAUGHTON, R. MILLER, S. MILLER, MUNDY, CAPPABIANCA, L. I. COHEN, HUTCHINSON, JOSEPHS, LUCYK, LYNCH, MANN, McGILL, NAILOR, ORIE, PHILLIPS, PIPPY, PLATTS, RAYMOND, READSHAW, ROBINSON, ROHRER, ROSS, RUBLEY, SAINATO, SANTONI, SATHER, SAYLOR, SCHRODER, SCRIMENTI, SEMMEL, SEYFERT, SHANER, S. H. SMITH, SOLOBAY, STABACK, STAIRS, STERN, SURRA, E. Z. TAYLOR, THOMAS, TIGUE, TRAVAGLIO, TRELLO, TRUE, WOJNAROSKI, ZIMMERMAN, ZUG, BARD, BASTIAN, FAIRCHILD, WALKO, B. SMITH, DAILEY, McILHATTAN, LEDERER, STEELMAN and ROBERTS

An Act providing for the observance of "Pennsylvania Agriculture Day" and "Pennsylvania Agriculture Week" to coincide with the annual observance of "National Agriculture Day" and "National Agriculture Week."

Referred to Committee on AGRICULTURE AND RURAL AFFAIRS, March 9, 1999.

**No. 790** By Representative VANCE

An Act amending the act of April 29, 1994 (P.L.155, No.27), entitled "An act authorizing the release of Project 70 restrictions on certain land owned by the Township of Silver Spring, Cumberland County, in return for the imposition of Project 70 restrictions on certain land to be obtained by the Township of Silver Spring, Cumberland County," changing the legal description of certain real property.

Referred to Committee on STATE GOVERNMENT, March 9, 1999.

**No. 791** By Representatives BATTISTO, THOMAS, LUCYK, CIVERA, ARGALL, COY, GIGLIOTTI, PESCI, GEORGE, SANTONI, TIGUE, STURLA, LAUGHLIN, SHANER, HALUSKA, MANDERINO, WALKO, CAPPABIANCA, MUNDY, MELIO, CURRY, SAINATO, STABACK, TRELLO, HARHAI, CLARK, TANGRETTI, ROBERTS, JOSEPHS, SURRA, GRUCELA, COLAFELLA, DALEY, PETRARCA, BELFANTI, McCALL, FRANKEL, STEELMAN, DALLY, DERMODY, M. COHEN, FREEMAN, COSTA, STETLER and MICHLOVIC

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further providing for imposition of personal income tax; establishing the Property Tax Reduction Fund; and providing for reimbursement to school districts for real property tax reduction.

Referred to Committee on FINANCE, March 9, 1999.

**No. 792** By Representatives GEORGE, LESCOVITZ, SHANER, TIGUE, LAUGHLIN, CASORIO, LUCYK, STABACK, BELFANTI, GRUITZA, SCRIMENTI, WALKO, HARHAI, McILHATTAN, YOUNGBLOOD, WOJNAROSKI, GIGLIOTTI, PESCI, SURRA, SEYFERT, CORRIGAN,

MICHLOVIC, TRELLO, DeLUCA, STEELMAN, M. COHEN and TRICH

An Act establishing the School District Loan Fund and the School District Loan Program; and making an appropriation.

Referred to Committee on EDUCATION, March 9, 1999.

**No. 793** By Representatives GEORGE, DeWEESE, SURRA, PESCI, SHANER, GIGLIOTTI, TRAVAGLIO, FESE, SANTONI, FAIRCHILD, HARHAI, CASORIO, GORDNER, EACHUS, TRELLO, BARD, WALKO, ORIE, DeLUCA, TANGRETTI, WOJNAROSKI, STEELMAN, LEVDANSKY, McCALL, MELIO, GRUCELA, M. COHEN, YUDICHAK, FREEMAN, RUFFING, SOLOBAY and DALEY

An Act establishing a moratorium on the issuance of certain permits relating to municipal waste landfills; and providing for rescission of unused capacity, for municipal control and for rebuttable presumptions and defenses.

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, March 9, 1999.

**No. 794** By Representatives RAMOS, PRESTON, STURLA, YOUNGBLOOD, M. COHEN, LAUGHLIN, PESCI, CARN, HARHAI, KIRKLAND, WASHINGTON, HORSEY and ROBINSON

An Act amending the act of July 22, 1974 (P.L.589, No.205), known as the Unfair Insurance Practices Act, providing for right of action by injured party.

Referred to Committee on INSURANCE, March 9, 1999.

**No. 795** By Representatives RAMOS, PRESTON, M. COHEN, LAUGHLIN, PESCI, CARN, HARHAI, WASHINGTON, HORSEY and ROBINSON

An Act amending the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, further providing for prohibited discrimination.

Referred to Committee on INSURANCE, March 9, 1999.

**No. 796** By Representatives RAMOS, YOUNGBLOOD, M. COHEN, LAUGHLIN, PESCI, HARHAI, WASHINGTON, HORSEY and ROBINSON

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, defining "insurance policy number"; and further providing for vehicle registration.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 797** By Representatives RAMOS, YOUNGBLOOD, M. COHEN, PESCI, HARHAI, WASHINGTON, HORSEY and ROBINSON

An Act amending the act of June 1, 1945 (P.L.1242, No.428), known as the State Highway Law, providing for speed bumps.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 798** By Representatives RAMOS, BELARDI, CORRIGAN, STURLA, YOUNGBLOOD, M. COHEN, LAUGHLIN, PESCI, MAHER, HARHAI, MUNDY, KIRKLAND, WASHINGTON, HORSEY, WILLIAMS and ROBINSON

An Act amending the act of June 30, 1995 (P.L.170, No.25), known as the Pennsylvania Voter Registration Act, further providing for the application form.

Referred to Committee on STATE GOVERNMENT, March 9, 1999.

**No. 799** By Representatives RAMOS, BELARDI, MELIO, YOUNGBLOOD, M. COHEN, LAUGHLIN, PESCI, CURRY, CARN, HARHAI, KIRKLAND, WASHINGTON, HORSEY, ROBINSON and MICHLOVIC

An Act amending the act of March 28, 1984 (P.L.150, No.28), known as the Automobile Lemon Law, relating to the rights of purchasers of defective used motor vehicles; establishing the Used Motor Vehicle Lemon Law Enforcement Fund; and imposing a fee.

Referred to Committee on CONSUMER AFFAIRS, March 9, 1999.

**No. 800** By Representatives RAMOS, YOUNGBLOOD, M. COHEN, PESCI, HARHAI, WASHINGTON and ROBINSON

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for vehicle registration; and increasing certain penalties.

Referred to Committee on TRANSPORTATION, March 9, 1999.

**No. 801** By Representatives RAMOS, BELARDI, PRESTON, MELIO, STURLA, YOUNGBLOOD, M. COHEN, PESCI, CARN, HARHAI, THOMAS, WASHINGTON and ROBINSON

An Act requiring business entities which apply for job creation tax credits to hire certain persons ineligible for or terminated from public assistance; providing for the duties of the Department of Community and Economic Development; requiring certain State jobs to be filled by such persons; and providing for the duties of the Secretary of Administration.

Referred to Committee on COMMERCE AND ECONOMIC DEVELOPMENT, March 9, 1999.

**No. 802** By Representatives RAMOS, PRESTON, MELIO, STURLA, YOUNGBLOOD, M. COHEN, LAUGHLIN, PESCI, MAHER, HARHAI, THOMAS, WASHINGTON and ROBINSON

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further defining the offense of ethnic intimidation to include sexual orientation and changing the designation and grading of the offense; and providing for the offense of wearing certain masks, hoods and other devices.

Referred to Committee on JUDICIARY, March 9, 1999.

**No. 803** By Representatives RAMOS, M. COHEN, PESCI, WASHINGTON and ROBINSON

An Act amending the act of June 25, 1919 (P.L.581, No.274), referred to as the First Class City Government Law, limiting the issuance of permits, licenses, variances and approvals.

Referred to Committee on URBAN AFFAIRS, March 9, 1999.

### BILLS REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

**HB 314, PN 321**

By Rep. SEMMEL

An Act amending Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes, further providing for the State Veterans' Commission.

VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS.

**HB 371, PN 384**

By Rep. SEMMEL

An Act amending the act of July 15, 1976 (P.L.1036, No.208), known as the Volunteer Fire Company, Ambulance Service and Rescue Squad Assistance Act, adding a definition; and further providing for assistance to volunteer fire companies.

VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS.

### GUESTS FROM FRANKLIN INSTITUTE INTRODUCED

The SPEAKER. The Chair is pleased to welcome to the floor of the House today a former Speaker of the House. This gentleman presided in 1764. His name: Benjamin Franklin.

With Dr. Franklin today are Dennis M. Wint, the president of the Franklin Institute, to my left; Kenneth Kirby, Larry Dubinski, and Timothy Patrick, all from the Franklin Institute. They are here as the guests of Representative Druce.

It has been my practice to permit former Speakers to address the House, and I will take this moment to ask former Speaker Franklin to assume the Chair and take the gavel.

Mr. FRANKLIN. It is indeed, indeed, a pleasure to be back here in the House, and I want to thank all of you for your past and future support of this Commonwealth's most visited museum, the Franklin Institute, and I would like to invite all of you, your friends, and your family to join us at the institute in this, the celebration of our 175th year at the Franklin Institute, exciting the curiosity of our citizens and our children in science. Thank you.

I like it up here.

The SPEAKER. You left too early. He left in my first term.

**GUESTS INTRODUCED**

The SPEAKER. The Chair is pleased to welcome to the hall of the House today a guest page from Representative Sheila Miller's district, Joseph Mays. He is an eighth grade student at Wilson Central Junior High School. His parents are seated in the gallery, Bill and Karen Mays.

Here today as the guest of Representative Maitland is John Livelsburger, a guest page. He is seated in front of the Speaker with the pages. Would the gentleman please rise.

And as the guest of Representative Todd Platts is Josh Johnson, a 10th grade student at the Christian School of York, who is also serving as a guest page. Josh, would you please rise.

**CALENDAR CONTINUED**

**BILL ON THIRD CONSIDERATION**

The House proceeded to third consideration of **HB 1, PN 216**, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further providing for imposition of personal income tax.

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

Mr. McNAUGHTON offered the following amendment No. **A0421**:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

and for the apportionment of business income for corporate net income tax purposes.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. Section 401(3)2(a)(9) of the act, amended June 30, 1995 (P.L.139, No.21), is amended to read:

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

\*\*\*

(3) "Taxable income." \*\*\*

2. In case the entire business of any corporation, other than a corporation engaged in doing business as a regulated investment company as defined by the Internal Revenue Code of 1954, as amended, is not transacted within this Commonwealth, the tax imposed by this article shall be based upon such portion of the taxable income of such corporation for the fiscal or calendar year, as defined in subclause 1 hereof, and may be determined as follows:

(a) Division of Income.

\*\*\*

(9) (A) Except as provided in subparagraph (B), all business income shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus [twice] three times the sales factor, and the denominator of which is [four] five.

(B) For purposes of apportionment of the capital stock - franchise tax as provided in section 602 of Article VI of this act, the apportionment fraction shall be the property factor plus the payroll factor plus the sales factor as the numerator, and the denominator shall be three.

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Section 3. The amendment of section 401(3)2(a)(9) of the act shall apply to the tax years beginning on or after January 1, 1999.

Section 4. This act shall take effect immediately.

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

The SPEAKER. On the question of the adoption of the amendment, Mr. Gordner.

Mr. Gordner, are you indicating that the amendment has not been distributed?

How many of the members do not have this packet? Both sides of the aisle, I see. All right. Thank you. Further evidence that the use of in-place PCs makes some sense.

The House will stand at ease.

**ANNOUNCEMENTS BY SPEAKER**

The SPEAKER. As the pages are distributing packets of amendments, I thought I might mention that it is our hope and expectation that within the next 2 months or 3 months, certainly when we come back from a summer break, hopefully long before that, that we will have the laptop computers installed at the desk of each and every member who wants one. You will be asked the question by someone as to whether or not you want a computer in place; not to be removed but, rather, to stay here in the House chamber.

The other thing I might call to your attention today is, the front row of desks where the gentlemen, Mr. Hanna and Mr. Robinson, are sitting, these desks have been refinished. The area where your large books have normally been has been straightened out, so that is no longer present. And on the Republican side of the aisle, the first two rows are temporary desks that we had made so that every week we can move back two more rows at a time, reinstall the newly renovated desks and move the temporaries in.

**CONSIDERATION OF HB 1 CONTINUED**

The SPEAKER. Mr. Gordner, do you have your amendments yet?

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

The following roll call was recorded:

**YEAS—198**

Adolph	Evans	Manderino	Saylor
Allen	Fairchild	Mann	Schroder
Argall	Fargo	Markosek	Schuler
Armstrong	Feese	Marsico	Scrimenti
Baker	Fichter	Mayernik	Semmel
Bard	Fleagle	McCall	Serafini
Barley	Flick	McGeehan	Seyfert
Barrar	Forcier	McGill	Shaner
Bastian	Frankel	McIlhattan	Smith, B.
Battisto	Freeman	McIlhinney	Smith, S. H.
Bebko-Jones	Gannon	McNaughton	Snyder
Belardi	Geist	Melio	Solobay
Belfanti	George	Metcalfe	Staback
Benninghoff	Gigliotti	Michlovic	Stairs
Birmelin	Gladeck	Micozzie	Steeleman

Bishop	Godshall	Miller, R.	Steil
Blaum	Gordner	Miller, S.	Stern
Boyes	Grucela	Mundy	Stetler
Browne	Gruitza	Myers	Stevenson
Bunt	Habay	Nailor	Strittmatter
Burkowitz	Haluska	Nickol	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhai	Oliver	Tangretti
Cappabianca	Harhart	Orie	Taylor, E. Z.
Carn	Hasay	Perzel	Thomas
Casorio	Hennessey	Pesci	Tigue
Cawley	Herman	Petrarca	Travaglio
Chadwick	Hershey	Petrone	Trello
Civera	Hess	Phillips	Trich
Clark	Horsey	Pippy	True
Clymer	Hutchinson	Pistella	Tulli
Cohen, L. I.	Jadlowiec	Platts	Vance
Cohen, M.	James	Preston	Van Horne
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailley	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGirolamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker

NAYS—0

NOT VOTING—1

Josephs

EXCUSED—3

Daley Masland Taylor, J.

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

On the question,

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

Mr. FARGO offered the following amendment No. A0514:

Amend Title, page 1, line 10, by inserting after "for" the definition of "small corporation" for income tax purposes and for

Amend Bill, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Section 301(s.2) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended May 7, 1997 (P.L.85, No.7), is amended to read:

Section 301. Definitions.—The following words, terms and phrases when used in this article shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning. Unless specifically provided otherwise, any reference in this article to the Internal Revenue Code shall include the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to January 1, 1997:

\*\*\*

(s.2) "Small corporation" means any corporation which has a valid election in effect under subchapter S of Chapter 1 of the Internal Revenue Code of 1986, as amended to January 1, 1997[, and which does not have passive investment income in excess of twenty-five per cent of its gross receipts. For purposes of this clause, "passive investment income" means gross receipts derived from royalties, rents, dividends, interest, annuities and sales or exchanges of stock or securities (gross receipts from such sales or exchanges being taken into account only to the extent of gains therefrom). For purposes of determining whether a corporation qualifies as a small corporation for purposes of this article, (i) a qualified Subchapter S subsidiary owned by a small corporation shall not be treated as a separate corporation, and all gross receipts and passive investment income of such qualified Subchapter S subsidiary shall be treated as earned by the parent corporation; and (ii) all intercorporate payments or distributions between the parent corporation and any qualified Subchapter S subsidiary owned by such corporation shall be eliminated].

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Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Bill, page 3, by inserting between lines 15 and 16

Section 3. Section 307.6 of the act, amended May 7, 1997 (P.L.85, No.7), is amended to read:

Section 307.6. Election after Revocation or Termination.—[If] (a) Except as provided for in subsection (b), if a corporation has made an election under section 307 and if such election has been revoked pursuant to section 307.3 or terminated for exceeding the passive investment income limitation in section 301(s.2), such corporation, and any successor corporation, shall not be eligible to make an election under section 307 for any taxable year prior to its fifth taxable year which begins after the first taxable year for which such revocation or termination is effective.

(b) In the event the corporation had an inadvertent termination of its S corporation status caused by excess passive income or by the failure to satisfy the requirements of a small corporation, the five-year waiting period prior to a new election shall be waived.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

4

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the amendment— For what purpose does the gentleman, Mr. Birmelin, rise?

Mr. BIRMELIN. Mr. Speaker, there are many of us on the Republican side that do not have an amendment packet, even though we were asked to vote on the last amendment. I am looking around, and I see most of the members here do not have one. Mr. Gordner may have gotten his, but there are many here that have not, and I wondered if you could make sure that the Republican side also got those amendments. Thank you.

The SPEAKER. How many members on the Republican side do not have them? Democrats? All right.

The House will stand at ease.

**LEAVE OF ABSENCE CANCELED**

The SPEAKER. The gentleman, Mr. Taylor, asks that his name be removed from the leave list.

### ANNOUNCEMENT BY SPEAKER

The SPEAKER. The House remains at ease. However, I would note on the floor the presence of the director of Legislative Data Processing, Kathy Sullivan, together with one of the members of that group, Mike Darrin. Those of you who have the 20 computers, if you have questions, this would be a good time to take care of it by going over here and seeing one or the other of these two individuals from Legislative Data Processing.

We are still awaiting the arrival of copies of the amendments.

### PARLIAMENTARY INQUIRY

The SPEAKER. The gentleman, Mr. Gordner.

Mr. GORDNER. Thank you, Mr. Speaker.

An inquiry for the Chair.

The SPEAKER. The House will come to order.

The Chair was unable to hear the gentleman, Mr. Gordner.

Would you repeat that.

Mr. GORDNER. Yes. I have an inquiry for the Chair, please.

The SPEAKER. Point of parliamentary inquiry? The gentleman is recognized.

Mr. GORDNER. Thank you, Mr. Speaker.

In the past when we have a bill before us and we have an amendment package, the amendments are listed in numeric order, and for those of us who are rank-and-file members, it obviously makes it very easy to follow the amendments. I notice that in packet 1, the amendments are all over the board, and I am wondering if there is some new position in regard to that or whether this is just something that is being done on this bill.

The SPEAKER. No; neither. This is not new, and it is not something that is being done just on this bill. We do not ordinarily follow an exact numerical order. Some amendments deal with the back part of the bill instead of the front part of the bill. They are all over the place, and they are treated that way. This Chair and prior Speakers have taken direction in matters such as this — that is, the calendar — from the majority leaders. That was true when Mr. DeWeese was both majority leader and Speaker. It was true when I was majority leader and now Speaker. If there is a question with respect to the order of the amendments, you should take it up with the floor leaders, who frankly control pretty much the flow of legislation. That is their job. If you are not satisfied with the result, you, of course, have the right to move that that particular amendment be a special order of business, and then if you have adequate votes, it would move up into a prime position.

Mr. GORDNER. Thank you, Mr. Speaker.

From a rank-and-file standpoint, obviously, if we have several packets of amendments, and I recall it seems like 95 percent of the time in the past, they have been listed in numerical order, and it makes it very easy to follow the order of the amendments, as to now we are going to have to sort of be fumbling through the packets, so I appreciate that.

The SPEAKER. Well, you should not be, because the packet — I am looking just at the first one — is 421, 424, and 514. Those amendments should be the first, second, and third amendments in the packet. You should be able to just turn pages as each amendment comes up.

Mr. GORDNER. Thank you, Mr. Speaker.

The SPEAKER. By way of further information, Mr. Gordner — Mr. Gordner? — by way of further information, I am advised that

each of the amendments on that list may not be called up for one reason or another, which also is something that happens all the time. Amendments are withdrawn. Other than that, we will follow the order that appears on this green sheet.

### CONSUMER AFFAIRS COMMITTEE MEETING

The SPEAKER. The House is still at ease. Mr. Wogan calls for a Consumer Affairs Committee meeting at the back of the House immediately. I understand that he will need approximately 5 minutes, and I feel sure it will be at least 5 minutes before the amendments are distributed. Members of that committee, the Consumer Affairs Committee, please meet in the rear of the hall of the House.

Will the members who do not have the first packet please raise their hands so the pages will know where to make the distribution.

### CONSIDERATION OF HB 1 CONTINUED

The SPEAKER. The Chair recognizes the gentleman, Mr. Fargo, who has offered amendment 0514, which has been read by the clerk.

On the question recurring,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the Fargo amendment, the Chair recognizes the gentleman, Mr. Fargo. Will the gentleman yield.

Members will please take their seats.

Members will raise their hands who do not have a copy of the amendment. Would the chief page take note of these people and scavenge some of the other seats and take them to them.

Republican members, raise your hands if you do not have— Some of you could even share.

The Chair recognizes the gentleman, Mr. Fargo.

Mr. FARGO. Thank you, Mr. Speaker.

Many small corporations in Pennsylvania have elected not to be taxed as a corporation at corporation rates but, rather, to have the shareholder's share of net income carried through to their own individual tax returns like a partnership and taxed at our lower individual rates of 2.8 percent. This is known as a subchapter S corporation. Many of these small corporations have elected this sub-S provision under the Federal government regulations but cannot do so in Pennsylvania because in excess of 25 percent of their gross income is passive income — passive income being dividends, interest, rentals, things of this nature.

Passage of this amendment will bring the Pennsylvania regs into line with the Federal government so that small corporations in Pennsylvania will be able to be sub-S corporations even with as much as 100 percent of their income passive, as is true presently in the Federal government. This is an oversight that we had a couple years ago when we attempted to bring the sub-S corporation regulations into line with the Federal government and did not do so except for this one factor. Your help with this amendment would be appreciated.

The SPEAKER. The Chair recognizes the lady from Montgomery County, Ms. Williams.

Ms. WILLIAMS. Thank you, Mr. Speaker.

I stand in support of the Fargo amendment 514. As a cosponsor of his original legislation on this matter, I was concerned that for some reason he would not file this as an amendment to HB 1, and I did not want the small business community of Pennsylvania to miss the opportunity, and so you will see that I have early on filed amendment 291, which I will withdraw if this amendment passes. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the lady.

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

The following roll call was recorded:

YEAS—198

Adolph	Evans	Manderino	Schroder
Allen	Fairchild	Mann	Schuler
Argall	Fargo	Markosek	Scrimenti
Armstrong	Feese	Marsico	Semmel
Baker	Fichter	Mayernik	Serafini
Bard	Fleagle	McCall	Seyfert
Barley	Flick	McGeehan	Shaner
Barrar	Forcier	McGill	Smith, B.
Bastian	Frankel	McIlhattan	Smith, S. H.
Battisto	Freeman	McIlhinney	Snyder
Bebko-Jones	Gannon	McNaughton	Solobay
Belardi	Geist	Melio	Staback
Belfanti	George	Metcalfe	Stairs
Benninghoff	Gigliotti	Michlovic	Steelman
Birmelin	Gladeck	Micozzie	Steil
Bishop	Godshall	Miller, R.	Stern
Blaum	Gordner	Miller, S.	Stetler
Boyes	Grucela	Mundy	Stevenson
Browne	Gruitza	Myers	Strittmatter
Bunt	Habay	Nailor	Sturla
Butkovitz	Haluska	Nickol	Surra
Buxton	Hanna	O'Brien	Tangretti
Caltagirone	Harhai	Oliver	Taylor, E. Z.
Cappabianca	Harhart	Orie	Taylor, J.
Carn	Hasay	Perzel	Thomas
Casorio	Hennessey	Pesci	Tigue
Cawley	Herman	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Home
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker

NAYS—0

NOT VOTING—2

Hershey                      Roebuck

EXCUSED—2

Daley                              Masland

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

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

Mr. ADOLPH offered the following amendment No. A0772:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and increasing the maximum amount of the net loss deduction for corporate net income tax purposes.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. Section 401(3)4(c) of the act, amended April 23, 1998 (P.L.239, No.45), is amended to read:

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

\*\*\*

(3) "Taxable income." \*\*\*

4. \*\*\*

(c) (1) The net loss deduction shall be the lesser of [one million dollars (\$1,000,000)] five million dollars (\$5,000,000) or the amount of the net loss or losses which may be carried over to the taxable year or taxable income as determined under subclause 1 or, if applicable, subclause 2. In no event shall the net loss deduction include more than five hundred thousand dollars (\$500,000), in the aggregate, of net losses from taxable years 1988 through 1994.

(2) A net loss for a taxable year may only be carried over pursuant to the following schedule:

Taxable Year	Carryover
1981	1 taxable year
1982	2 taxable years
1983-1987	3 taxable years
1988	2 taxable years plus
	1 taxable year
	starting with the
	1995 taxable year
1989	1 taxable year plus
	2 taxable years
	starting with the
	1995 taxable year
1990-1993	3 taxable years
	starting with the
	1995 taxable year
1994	1 taxable year
1995 and thereafter	10 taxable years

The earliest net loss shall be carried over to the earliest taxable year to which it may be carried under this schedule. The total net loss deduction allowed in any taxable year shall not exceed [one million dollars (\$1,000,000)] five million dollars (\$5,000,000).

\*\*\*

Section 3. This act shall apply to the tax years beginning on or after January 1, 1999.

Section 4. This act shall take effect immediately.

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

PARLIAMENTARY INQUIRY

The SPEAKER. Does the gentleman, Mr. Tigie, seek recognition?

Mr. TIGUE. Yes, Mr. Speaker. I have an inquiry, please.

The SPEAKER. The gentleman will state it.

Mr. TIGUE. Do not all these amendments need a fiscal note to tell us how much taxes we are reducing?

The SPEAKER. It is my understanding— The answer to your question is, I am not going to say every single one does, but most of them, in my opinion, as I glance through them, required a fiscal note, and it is my understanding that fiscal notes are attached to all of these amendments— attached to the amendments; that does not mean distributed.

Mr. TIGUE. I would like to at least have the maker of the amendment either announce how much this is costing or at least see the fiscal notes. Thank you, Mr. Speaker.

VOTE CORRECTIONS

The SPEAKER. The Chair recognizes the gentleman, Mr. Hennessey, who indicates that both Mr. Hershey's and his machines failed to vote on amendment 0514 and would like the record to reflect that they would have voted in the affirmative.

CONSIDERATION OF HB 1 CONTINUED

The SPEAKER. The Chair recognizes the gentleman, Mr. Barley, to respond to the gentleman, Mr. Tigie.

Mr. BARLEY. Thank you, Mr. Speaker.

I do have the fiscal note here, and it would indicate that it would have an impact of \$88 million in fiscal year 1999-2000.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stern

Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Stevenson
Browne	Habay	Myers	Strittmatter
Bunt	Haluska	Nailor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	O'Brien	Tangretti
Caltagirone	Harhart	Oliver	Taylor, E. Z.
Cappabianca	Hasay	Orie	Taylor, J.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Home
Colafella	Kaiser	Ramos	Veon
Cornell	Ketler	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS—0

NOT VOTING—1

Roebuck

EXCUSED—2

Daley Masland

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

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

Mr. SANTONI offered the following amendment No. A0684:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing for a tax credit to corporations for child day care services.

Amend Bill, page 3, by inserting between lines 15 and 16 Section 2. The act is amended by adding a section to read:

Section 402.2. Tax Credits for Child Day Care Services.—(a) Any corporation required to pay the taxes imposed under section 402 may receive a tax credit of fifty per cent against the taxes due under this article for any moneys expended for the following:

(1) the planning, site preparation, construction, renovation or acquisition of a nonprofit child day care facility used principally by the employes of the corporation, so long as no one corporation receives more than twenty thousand dollars (\$20,000) in tax credits and the department

allows no more than five hundred thousand dollars (\$500,000) in total tax credits to corporations that apply each tax year; or

(2) subsidizing employes of the corporation for the cost of child day care services so long as no one corporation receives more than fifty thousand dollars (\$50,000) in tax credits and the department allows no more than five hundred thousand dollars (\$500,000) in total tax credits to corporations that apply each tax year. The gross maximum annual income of an employe subsidized under this section shall not exceed fifty thousand dollars (\$50,000). The maximum annual amount of a subsidy for child day care services provided by a corporation on behalf of an employe shall not exceed five thousand dollars (\$5,000).

(b) Child day care services eligible for tax credits shall include services provided by an approved family child day care home, group child day care home, child day care center, nursery school or child day care resource and referral program.

(c) The Secretary of Revenue, in consultation with the Secretary of Public Welfare, shall:

(1) Promulgate rules and regulations necessary to implement this section.

(2) Publish, as a notice in the Pennsylvania Bulletin, forms upon which corporations may apply for the tax credit authorized by this section within six months of the effective date of this section.

(d) (1) Applications for tax credits shall be filed by corporations not later than January 31 of the next calendar year for credits due during the preceding calendar year.

(2) Not later than June 1 of each year, each corporation that has filed a complete application for credits under this section shall be notified regarding the amount of credits awarded to the corporation. An application shall be deemed complete and processible only if it is signed and contains the corporation's name, address, tax identification number and sufficient other information and documentation necessary to determine the amount of the credit.

Section 3. The addition of section 402.2 of the act shall apply to taxable years beginning after December 31, 1998.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
4

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Santoni.

Mr. SANTONI. Thank you, Mr. Speaker.

Today many employers and businesses in our State recognize the importance of child care for the children of their employees. Today in our State, over half a million children younger than 6 are in child care primarily because their parents, both parents, have to work. The days of Daddy going to work and Mommy staying home and taking care of the kids are gone. They have gone the way of the leisure suit.

What my amendment will do is it will allow tax credits for businesses who will build day-care facilities on their facility or will subsidize employees of their corporation for child care, for the parents of those children who need it.

I ask for your support on my amendment to help both businesses in our State and also the parents of children who have to work. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimanti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stem
Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Stevenson
Browne	Habay	Myers	Stritmatter
Bunt	Haluska	Nailor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	O'Brien	Tangretti
Caltagirone	Harhart	Oliver	Taylor, E. Z.
Cappabianca	Hasay	Orie	Taylor, J.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trelio
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Horne
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rublely	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucy	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS—0

NOT VOTING—1

Roebuck

EXCUSED—2

Daley Masland

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

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



Mr. SAYLOR offered the following amendment No. A0422:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and reducing the rate of capital stock and franchise tax and reducing the millage transferred to the Hazardous Sites Cleanup Fund.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 602(h) of the act, amended April 23, 1998 (P.L.239, No.45), is amended to read:

Section 602. Imposition of Tax.—\* \* \*

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

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

Section 3. Section 602.3 of the act, amended or added August 4, 1991 (P.L.97, No.22) and December 13, 1991 (P.L.373, No.40), is amended to read:

Section 602.3. Deposit of Proceeds; Appropriation.—(a) The proceeds resulting from [one-half] one-quarter mill of the tax imposed pursuant to this article as determined by the Secretary of Revenue shall be transferred to the Hazardous Sites Cleanup Fund. The proceeds from any taxable year beginning in 1991 resulting from one-quarter mill of the tax imposed pursuant to this article as determined by the Secretary of Revenue shall be transferred to the State Lottery Fund. The transfers required by this subsection shall be made by June 15 and December 15 of each appropriate calendar year.

(b) The funds deposited in the Hazardous Sites Cleanup Fund and the State Lottery Fund are hereby appropriated out of this account upon authorization by the Governor.

(c) The transfer of any proceeds resulting from the one-half mill tax imposed pursuant to this article to the Hazardous Site Cleanup Fund as authorized in subsection (a) shall not be applicable to fiscal year 1991-1992. In lieu of the 1991-1992 fiscal year transfer, the Governor shall authorize the transfer of proceeds in excess of seventeen million dollars (\$17,000,000) from the revenue resulting from the one-half mill tax imposed pursuant to this article to the Hazardous Site Cleanup Fund pursuant to the transfer schedule set forth in subsection (a). The Governor may transfer any unexpended portion of the seventeen million dollars (\$17,000,000) to the Hazardous Site Cleanup Fund.]

Section 4. The amendment of this act shall apply to tax years beginning on or after January 1, 1999.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting 5

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Saylor.

Mr. SAYLOR. Mr. Speaker, this amendment simply lowers the millage rate on the capital stock and franchise tax. Thank you.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stern
Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Stevenson
Browne	Habay	Myers	Strittmatter
Bunt	Haluska	Nailor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	O'Brien	Tangretti
Caltagirone	Harhart	Oliver	Taylor, E. Z.
Cappabianca	Hasay	Orie	Taylor, J.
Cam	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsley	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Horne
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS—0

NOT VOTING—1

Roebuck

EXCUSED—2

Daley

Masland

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

On the question recurring,

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

Mr. ADOLPH offered the following amendment No. A0431:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

and for minimum tax and valuation of the capital stock-franchise tax.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The definition of "capital stock value" in section 601(a) of the act, amended May 7, 1997 (P.L.85, No.7), is amended to read:

Section 601. Definitions and Reports.—(a) The following words, terms and phrases when used in this Article VI shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

\*\*\*

"Capital stock value." The amount computed pursuant to the following formula: the product of one-half times the sum of the average net income capitalized at the rate of nine and one-half per cent plus seventy-five per cent of net worth, from which product shall be subtracted [one hundred twenty-five thousand dollars (\$125,000)] one hundred fifty thousand dollars (\$150,000), the algebraic equivalent of which is  

$$(.5 X (\text{average net income} / .095 + (.75) (\text{net worth}))) - [\$125,000] \underline{\$150,000}$$

\*\*\*

Section 3. Section 602 of the act, amended April 23, 1998 (P.L.239, No.45), is amended to read:

Section 602. Imposition of Tax.—(a) That every domestic entity from which a report is required under section 601 hereof, shall be subject to, and pay to the department annually, a tax which is the greater of (i) [three hundred dollars (\$300)] the minimum tax set forth in subsection (i) or (ii) the amount computed at the rates provided in subsection (h) upon each dollar of the capital stock value as defined in section 601(a), except that any domestic entity or company subject to the tax prescribed herein may elect to compute and pay its tax under and in accordance with the provisions of subsection (b) of this section 602: Provided, That, except for the [imposition of the three hundred dollar (\$300) minimum tax] minimum tax set forth in subsection (i), the provisions of this section shall not apply to the taxation of the capital stock of entities organized for manufacturing, processing, research or development purposes, which is invested in and actually and exclusively employed in carrying on manufacturing, processing, research or development within the State, except such entities as enjoy and exercise the right of eminent domain, but every entity organized for the purpose of manufacturing, processing, research or development except such entities as enjoy and exercise the right of eminent domain shall pay the State tax of the greater of (i) [three hundred dollars (\$300)] the minimum tax set forth in subsection (i) or (ii) the amount computed at the rates provided in subsection (h) upon each dollar of the capital stock value as defined in section 601(a), upon such proportion of its capital stock, if any, as may be invested in any property or business not strictly incident or appurtenant to the manufacturing, processing, research or development business, in addition to the local taxes assessed upon its property in the district where located, it being the object of this provision to relieve from State taxation, except for imposition of the [three hundred dollar (\$300) minimum tax under this section] minimum tax set forth in subsection (i), only so much of the capital stock as is invested purely in the manufacturing, processing, research or development plant and business: and Provided further, That, except for the imposition of the minimum tax set forth in this section, the provisions of this section shall not apply to the taxation of so much of the capital stock value attributable to student loan assets owned or held by an

entity created for the securitization of student loans or by a trustee on its behalf.

(b) (1) Every foreign entity from which a report is required under section 601 hereof, shall be subject to and pay to the department annually, a franchise tax which is the greater of (i) [three hundred dollars (\$300)] the minimum tax set forth in subsection (i) or (ii) the amount computed at the rates provided in subsection (h) upon each dollar of the capital stock value as defined in section 601(a), upon a taxable value to be determined in the following manner. The capital stock value shall be ascertained in the manner prescribed in section 601(a) of this article. The taxable value shall then be determined by employing the relevant apportionment factors set forth in Article IV: Provided, That the manufacturing, processing, research and development exemptions contained under section 602(a) shall also apply to foreign corporations and in determining the relevant apportionment factors the numerator of the property, payroll, or sales factors shall not include any property, payroll or sales attributable to manufacturing, processing, research or development activities in the Commonwealth: and Provided further, That, except for the imposition of the minimum tax set forth in this section, the provisions of this section shall not apply to the taxation of so much of the capital stock value attributable to student loan assets owned or held by an entity created for the securitization of student loans or by a trustee on its behalf. Any foreign corporation, joint-stock association, limited partnership or company subject to the tax prescribed herein may elect to compute and pay its tax under section 602(a): Provided, That any foreign corporation, joint-stock association, limited partnership or company electing to compute and pay its tax under section 602(a) shall be treated as if it were a domestic corporation for the purpose of determining which of its assets are exempt from taxation and for the purpose of determining the proportion of the value of its capital stock which is subject to taxation.

(2) The provisions of this article shall apply to the taxation of entities organized for manufacturing, processing, research or development purposes, but shall not apply to such entities as enjoy and exercise the right of eminent domain.

(d) It shall be the duty of the treasurer or other officers having charge of any domestic or foreign entity, upon which a tax is imposed by this section, to transmit the amount of tax to the department within the time prescribed by law: Provided, That for the purposes of this act interest in limited partnerships or joint-stock associations shall be deemed to be capital stock, and taxable accordingly: Provided, further, That entities liable to a tax under this section, shall not be required to pay any further tax on the mortgages, bonds, and other securities owned by them and in which the whole body of stockholders or members, as such, have the entire equitable interest in remainder; but entities owning or holding such securities as trustees, executors, administrators, guardians, or in any other manner than for the whole body of stockholders or members thereof as sole equitable owners in remainder, shall return and pay the tax imposed by this act upon all securities so owned or held by them, as in the case of individuals.

(e) Any holding company subject to the capital stock tax or the franchise tax imposed by this section may elect to compute the capital stock or franchise tax by applying the rate of tax provided in subsection (h) to ten per cent of the capital stock value as defined in section 601(a), but in no case shall the tax so computed be less than [three hundred dollars (\$300)] the minimum tax set forth in subsection (i). If exercised, this election shall be in lieu of any other apportionment or allocation to which such company would otherwise be entitled.

(f) Every domestic corporation and every foreign corporation (i) registered to do business in Pennsylvania; (ii) which maintains an office in Pennsylvania; (iii) which has filed a timely election to be taxed as a regulated investment company with the Federal Government; and (iv) which duly qualifies to be taxed as a regulated investment company under the provisions of the Internal Revenue Code of 1954 as amended, shall be taxed as a regulated investment company and shall be subject to the capital stock or franchise tax imposed by section 602, in either case for the privilege of having an office in Pennsylvania, which tax shall be computed pursuant to the provisions of this subsection in lieu of all other

provisions of this section 602. The tax shall be in an amount which is the greater of [three hundred dollars (\$300)] the minimum tax set forth in subsection (i) or the sum of the amounts determined pursuant to clauses (1) and (2):

(1) The amount determined pursuant to this clause shall be seventy-five dollars (\$75) times that number which is the result of dividing the net asset value of the regulated investment company by one million, rounded to the nearest multiple of seventy-five dollars (\$75). Net asset value shall be determined by adding the monthly net asset values as of the last day of each month during the taxable period and dividing the total sum by the number of months involved. Each such monthly net asset value shall be the actual market value of all assets owned without any exemptions or exclusions, less all liabilities, debts and other obligations.

(2) The amount determined pursuant to this clause shall be the amount which is the result of multiplying the rate of taxation applicable for purposes of the personal income tax during the same taxable year times the apportioned undistributed personal income tax income of the regulated investment company. For the purposes of this clause:

(A) Personal income tax income shall mean income to the extent enumerated and classified in section 303.

(B) Undistributed personal income tax income shall mean all personal income tax income other than personal income tax income undistributed on account of the capital stock or foreign franchise tax, less all personal income tax income distributed to shareholders. At the election of the company, income distributed after the close of a taxable year, but deemed distributed during the taxable year for Federal income tax purposes, shall be deemed distributed during that year for purposes of this clause. If a company in a taxable year has both current income and income accumulated from a prior year, distributions during the year shall be deemed to have been made first from current income.

(C) Undistributed personal income tax income shall be apportioned to Pennsylvania by a fraction, the numerator of which is all income distributed during the taxable period to shareholders who are resident individuals, estates or trusts and the denominator of which is all income distributed during the taxable period. Resident trusts shall not include charitable, pension or profit-sharing, or retirement trusts.

(D) Personal income tax income and other income of a company shall each be deemed to be either distributed to shareholders or undistributed in the proportion each category bears to all income received by the company during the taxable year.

(g) In the event that a domestic or foreign entity is required to file a report pursuant to section 601(b) on other than an annual basis, the tax imposed by this section, including the [three hundred dollar (\$300)] minimum tax set forth in subsection (i), shall be prorated to reflect the portion of a taxable year for which the report is filed by multiplying the tax liability by a fraction equal to the number of days in the taxable year divided by three hundred sixty-five days.

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

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

(i) The minimum amount of capital stock and franchise tax for the taxable years beginning within the dates set forth shall be as follows:

Taxable Year Beginning	Minimum Tax
January 1, 1971, to December 31, 1983	No minimum tax imposed
January 1, 1984, to December 31, 1990	\$75 minimum tax
January 1, 1991, to December 31, 1998	\$300 minimum tax
January 1, 1999, and each taxable year thereafter	\$200 minimum tax

Section 4. The amendment of sections 601 and 602 of the act shall apply to taxable years beginning on or after January 1, 1999.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
5

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

The SPEAKER. On the question, the Chair recognizes the gentleman from Delaware.

Mr. ADOLPH. Thank you, Mr. Speaker.

Mr. Speaker, this amendment lowers the capital stock and franchise tax, the minimum, from \$300 to \$200 yearly for a small business. Thank you.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladdeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stern
Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Stevenson
Browne	Habay	Myers	Strittmatter
Bunt	Haluska	Nailor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	O'Brien	Tangretti
Caltagirone	Harhart	Oliver	Taylor, E. Z.
Cappabianca	Hasay	Orie	Taylor, J.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civerca	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Horne
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Daily	Laughlin	Robinson	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright

Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donarucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS-0

NOT VOTING-1

Roebuck

EXCUSED-2

Daley

Masland

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

On the question recurring,

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

The SPEAKER. The Chair recognizes the gentleman, Mr. Travaglio, who offers amendment 0796.

You will note - will the clerk suspend - you will note on the cover page of your amendment sheets, the green cover page has a different number on it. The number that is being read now is a later printer's number reflecting a technical change.

On the question recurring,

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

Mr. TRAVAGLIO offered the following amendment No. A0796:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and eliminating the minimum capital stock and franchise tax.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 602 of the act, amended April 23, 1998 (P.L.239, No.45), is amended to read:

Section 602. Imposition of Tax.—(a) That every domestic entity from which a report is required under section 601 hereof, shall be subject to, and pay to the department annually, a tax which is [the greater of (i) three hundred dollars (\$300) or (ii)] the amount computed at the rates provided in subsection (h) upon each dollar of the capital stock value as defined in section 601(a), except that any domestic entity or company subject to the tax prescribed herein may elect to compute and pay its tax under and in accordance with the provisions of subsection (b) of this section 602: Provided, That[, except for the imposition of the three hundred dollar (\$300) minimum tax,] the provisions of this section shall not apply to the taxation of the capital stock of entities organized for manufacturing, processing, research or development purposes, which is invested in and actually and exclusively employed in carrying on manufacturing, processing, research or development within the State, except such entities as enjoy and exercise the right of eminent domain, but every entity organized for the purpose of manufacturing,

processing, research or development except such entities as enjoy and exercise the right of eminent domain shall pay the State tax of the [greater of (i) three hundred dollars (\$300) or (ii) the] amount computed at the rates provided in subsection (h) upon each dollar of the capital stock value as defined in section 601(a), upon such proportion of its capital stock, if any, as may be invested in any property or business not strictly incident or appurtenant to the manufacturing, processing, research or development business, in addition to the local taxes assessed upon its property in the district where located, it being the object of this provision to relieve from State taxation[, except for imposition of the three hundred dollar (\$300) minimum tax under this section,] only so much of the capital stock as is invested purely in the manufacturing, processing, research or development plant and business: and Provided further, That[, except for the imposition of the minimum tax set forth in this section,] the provisions of this section shall not apply to the taxation of so much of the capital stock value attributable to student loan assets owned or held by an entity created for the securitization of student loans or by a trustee on its behalf.

(b) (1) Every foreign entity from which a report is required under section 601 hereof, shall be subject to and pay to the department annually, a franchise tax which is the [greater of (i) three hundred dollars (\$300) or (ii) the] amount computed at the rates provided in subsection (h) upon each dollar of the capital stock value as defined in section 601(a), upon a taxable value to be determined in the following manner. The capital stock value shall be ascertained in the manner prescribed in section 601(a) of this article. The taxable value shall then be determined by employing the relevant apportionment factors set forth in Article IV: Provided, That the manufacturing, processing, research and development exemptions contained under section 602(a) shall also apply to foreign corporations and in determining the relevant apportionment factors the numerator of the property, payroll, or sales factors shall not include any property, payroll or sales attributable to manufacturing, processing, research or development activities in the Commonwealth: and Provided further, That[, except for the imposition of the minimum tax set forth in this section,] the provisions of this section shall not apply to the taxation of so much of the capital stock value attributable to student loan assets owned or held by an entity created for the securitization of student loans or by a trustee on its behalf. Any foreign corporation, joint-stock association, limited partnership or company subject to the tax prescribed herein may elect to compute and pay its tax under section 602(a): Provided, That any foreign corporation, joint-stock association, limited partnership or company electing to compute and pay its tax under section 602(a) shall be treated as if it were a domestic corporation for the purpose of determining which of its assets are exempt from taxation and for the purpose of determining the proportion of the value of its capital stock which is subject to taxation.

(2) The provisions of this article shall apply to the taxation of entities organized for manufacturing, processing, research or development purposes, but shall not apply to such entities as enjoy and exercise the right of eminent domain.

(d) It shall be the duty of the treasurer or other officers having charge of any domestic or foreign entity, upon which a tax is imposed by this section, to transmit the amount of tax to the department within the time prescribed by law: Provided, That for the purposes of this act interest in limited partnerships or joint-stock associations shall be deemed to be capital stock, and taxable accordingly: Provided, further, That entities liable to a tax under this section, shall not be required to pay any further tax on the mortgages, bonds, and other securities owned by them and in which the whole body of stockholders or members, as such, have the entire equitable interest in remainder; but entities owning or holding such securities as trustees, executors, administrators, guardians, or in any other manner than for the whole body of stockholders or members thereof as sole equitable owners in remainder, shall return and pay the tax imposed by this act upon all securities so owned or held by them, as in the case of individuals.

(e) Any holding company subject to the capital stock tax or the franchise tax imposed by this section may elect to compute the capital

stock or franchise tax by applying the rate of tax provided in subsection (h) to ten per cent of the capital stock value as defined in section 601(a)[, but in no case shall the tax so computed be less than three hundred dollars (\$300)]. If exercised, this election shall be in lieu of any other apportionment or allocation to which such company would otherwise be entitled.

(f) Every domestic corporation and every foreign corporation (i) registered to do business in Pennsylvania; (ii) which maintains an office in Pennsylvania; (iii) which has filed a timely election to be taxed as a regulated investment company with the Federal Government; and (iv) which duly qualifies to be taxed as a regulated investment company under the provisions of the Internal Revenue Code of 1954 as amended, shall be taxed as a regulated investment company and shall be subject to the capital stock or franchise tax imposed by section 602, in either case for the privilege of having an office in Pennsylvania, which tax shall be computed pursuant to the provisions of this subsection in lieu of all other provisions of this section 602. The tax shall be in an amount which is the [greater of three hundred dollars (\$300) or the] sum of the amounts determined pursuant to clauses (1) and (2):

(1) The amount determined pursuant to this clause shall be seventy-five dollars (\$75) times that number which is the result of dividing the net asset value of the regulated investment company by one million, rounded to the nearest multiple of seventy-five dollars (\$75). Net asset value shall be determined by adding the monthly net asset values as of the last day of each month during the taxable period and dividing the total sum by the number of months involved. Each such monthly net asset value shall be the actual market value of all assets owned without any exemptions or exclusions, less all liabilities, debts and other obligations.

(2) The amount determined pursuant to this clause shall be the amount which is the result of multiplying the rate of taxation applicable for purposes of the personal income tax during the same taxable year times the apportioned undistributed personal income tax income of the regulated investment company. For the purposes of this clause:

(A) Personal income tax income shall mean income to the extent enumerated and classified in section 303.

(B) Undistributed personal income tax income shall mean all personal income tax income other than personal income tax income undistributed on account of the capital stock or foreign franchise tax, less all personal income tax income distributed to shareholders. At the election of the company, income distributed after the close of a taxable year, but deemed distributed during the taxable year for Federal income tax purposes, shall be deemed distributed during that year for purposes of this clause. If a company in a taxable year has both current income and income accumulated from a prior year, distributions during the year shall be deemed to have been made first from current income.

(C) Undistributed personal income tax income shall be apportioned to Pennsylvania by a fraction, the numerator of which is all income distributed during the taxable period to shareholders who are resident individuals, estates or trusts and the denominator of which is all income distributed during the taxable period. Resident trusts shall not include charitable, pension or profit-sharing, or retirement trusts.

(D) Personal income tax income and other income of a company shall each be deemed to be either distributed to shareholders or undistributed in the proportion each category bears to all income received by the company during the taxable year.

(g) In the event that a domestic or foreign entity is required to file a report pursuant to section 601(b) on other than an annual basis, the tax imposed by this section[, including the three hundred dollar (\$300) minimum tax,] shall be prorated to reflect the portion of a taxable year for which the report is filed by multiplying the tax liability by a fraction equal to the number of days in the taxable year divided by three hundred sixty-five days.

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

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

Section 3. The amendment of section 602 of the act shall be applicable to the tax year beginning January 1, 1999, and each tax year thereafter.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
4

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question, the Chair recognizes the gentleman.

Do you agree with my statement with respect to the different printer's numbers?

Mr. TRAVAGLIO. Yes.

The SPEAKER. The Chair recognizes the gentleman.

Mr. TRAVAGLIO. Mr. Speaker, I propose to completely eliminate the \$300 minimum paid under the capital stock and franchise tax. Currently every corporation, including subchapter S corporations, must pay the capital stock and franchise tax regardless of whether or not they make a profit. Therefore, I ask an affirmative vote to eliminate this onerous tax. Thank you, Mr. Speaker.

### PARLIAMENTARY INQUIRY

The SPEAKER. On the question, the Chair recognizes the gentleman, Mr. Fargo.

Mr. FARGO. Thank you, Mr. Speaker.

I would just like to ask the Chair the effect of this amendment.

We just passed amendment 431, which would reduce the minimum tax for capital stock tax to \$200 and increase an exemption. This particular amendment will eliminate the minimum tax. Can we get an idea of what really happens when we pass this amendment?

The SPEAKER. In response to the gentleman, Mr. Fargo, the amendment offered by Mr. Travaglio will control, it having come in subsequent to your amendment. In other words, you brought it from \$300 to \$200. He takes it down to zero, and that is where we would be if it passes.

Mr. FARGO. Thank you, Mr. Speaker.

The other half of the Adolph amendment – the amendment that was passed before with the \$200 – is to increase the exemption to \$150,000. Will that remain – I mean, that will remain?

The SPEAKER. Yes.

Mr. FARGO. Thank you then.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

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

On the question recurring,

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

Mr. TULLI offered the following amendment No. A0423:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting ; and repealing the utilities gross receipts tax on the sale of natural gas.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. Section 1101(a) of the act, amended April 23, 1998 (P.L.239, No.45), is amended to read:

Section 1101. Imposition of Tax.—(a) General Rule.—Every pipeline company, conduit company, steamboat company, canal company, slack water navigation company, transportation company, and every other company, association, joint-stock association, or limited partnership, now or hereafter incorporated or organized by or under any law of this Commonwealth, or now or hereafter organized or incorporated by any other state or by the United States or any foreign government, and doing business in this Commonwealth, and every copartnership, person or persons owning, operating or leasing to or from another corporation, company, association, joint-stock association, limited partnership, copartnership, person or persons, any pipeline, conduit, steamboat, canal, slack water navigation, or other device for the transportation of freight, passengers, baggage, or oil, except motor vehicles and railroads, and every limited partnership, association, joint-stock association, corporation or company engaged in, or hereafter engaged in, the transportation of freight or oil within this State, and every telephone company[,] and telegraph company [and gas company] now or hereafter incorporated or organized by or under any law of this Commonwealth, or now or hereafter organized or incorporated by any other state or by the United States or any foreign government and doing business in this Commonwealth, and every limited partnership, association, joint-stock association, copartnership, person or persons, engaged in telephone or telegraph business in this Commonwealth, shall pay to the State Treasurer, through the Department of Revenue, a tax of forty-five mills with a surtax equal to five mills upon each dollar of the gross receipts of the corporation, company or association, limited partnership, joint-stock association, copartnership, person or persons, received from passengers, baggage, and freight transported wholly within this State, from telegraph or telephone messages transmitted wholly within this State, except gross receipts derived from the sales of access to the Internet, as set forth in Article II, made to the ultimate consumer[, or from the sales of gas to the public from a public utility, except gross receipts derived from sales to any municipality owned or operated public utility and except gross receipts derived from the sales for resale, to persons, partnerships, associations, corporations or political subdivisions subject to the tax imposed by this act upon gross receipts derived from such resale] and from the transportation of oil done wholly within this State. [The gross receipts of gas companies shall include the gross receipts from the sale of artificial and natural gas, but shall not include gross receipts from the sale of liquefied petroleum gas.]

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Section 3. Section 1104 of the act is repealed.

Section 4. The amendment of section 1101(a) of the act shall apply to the tax years beginning on or after January 1, 2000.

Section 5. This act shall take effect as follows:

(1) The amendment of section 302 of the act shall take effect immediately.

(2) The remainder of this act shall take effect January 1, 2000.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Tulli.

Mr. TULLI. Thank you, Mr. Speaker.

This amendment would eliminate the 5-percent gross receipts tax on natural gas customers in residences all across Pennsylvania — it is about 2 million homes in Pennsylvania that would be affected by this — and put it in line with what has been done for large businesses and commercial establishments, and I ask a positive vote to eliminate this tax. Thank you.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayermik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stern
Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Stevenson
Browne	Habay	Myers	Strittmatter
Bunt	Haluska	Nailor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Home
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitai
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS—0

NOT VOTING—1

O'Brien

EXCUSED—2

Daley Masland

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

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

Mr. GEORGE offered the following amendment No. A0467:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

and for exemptions from the utilities gross receipts tax.

Amend Bill, page 3, by inserting between lines 15 and 16 Section 2. Section 1101(g) of the act, added June 23, 1982 (P.L.610, No.172), is amended to read:

Section 1101. Imposition of Tax.—\* \* \*

(g) Certain Gross Receipts not Taxed.—The tax otherwise imposed pursuant to this section upon gross receipts derived from the sale of electricity shall not however be imposed upon those portions of the gross receipts of an electric light company attributable to the following sources:

(1) the net increase in its gross receipts resulting from recovery from its customers of the costs of purchases of additional energy necessitated by the physical or legal inability to operate a nuclear generating facility as a result of an accident or natural disaster causing material damage to that facility or to a similar associated facility located immediately adjacent, whereupon either the damaged facility, another located immediately adjacent, or both, have been removed from the company's rate base for a period exceeding twenty-five months. The Department of Revenue shall request the Public Utility Commission to determine, for each such facility, the net increase in the gross receipts of its electric company owner for the immediate prior twelve-month period. This determination shall reflect the difference between the increased gross receipts of the company attributable to recovery of costs for purchase of replacement energy which otherwise would have been normally generated by the inoperative facility in such twelve-month period less the reduction in the company's gross receipts attributable to removal of the capital costs of the facility from the company's rate base and less the reduction in the company's gross receipts attributable to reduction in operating expenses that would have otherwise been incurred by normal operation of the facility in such twelve-month period. The Public Utility Commission shall, immediately after supplying the requested data, proceed to make the appropriate revision in the State tax adjustment charge of the electric company;

(2) recovery from its customers of costs incurred in connection with the clean-up and decontamination of a nuclear generating facility which has experienced a major accident or natural disaster and has been removed from the electric light company's rate base; [and]

(3) recovery from its customers of costs for the amortization of investments in a nuclear generating facility whose removal from the rate base of an electric light company has been approved by the Public Utility Commission on account of a major accident or natural disaster[.]; and

(4) accounts of customers who are residents of this Commonwealth and who are sixty-five years of age or older, provided that the electric light company reduces the rates of those customers proportionately to the amount of tax avoided by the application of this clause. Notwithstanding any other provision of law, an electric light company is authorized to reduce rates to such customers in order to comply with this clause.

\* \* \*

Section 3. All acts and parts of acts are repealed insofar as they are inconsistent with this act.



Amend Sec. 2, page 3, line 16, by striking out "2" and inserting 4

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

The SPEAKER. On the question of the adoption of the George amendment, the Chair recognizes the gentleman, Mr. George.

Mr. GEORGE. Thank you, Mr. Speaker.

Mr. Speaker, A0467 will exempt ratepayers over the age of 65 from paying the electric utility gross receipts tax. Mr. Speaker, this will provide a 4.4 reduction. I ask that we affirm this amendment.

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

The following roll call was recorded:

YEAS—198

- Adolph, Allen, Argall, Armstrong, Baker, Bard, Barley, Barrar, Bastian, Battisto, Bebkco-Jones, Belardi, Belfanti, Benninghoff, Birmelin, Bishop, Blaum, Boyes, Browne, Bunt, Bukovitz, Buxton, Caltagirone, Cappabianca, Carn, Casorio, Cawley, Chadwick, Civera, Clark, Clymer, Cohen, L. I., Cohen, M., Colafella, Cornell, Corrigan, Costa, Coy, Curry, Dailey, Dally, DeLuca, Dempsey, Dermody, DeWeese, DiGiroloamo, Donatucci, Druce, Eachus, Egolf, Fairchild, Fargo, Feese, Fichter, Fleagle, Flick, Forcier, Frankel, Freeman, Gannon, Geist, George, Gigliotti, Gladeck, Godshall, Gordner, Grucela, Gruitza, Habay, Haluska, Hanna, Harhai, Harhart, Hasay, Hennessey, Herman, Hershey, Hess, Horsey, Hutchinson, Jadowiec, James, Josephs, Kaiser, Keller, Kenney, Kirkland, Krebs, LaGrotta, Laughlin, Lawless, Lederer, Leh, Lescovitz, Levdansky, Lucyk, Donatucci, Lynch, Maher, Maitland, Major, Manderino, Mann, Markosek, Marsico, Mayernik, McCall, McGeehan, McGill, McIlhattan, McIlhinney, McNaughton, Melio, Metcalfe, Michlovic, Micozzie, Miller, R., Miller, S., Mundy, Myers, Nailor, Nickol, O'Brien, Oliver, Orié, Perzel, Pesci, Petrarca, Petrone, Phillips, Pippy, Pistella, Platts, Preston, Ramos, Raymond, Readshaw, Reinard, Rieger, Roberts, Robinson, Roebuck, Rohrer, Rooney, Ross, Rubley, Ruffing, Sainato, Samuelson, Santoni, Sather, Saylor, Schroder, Schuler, Scrimanti, Semmel, Serafini, Seyfert, Shaner, Smith, B., Smith, S. H., Snyder, Solobay, Staback, Stairs, Steelman, Steil, Stern, Stetler, Stevenson, Strittmatter, Sturla, Surra, Tangretti, Taylor, E. Z., Taylor, J., Thomas, Travaglio, Trello, Trich, True, Tulli, Vance, Van Horne, Veon, Vitali, Walko, Washington, Williams, Wilt, Wogan, Wojnaroski, Wright, Yewcic, Youngblood, Yudichak, Zimmerman, Zug, Ryan, Speaker

NAYS—1

Tigue

NOT VOTING—1

Evans

EXCUSED—2

Daley

Masland

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

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

Mr. ALLEN offered the following amendment No. A0427:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

, for inheritance tax exclusions and for inheritance tax.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. Section 2111 of the act is amended by adding a subsection to read:

Section 2111. Transfers Not Subject to Tax.—\* \* \*

(m.1) For estates of decedents dying after June 30, 2004, transfers of property to or for the use of any children of the decedent are exempt from inheritance tax.

\* \* \*

Section 3. Section 2116(a) of the act, amended June 16, 1994 (P.L.279, No.48) and June 30, 1995 (P.L.139, No.21), is amended to read:

Section 2116. Inheritance Tax.—(a) (1) Inheritance tax upon the transfer of property passing to or for the use of any of the following shall be at the rate of six per cent:

(i) grandfather, grandmother, father[,] or mother [and lineal descendants; or];

(ii) wife or widow and husband or widower of a child[.]; or

(iii) except for any children of the decedent, any other lineal descendants.

(1.1) Inheritance tax upon the transfer of property passing to or for the use of a husband or wife shall be:

(i) At the rate of three per cent for estates of decedents dying on or after July 1, 1994, and before January 1, 1995.

(ii) At a rate of zero per cent for estates of decedents dying on or after January 1, 1995.

(1.2) Inheritance tax upon the transfer of property passing to or for the use of any children of the decedent shall be at the rate set forth as follows:

(i) Six per cent for estates of decedents dying before July 1, 1999.

(ii) Five per cent for estates of decedents dying after June 30, 1999, and before July 1, 2000.

(iii) Four per cent for estates of decedents dying after June 30, 2000, and before July 1, 2001.

(iv) Three per cent for estates of decedents dying after June 30, 2001, and before July 1, 2002.

(v) Two per cent for estates of decedents dying after June 30, 2002, and before July 1, 2003.

(vi) One per cent for estates of decedents dying after June 30, 2003, and before July 1, 2004.

(2) Inheritance tax upon the transfer of property passing to or for the use of all persons other than those designated in subclause (1) [or], (1.1) or (1.2) or exempt under section 2111(m) or (m.1) shall be at the rate of fifteen per cent.



(3) When property passes to or for the use of a husband and wife with right of survivorship, one of whom is taxable at a rate lower than the other, the lower rate of tax shall be applied to the entire interest.

\*\*\*

Section 4. The amendment of sections 2111 and 2116(a) of the act shall be retroactive to July 1, 1999.

Section 5. This act shall take effect immediately.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Allen.

Mr. ALLEN. Thank you, Mr. Speaker.

This amendment would phase out the inheritance tax on transfers to children of deceased parents. Presently the tax is 6 percent. Over the next 6 years, beginning July 1, 1999, a 1-percent reduction would take place per year. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question of the adoption of the amendment, Mr. Gordner.

Mr. GORDNER. Mr. Speaker, I do not have a copy of this amendment. Is this in packet 1?

The SPEAKER. I am advised that it is in packet 2. Will one of the pages get a copy of that back to Mr. Gordner. Will the pages be sure that Mr. Gordner has a copy of this.

Mr. Cohen.

Mr. COHEN. Mr. Speaker, would Mr. Allen consent to interrogation, please?

The SPEAKER. The gentleman indicates he will. You may proceed. The gentleman may proceed.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, it seems to me that the guts of the essence of this amendment is it abolishes the inheritance tax entirely for direct descendants of decedents? Am I correct on that?

Mr. ALLEN. That is correct. Over a 6-year period.

Mr. COHEN. Over a 6-year period. So there is no limit by size of the estate, of \$100,000, \$200,000, \$1 million, or anything like that?

Mr. ALLEN. That is correct.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, I have no further questions, but I would like to speak.

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

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, I will benefit from this amendment, many of us will benefit from this amendment, many of our constituents will benefit from this amendment, but we will not all benefit equally from this amendment. People who have estates of \$1 million, \$5 million, \$10 million, \$15 million will benefit a lot more than the vast majority of our citizens will benefit.

Now, the State of Pennsylvania raises nearly \$800 million a year from taxes on inheritance. The 1988-1989 figure was \$778.4 million. Now, if we were to get rid of the taxes on estates under \$100,000, that would only cost the State less than 10 percent of the money that we get. A little under \$72 million is collected from exempt estates valued under \$100,000.

Even if we were to raise — and there is no amendment doing that, raising the exemption to \$500,000 — if we were to raise the exemption to \$500,000, which is the category of wealth that very few people have, that would raise it to \$461 million out of the

\$778 million. So therefore, doing a little arithmetic, \$318 million of the annual estates taxes are from people with estates over \$500,000, and that is nearly half the total.

I like the idea of giving money away, and I like the idea of receiving more money when my parents inevitably pass away. I like the idea of being able to give my daughter more money. But we have to worry about, Mr. Speaker, how is the average citizen going to be affected by this? Is this something that really benefits the average citizen? Does this benefit low-income people? Does it benefit struggling middle-class people? I think the answer to that is no. We are spending an awful lot of money on rather affluent people.

We voted for stadiums a few weeks ago. The amount of money that we are giving up from estates of over \$500,000 is more than the amount of money that we spent on stadiums. It is a lot of money that we are giving up from people who can very easily afford to pay these taxes.

I support targeted tax relief. I do not support blanket tax relief, which gives a totally disproportionate percentage of all the relief to a relatively small number of wealthy people. I would think the average citizen would benefit from this in a very, very small percentage. I think the targeted tax relief amendments of Representative Gordner and Representative Hanna and Representative Lucyk deal with this question in a much fairer way.

The SPEAKER. Will the gentleman yield. Will the gentleman yield.

This is not the time nor the place to be debating other amendments. The question before the House now is the Allen amendment. If we start going off into different directions, we will be here for 24 straight hours, because as near as I can compute, there are about 100 amendments to go. So keep that in mind and stay on the subject.

Mr. Cohen.

Mr. COHEN. Okay.

Mr. Speaker, in summary, without referring to other people's amendments, there are two approaches to tax relief. The first approach is targeted tax relief, to give tax relief to people who really need the money. The second is blanket tax relief, which tends to favor the very wealthy because they have much more money at stake.

I strongly support targeted tax relief. I oppose this blanket tax relief. I would urge people who do not have extremely affluent districts to vote against this amendment.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Gordner.

Mr. GORDNER. Thank you, Mr. Speaker.

I understand fully well that to a large degree what we are doing today is a charade in regard to the amount of tax reductions, tax deductions, tax eliminations we are doing. We all know that. But if we are going to be somewhat serious about how we are going to be addressing these separate amendments, we do need to look at the cost of those.

This year our Commonwealth gets over \$700 million in inheritance taxes. Now, coming up a little later we are going to be looking at a property tax relief action which will hopefully save our taxpayers \$400 or \$500 million, but here we are looking at eliminating a tax that brings over \$700 million to our Commonwealth, and a great portion of that is going to be saved by the richest of families in our State.

I have an amendment, Jerry Stern has an amendment to eliminate those estates that are \$100,000 or less. That would be a \$70 or \$80 million tax—

The SPEAKER. Mr. Gordner, the rules of the House require you to stay on the subject. The subject right now is the Allen amendment, not amendments that you may offer. Please, we have 100 amendments to get through, and I am going to remind all of the members who stray that they should come back into the fold.

Mr. GORDNER. Mr. Speaker, all I do is bring up an amendment that actually is listed right before the Allen—

The SPEAKER. I understand that, and you will get your opportunity to discuss that amendment shortly, but right now you have the Allen amendment.

Mr. GORDNER. Okay.

Again, I have just mentioned an alternative to this amendment.

This amendment would completely eliminate all inheritance taxes for all sizes of estates, whether they are \$500,000, \$1 million, \$2 million, or \$3 million, and it seems like what we should be doing is targeting our tax cuts to those that best need it, and I would ask for a negative vote on this amendment.

The SPEAKER. The gentleman, Mr. Allen, for the second time on the Allen amendment.

Mr. ALLEN. Thank you, Mr. Speaker.

In relation to the gentleman that was discussing the issue before, Representative Gordner, my comment is this: This is an asset tax. People have already paid taxes that have accumulated as parents, and I am stunned that somebody from the other side of the aisle would try to be taking funds away from the children of the people that are now deceased. It shocks me that that is the attitude of some of the members on the other side of the aisle. Thank you.

The SPEAKER. The Chair thanks the gentleman.

Mr. Cohen, on the Allen amendment.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, the Federal government taxes inheritance at a rate of 37½ percent. The Federal government now has a ceiling of \$650,000, under which no tax will be levied. The Federal government has an extended period of time till 2006, and in 2006 taxes under \$1 million will not be taxed. Now, those are pretty high numbers, but they are finite numbers. They are not saying at the Federal level that no matter how large your estate is, whether it is \$1 million or \$5 million or \$100 million or \$1 billion, there will be no inheritance tax. The Federal government is not saying that, and there is no reason why we should say that either.

I realize that this debate is essentially an advisory debate, but I would agree with Mr. Gordner that we ought to take it somewhat seriously and that we ought to vote “no” on this amendment and limit ourselves to targeted tax cuts, and we can debate as to what the appropriate target is and who ought to be the beneficiary, but here a vote for this amendment is a vote for some very, very substantial and very, very disproportionate tax relief to our wealthiest citizens.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—166

Adolph	Egolf	Maitland	Santoni
Allen	Fairchild	Major	Sather
Argall	Fargo	Markosek	Saylor
Armstrong	Feese	Marsico	Schroder
Baker	Fichter	Mayernik	Schuler
Bard	Fleagle	McCall	Scrimenti
Barley	Flick	McGeehan	Semmel
Barrar	Forcier	McGill	Serafini
Bastian	Frankel	McIlhattan	Seyfert
Battisto	Gannon	McIlhinney	Smith, B.
Bebko-Jones	Geist	McNaughton	Smith, S. H.
Belardi	George	Metcalfe	Snyder
Benninghoff	Gigliotti	Micozzie	Stairs
Birmelin	Gladeck	Miller, R.	Steelman
Blaum	Godshall	Miller, S.	Steil
Boyes	Grucela	Mundy	Stern
Browne	Gruitza	Nailor	Stevenson
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	O'Brien	Surra
Buxton	Hanna	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cam	Hasay	Perzel	Taylor, J.
Cawley	Hennessey	Pesci	Travaglio
Chadwick	Herman	Petrarca	Trello
Civera	Hershey	Petrone	True
Clark	Hess	Phillips	Tulli
Clymer	Hutchinson	Pippy	Vance
Cohen, L. I.	Jadlowiec	Pistella	Van Horne
Colafella	Kaiser	Platts	Veon
Cornell	Keller	Preston	Walko
Corrigan	Kenney	Raymond	Williams
Costa	Krebs	Readshaw	Wilt
Coy	LaGrotta	Reinard	Wogan
Dailey	Laughlin	Rieger	Wojnaroski
Dally	Lawless	Roberts	Wright
DeLuca	Lederer	Roebuck	Yewcic
Dempsey	Leh	Rohrer	Youngblood
Dermody	Lescovitz	Rooney	Zimmerman
DeWeese	Levdansky	Ross	Zug
DiGirolamo	Lucyk	Rubley	
Donatucci	Lynch	Ruffing	Ryan,
Druce	Maier	Sainato	Speaker

NAYS—33

Belfanti	Harhai	Michlovic	Stetler
Bishop	Horsey	Myers	Sturla
Cappabianca	James	Ramos	Thomas
Casorio	Josephs	Robinson	Tigue
Cohen, M.	Kirkland	Samuelson	Trich
Curry	Manderino	Shaner	Vitali
Eachus	Mann	Solobay	Washington
Freeman	Melio	Staback	Yudichak
Gordner			

NOT VOTING—1

Evans

EXCUSED—2

Daley Masland

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

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

Mrs. COHEN offered the following amendment No. A0728:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; providing for a phased reduction of the rate of inheritance tax; and further providing for the calculation of the estate tax.

Amend Sec. 1, page 2, line 1, by striking out "Section 302" and inserting

Sections 302 and 2106

Amend Sec. 1, page 2, line 3, by striking out "is" and inserting are

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2106. Imposition of Tax.—[An]

(1) Except as provided in paragraph (2), an inheritance tax for the use of the Commonwealth is imposed upon every transfer subject to tax under this article at the rates specified in section 2116.

(2) The transfer of property for estates of decedents dying after December 31, 1999, is not subject to the inheritance tax.

Section 2. Section 2116(a) of the act, amended June 16, 1994 (P.L.279, No.48) and June 30, 1995 (P.L.139, No.21), is amended to read:

Section 2116. Inheritance Tax.—(a) (1) Inheritance tax upon the transfer of property passing to or for the use of any of the following shall be at the rate of six per cent[.] for the estate of a decedent dying before or on December 31, 1999, and at a rate of zero per cent for any decedent dying on or after January 1, 2000:

(i) grandfather, grandmother, father, mother and lineal descendants; or

(ii) wife or widow and husband or widower of a child.

(1.1) Inheritance tax upon the transfer of property passing to or for the use of a husband or wife shall be:

(i) At the rate of three per cent for estates of decedents dying on or after July 1, 1994, and before January 1, 1995.

(ii) At a rate of zero per cent for estates of decedents dying on or after January 1, 1995.

(2) Inheritance tax upon the transfer of property passing to or for the use of all persons other than those designated in subclause (1) or (1.1) or exempt under section 2111(m) shall be at the rate of fifteen per cent[.] for a decedent dying before or on December 31, 1999, and at a rate of zero per cent for a decedent dying on or after January 1, 2000.

(3) When property passes to or for the use of a husband and wife with right of survivorship, one of whom is taxable at a rate lower than the other, the lower rate of tax shall be applied to the entire interest.

\*\*\*

Section 3. Section 2117 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Section 2117. Estate Tax.—(a) In the event that a Federal estate tax is payable to the Federal Government on the transfer of the taxable estate of a decedent who was a resident of this Commonwealth at the time of his death, [and the inheritance tax, if any, actually paid to the Commonwealth by reason of the death of the decedent (disregarding interest or the amount of any discount allowed under section 2142) is less than] a State tax equal to the maximum credit for State death taxes allowable under section 2011 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 2011), [a tax equal to the difference] is imposed. If a resident decedent owned or had an interest in real property or tangible personal property having a situs in another state, the tax so imposed shall be reduced by the greater of:

(1) the amount of death taxes actually paid to the other state with respect to the estate of the decedent, excluding any death tax expressly imposed to receive the benefit of the credit for state death taxes allowed under section 2011 of the Internal Revenue Code of 1986; or

(2) an amount computed by multiplying the maximum credit for state death taxes allowable under section 2011 of the Internal Revenue code of 1986 by a fraction, the numerator of which is the value of the

real property and tangible personal property to the extent included in the decedent's gross estate for Federal estate tax purposes and having a situs in the other state and the denominator of which is the value of the decedent's gross estate for Federal estate tax purposes.

(b) In the event that a Federal estate tax is payable to the Federal Government on the transfer of the taxable estate of a decedent who was not a resident of this Commonwealth at the time of his death but who owned or had an interest in real property or tangible personal property having a situs in this Commonwealth, a tax is imposed in an amount computed by multiplying the maximum credit for State death taxes allowable under section 2011 of the Internal Revenue Code of 1986 by a fraction, the numerator of which is the value of the real property and tangible personal property to the extent included in the decedent's gross estate for Federal estate tax purposes having a situs in this Commonwealth and the denominator of which is the value of the decedent's gross estate for Federal estate tax purposes[, and deducting from that amount the inheritance tax, if any, actually paid to the Commonwealth (disregarding interest or the amount of any discount allowed under section 2142)].

(c) When an inheritance tax is imposed after an estate tax imposed under subsection (a) or (b) has been paid, the estate tax paid shall be credited against any inheritance tax later imposed.

Section 4. This act shall take effect as follows:

(1) Section 3 of this act shall take effect January 1, 2000.

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

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the lady, Mrs. Cohen.

Mrs. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, this amendment, A0728, would do away with the inheritance tax entirely as of December 31, 1999. The inheritance tax is simply not a fair tax. It is taxing money upon which the person has already paid the tax. This is a duplicate, a double tax.

Additionally, to tax a decedent's estate is essentially taking milk out of the mouths of babies, because the children and the direct descendants are the ones that suffer because of this.

I think this is a good amendment. This is a law that should absolutely be adopted. There is nothing in this amendment that refers to the pigeon shoot. It strictly is the inheritance tax, and I urge my fellow members to please vote in favor of the amendment. Thank you, Mr. Speaker.

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

Mr. LUCYK. Thank you, Mr. Speaker.

I would like to ask the sponsor of this amendment a few questions, please.

The SPEAKER. The lady, Mrs. Cohen, indicates that she will stand for interrogation. You may begin.

Mr. LUCYK. Thank you, Mr. Speaker.

Mr. Speaker, how does this amendment, A728, differ from amendment A258, which is my amendment, which I filed several weeks ago?

The SPEAKER. Will the gentleman yield.

The question before the House, Mr. Lucyk, is the adoption of this particular amendment.

Mrs. COHEN. Mr. Speaker, I—

The SPEAKER. Will the lady yield.

I indicated that we are going to stay tight on the rules with respect to these amendments and that the debate be contained; otherwise, we will be here forever.

Do you have an amendment that has been offered? The proper time to point out the difference would be when your amendment is offered.

Mr. LUCYK. Well, I would like to know the difference, Mr. Speaker, because, you know, if we pass this amendment and it is the same amendment as the one I propose, which I filed several weeks ago, I will withdraw that amendment. I am willing to support this amendment. If it is the same, I would just like to know if it in fact is the same.

The SPEAKER. We are going to try this once.

Mrs. Cohen.

Mrs. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, I think the difference in the two amendments is the effective dates.

Mr. LUCYK. Okay. So basically, the two amendments are the same.

Mrs. COHEN. Mr. Speaker, except for the effective dates of the amendments.

Mr. LUCYK. And when did you file this, Mr. Speaker?

The SPEAKER. Mr. Lucyk, this has nothing to do with the amendment before the House. Please.

Mr. LUCYK. Okay. Thank you, Mr. Speaker.

Let me just make a statement, would you please?

The SPEAKER. On the amendment.

Mr. LUCYK. Yes, sir.

The SPEAKER. The gentleman is recognized.

Mr. LUCYK. I did file this amendment. I have been proposing this idea for several years now. I filed this amendment several weeks ago when the question of HB 1 was brought to my attention.

I support the lady in her quest to eliminate the inheritance tax. I do feel that the inheritance tax is a double taxation. It is completely unfair to the people who have scraped and saved over the years to build some type of estate.

I have several more amendments which I am going to offer to do different things to the inheritance tax, but at this time I would like to support the lady in her efforts to pass this amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question of the adoption of the Cohen amendment, the Chair recognizes Mr. Cohen.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, there is a dispute among the Cohens on this amendment.

This amendment will cost \$400 million, easily, from next year's budget. Now, as of today, the surplus is \$300 million. Maybe the surplus will get higher. Hopefully, it will get higher. But this threatens to eliminate at the very least a good chunk of the annual surplus.

Now, the year after 1999 to 2000, this will cost the Commonwealth of Pennsylvania \$800 million. Eight hundred million dollars is larger than any surplus we have ever had, so that if we want to cut property taxes, there will not be money there to do it. If we want to increase money for education, there will not be money. This is an amendment that will end the tax cutting debate for the future.

Governor Ridge bragged that the debate was about which taxes should we cut, not which taxes should we raise. If this amendment passes, the debate about which taxes we should cut is over. We

have announced it. We have made our decision. We are cutting taxes for the very wealthy, and now the question will become, what taxes are we going to raise? How are we going to finance the government?

Yes, Mr. Speaker, I know. People who have earned a lot of money and have saved it and made responsible investments do not like paying taxes. Nobody likes paying taxes, but we are making a decision, if we pass this amendment, that all of us are going to pay more taxes so our wealthiest citizens can pay less taxes.

This amendment is more drastic than the one we voted on before. The other one at least phased out the inheritance tax. This gives us an immediate fiscal crisis in Pennsylvania beginning with the budget that we are going to be voting on in April or May.

I would urge that this amendment be defeated.

The SPEAKER. The Chair recognizes the lady from Berks, Mrs. Miller.

Mrs. MILLER. Thank you, Mr. Speaker.

I would like to interrogate the maker of the amendment, if I might.

The SPEAKER. The lady, Mrs. Cohen, indicates she will stand for interrogation. You may begin.

Mrs. MILLER. Thank you, Mr. Speaker.

My question is, in eliminating the inheritance tax, do you feel that this is going to help save family businesses and small family farms so that the next generation can continue that business and thereby help us with our income taxes?

Mrs. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, absolutely, and this is one of the reasons for putting in this amendment.

By the way, this amendment is word for word of a bill that I am the prime sponsor of that has been in the Finance Committee.

People scrimp and save for their children. People work hard in family businesses. Many family businesses, many family homes are lost because inheritance taxes have to be paid. The money that is paid on inheritance taxes is money that people have scrimped and saved and already paid taxes on. It is a double tax. By eliminating this tax, we are doing what our goal is in Pennsylvania: to save small businesses, to save family enterprises. This is a people-oriented amendment.

Mrs. MILLER. Thank you, Mr. Speaker.

And one further question then for the maker of the amendment. There is no way to identify at this point in time what actually we might see as a net gain in taxes. However, what we are seeing as far as a fiscal note on this is indicating a cost, but do you feel that this is something that is more aptly described as a shift in the type of taxes that will be coming into the Commonwealth as far as the elimination if we can help those family businesses survive?

Mrs. COHEN. Mr. Speaker, I believe that by eliminating the inheritance tax, we will indeed see — and we do not have the numbers on it; it is just a reaction of what I have investigated — we will indeed see much more money coming into the Commonwealth because we will be saving people's homes, we will be saving their businesses, and that is why we are here.

So I definitely think that this is a positive force to doing what we do best, which is encouraging family businesses to indeed survive.

Mrs. MILLER. Thank you, Mr. Speaker.

That ends my interrogation.

### PARLIAMENTARY INQUIRY

The SPEAKER. The gentleman, Mr. Lucyk, for the second time on the question.

Mr. LUCYK. Mr. Speaker, I have I guess more of a parliamentary question to you, sir.

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

Mr. LUCYK. If this amendment passes, will any future amendments to this bill dealing with the inheritance tax be ruled out of order?

The SPEAKER. If you could be more explicit, perhaps we could answer your question.

Mr. LUCYK. Well, I have an amendment, which I hope to offer this afternoon, which would provide for a \$200,000 exemption to the inheritance tax. Now, if this amendment passes, would that amendment be ruled irrelevant and ruled out of order?

The SPEAKER. What I am going to suggest, rather than snap a quick answer to you, the last amendment considered, if it changes — if it changes — the wording of the earlier amendment, it would be the controlling amendment, but it of course depends on how the amendment is drafted. It has got to be attacking, if you will, the earlier accepted amendment, and just talking across the desk, I am unable to give you advice on that. If you want, come up to the desk and talk to the Parliamentarian with your amendment and he can give you that advice.

Mr. LUCYK. Well, my reason for asking this, Mr. Speaker, is that, you know, I think if people are opposed to reducing the inheritance tax completely and if this idea is going to be taken out by the Senate, then I think my amendment, my future amendment, would have a better chance of staying in.

And secondly—

The SPEAKER. Will the gentleman yield.

No one knows what is going to happen in the Senate, whether it will be taken out or left in, so forget that part of your argument and continue.

Mr. LUCYK. I agree with you, Mr. Speaker, that that is exactly right.

However, but then I would question why, you know, the order of our amendments.

The SPEAKER. I explained earlier the order of the amendments. I received a copy of the list from the majority leader's office with the understanding that a copy had been forwarded to the Democratic leader's office.

Mr. LUCYK. So, Mr. Speaker, there is no rhyme or reason the way we are doing these amendments.

The SPEAKER. Well, yes; sure there is a rhyme and reason. I am doing what I have been asked to do, and they are doing what they feel they have to do.

Mr. LUCYK. I thank you, Mr. Speaker.

The SPEAKER. The gentleman is welcome.

The gentleman, Mr. Gordner.

Mr. GORDNER. Thank you, Mr. Speaker.

I feel like I do need to respond to a comment made by the prime sponsor of this amendment. She indicated that individuals are scraping together moneys in order to pay inheritance tax and families are scraping and doing this and doing that. If she truly believes that, then the way to address the problem is by allowing for an exclusion of a certain amount, whether it is \$100,000 or

\$200,000 or whatever, but by completely eliminating the inheritance tax, you are eliminating the inheritance tax on estates of \$1 million, \$2 million, \$3 million, and those are not families that are scrimping or saving trying to get some money to their relatives and children. So please do not make that argument with a serious face.

This would completely eliminate it, and it is not the way we should address this issue, and so I would oppose this amendment. Thank you.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

#### YEAS—172

Adolph	Fairchild	Mann	Sather
Ailen	Fargo	Markosek	Saylor
Argall	Feese	Marsico	Schroder
Armstrong	Fichter	Mayernik	Schuler
Baker	Fleagle	McCall	Scrimenti
Bard	Flick	McGeehan	Semmel
Barley	Forcier	McGill	Serafini
Barrar	Frankel	McIlhattan	Seyfert
Bastian	Gannon	McIlhinney	Shaner
Bebko-Jones	Geist	McNaughton	Smith, B.
Belardi	George	Metcalfe	Smith, S. H.
Benninghoff	Gigliotti	Michlovic	Snyder
Birmelin	Gladeck	Micozzie	Staback
Bishop	Godshall	Miller, R.	Stairs
Blaum	Grucela	Miller, S.	Steeleman
Boyes	Gruitza	Mundy	Stern
Browne	Habay	Nailor	Stetler
Bunt	Haluska	Nickol	Stevenson
Butkovitz	Hanna	O'Brien	Strittmatter
Buxton	Harhai	Orie	Surra
Caltagirone	Harhart	Perzel	Tangretti
Carn	Hasay	Pesci	Taylor, E. Z.
Cawley	Hennessey	Petrarca	Taylor, J.
Chadwick	Herman	Petrone	Travaglio
Civera	Hershey	Phillips	Trello
Clark	Hess	Pippy	Trich
Clymer	Horsey	Pistella	True
Cohen, L. I.	Hutchinson	Platts	Tulli
Colafella	Jadlowiec	Preston	Vance
Cornell	Kaiser	Raymond	Van Horne
Corrigan	Keller	Readshaw	Veon
Costa	Kenney	Reinard	Walko
Coy	Krebs	Rieger	Williams
Daitley	LaGrotta	Roberts	Wilt
Dally	Laughlin	Robinson	Wogan
DeLuca	Lawless	Roebuck	Wojnaroski
Dempsey	Lederer	Rohrer	Wright
Dermody	Leh	Rooney	Yewcic
DeWeese	Lescovitz	Ross	Zimmerman
DiGirolamo	Lucyk	Rublely	Zug
Donatucci	Lynch	Ruffing	
Druce	Maher	Sainato	Ryan,
Egolf	Maitland	Santoni	Speaker
Evans	Major		

#### NAYS—25

Battisto	Freeman	Manderino	Sturla
Belfanti	Gordner	Meio	Thomas
Cappabianca	James	Myers	Tigue
Casorio	Josephs	Ramos	Vitali
Cohen, M.	Kirkland	Samuelson	Youngblood
Curry	Levdansky	Solobay	Yudichak
Eachus			

NOT VOTING—3

Oliver Steil Washington

EXCUSED—2

Daley Masland

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

GUEST INTRODUCED

The SPEAKER. The Chair is pleased to welcome to the hall of the House today, as the guest of the Republican delegation of Allegheny County, Ms. Jodi Hakim. She is seated, I believe, to my left. Would the lady please rise.

CONSIDERATION OF HB 1 CONTINUED

On the question recurring,

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

Mrs. HARHART offered the following amendment No. A0425:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and increasing the additional dependent income allowance for the special tax provisions for poverty.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. Section 304(d)(1) of the act, amended April 23, 1998 (P.L.239, No.45), is amended to read:

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

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

(1) If the poverty income of the claimant during an entire taxable year is six thousand five hundred dollars (\$6,500) or less, or, in the case of a married claimant, if the joint poverty income of the claimant and the claimant's spouse during an entire taxable year is thirteen thousand dollars (\$13,000) or less, the claimant shall be entitled to a refund or forgiveness of any moneys which have been paid over to (or would except for the provisions of this act be payable to) the Commonwealth under the provisions of this article, with an additional income allowance of [six thousand dollars (\$6,000)] six thousand five hundred dollars (\$6,500) if claimed by married claimants or of six thousand five hundred dollars (\$6,500) if claimed by a single claimant for the first additional dependent and an additional income allowance of [six thousand dollars (\$6,000)] six thousand five hundred dollars (\$6,500) for each additional 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.

\* \* \*

Section 3. This act shall apply to the tax years beginning on or after January 1, 1999.

Section 4. This act shall take effect immediately.

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

The SPEAKER. On the question of the adoption of amendment 0425, the Chair recognizes the lady.

Mrs. HARHART. Thank you, Mr. Speaker.

What this amendment does, it means that a family of four — both two parents, two children, and a parent with three children — with an income of \$26,000 would owe no personal income tax in Pennsylvania. This tax would become effective for the tax year beginning on or after January 1, 1999, and I ask for your support. Thank you.

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

The following roll call was recorded:

YEAS—199

Table listing names of members who voted 'YEAS' (199 total). Includes names like Adolph, Allen, Argall, Armstrong, Baker, Bard, Barley, Barrar, Bastian, Battisto, Bebko-Jones, Belardi, Belfanti, Benninghoff, Birmelin, Bishop, Blaum, Boyes, Browne, Bunt, Butkovitz, Buxton, Caltagirone, Cam, Casorio, Cawley, Chadwick, Civera, Clark, Clymer, Cohen, L. I., Cohen, M., Colafella, Cornell, Corrigan, Costa, Coy, Curry, Dailey, Dally, DeLuca, Dempsey, Dermody, DeWeese, DiGirolamo, Donatucci, Druce, Eachus, Egolf, Evans, Fairchild, Fargo, Feese, Fichter, Fleagle, Flick, Forcier, Frankel, Freeman, Gannon, Geist, George, Gigliotti, Gladeck, Godshall, Gordner, Grucela, Gruitza, Habay, Haluska, Hanna, Harhai, Harhart, Hasay, Hennessey, Herman, Hershey, Hess, Horsey, Hutchinson, Jadlovec, James, Josephs, Kaiser, Keller, Kenney, Kirkland, Krebs, LaGrotta, Laughlin, Lawless, Lederer, Leh, Lescovitz, Levdansky, Lucyk, Lynch, Maher, Maitland, Major, Manderino, Mann, Markosek, Marsico, Mayernik, McCall, McGeehan, McGill, McIlhattan, McIlhinney, McNaughton, Melio, Metcalfe, Michlovic, Micozzie, Miller, R., Miller, S., Mundy, Myers, Nailor, Nickol, O'Brien, Oliver, Orié, Perzel, Pesci, Petrarca, Petrone, Phillips, Pippy, Pistella, Platts, Preston, Ramos, Raymond, Readshaw, Reinard, Rieger, Roberts, Robinson, Roebuck, Rohrer, Rooney, Ross, Rubley, Ruffing, Sainato, Samuelson, Santoni, Saylor, Schroder, Schuler, Scrimenti, Semmel, Serafini, Seyfert, Shaner, Smith, B., Smith, S. H., Snyder, Solobay, Staback, Stairs, Steelman, Steil, Stern, Stetler, Stevenson, Strittmatter, Sturla, Surra, Tangretti, Taylor, E. Z., Taylor, J., Thomas, Tigue, Travaglio, Trello, Trich, True, Tulli, Vance, Van Horne, Veon, Vitali, Walko, Washington, Williams, Wilt, Wogan, Wojnaroski, Wright, Yewwic, Youngblood, Yudichak, Zimmerman, Zug, Ryan, Speaker.

NAYS—0

## NOT VOTING—1

Cappabianca

## EXCUSED—2

Daley

Masland

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

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

Mr. **BROWNE** offered the following amendment No. **A0499**:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing for a poverty credit.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 304 of the act, amended April 23, 1998 (P.L.239, No.45), 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) or less, or, in the case of a married claimant, if the joint poverty income of the claimant and the claimant's spouse during an entire taxable year is thirteen thousand dollars (\$13,000) or less, the claimant shall be entitled to a refund or forgiveness of any moneys which have been paid over to (or would except for the provisions of this act be payable to) the Commonwealth under the provisions of this article, with an additional income allowance of six thousand dollars (\$6,000) if claimed by married claimants or of six thousand five hundred dollars (\$6,500) if claimed by a single claimant for the first additional dependent and an additional income allowance of six thousand dollars (\$6,000) for each additional 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 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).

(2.1) If the joint poverty income of a claimant and the claimant's spouse 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 percentage prescribed in such subclauses of any moneys which have been paid over to, or would, except for the provisions herein, be payable to the Commonwealth under this article:

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

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

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

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

(v) Fifty per cent if not in excess of two thousand five hundred dollars (\$2,500).

(vi) Forty per cent if not in excess of three thousand dollars (\$3,000).

(vii) Thirty per cent if not in excess of three thousand five hundred dollars (\$3,500).

(viii) Twenty per cent if not in excess of four thousand dollars (\$4,000).

(ix) Ten per cent if not in excess of four thousand five hundred dollars (\$4,500).

(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 3. The amendments of section 304 of the act shall apply to tax years beginning 1999 and each tax year thereafter.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

4

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Browne.



Mr. BROWNE. Thank you, Mr. Speaker.

Mr. Speaker, in Washington they have been discussing changes in the Internal Revenue Code, and one of the things they have been discussing is the elimination of a marriage penalty. Unfortunately, we have the same issue in Pennsylvania under our tax forgiveness program, and the best way to explain this is through a short example. If you have two individuals, one making \$13,000 and the other making \$14,000, each with one dependent, they will pay \$157 to the Commonwealth. That is an 80-percent — with tax forgiveness — an 80-percent reduction, which is not a bad deal. But when these people exchange vows, they no longer have a friend in Pennsylvania. At \$27,000 with two dependents, they are paying \$605, a \$448 increase in their taxes.

Amendment 0499 will eliminate this disparity, providing some equity in our Tax Reform Code, not penalizing people for walking down the aisle, and I ask for an affirmative vote.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Hasay	Orie	Taylor, E. Z.
Cappabianca	Hennessey	Perzel	Taylor, J.
Carn	Herman	Pesci	Thomas
Casorio	Hershey	Petrarca	Tigue
Cawley	Hess	Petrone	Travaglio
Chadwick	Horsey	Phillips	Trello
Civera	Hutchinson	Pippy	Trich
Clark	Jadlowiec	Pistella	True
Clymer	James	Platts	Tulli
Cohen, L. I.	Josephs	Preston	Vance
Cohen, M.	Kaiser	Ramos	Van Home
Colafella	Keller	Raymond	Veon
Cornell	Kenney	Readshaw	Vitali
Corrigan	Kirkland	Reinard	Walko
Costa	Krebs	Rieger	Washington
Coy	LaGrotta	Roberts	Williams
Curry	Laughlin	Robinson	Wilt
Dailey	Lawless	Roebuck	Wogan
Daily	Lederer	Rohrer	Wojnaroski
DeLuca	Leh	Rooney	Wright
Dempsey	Lescovitz	Ross	Yewcic
Dermody	Levdansky	Rublely	Youngblood
DeWeese	Lucyk	Ruffing	Yudichak
DiGirolamo	Lynch	Sainato	Zimmerman
Donatucci	Maher	Samuelson	Zug

Druce	Maitland	Santoni	
Eachus	Major	Sather	Ryan,
Egolf	Manderino	Saylor	Speaker
Evans			

NAYS—0

NOT VOTING—1

Harhart

EXCUSED—2

Daley

Masland

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

VOTE CORRECTION

The SPEAKER. The Chair recognizes the lady, Mrs. Harhart, who indicates that her machine was not working on that last vote and she would be voted in the affirmative had it been working.

CONSIDERATION OF HB 1 CONTINUED

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

Mr. BROWNE offered the following amendment No. A0429:

Amend Title, page 1, line 10, by inserting after "penalties," " further defining poverty income; and

Amend Bill, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Section 301(o.2) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended December 13, 1991 (P.L.373, No.40), is amended to read:

Section 301. Definitions.—The following words, terms and phrases when used in this article shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning. Unless specifically provided otherwise, any reference in this article to the Internal Revenue Code shall include the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to January 1, 1997:

\*\*\*

(o.2) "Poverty income" means for the purpose of determining eligibility for special tax provisions all moneys or property (including interest, gains or income derived from obligations which are statutorily free from State or local taxation under any other act of the General Assembly of the Commonwealth of Pennsylvania or under the laws of the United States) received of whatever nature and from whatever source derived, but not including (i) periodic payments for sickness and disability other than regular wages received during a period of sickness or disability; or (ii) disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts and similar legislation by any government; or (iii) payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of employment; or (iv) payments commonly known as public assistance or unemployment compensation payments by any governmental agency; or (v) payments to reimburse actual expenses; or (vi) payments made by employers or labor



unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, strike benefits, Social Security and retirement; or (vii) any compensation received by United States servicemen serving in a combat zone[.]; or (viii) scholarships, stipends or fellowships; or (ix) the exclusion for the sale of a principal residence under section 303(a)(3)(vii).

Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Bill, page 3, by inserting between lines 15 and 16

Section 3. The amendment of section 301 of the act shall apply to taxable years beginning in 1999 and each taxable year thereafter.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

4

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

The SPEAKER. The Chair recognizes the gentleman, Mr. Browne, on his amendment.

Mr. BROWNE. Thank you, Mr. Speaker.

Mr. Speaker, it is pretty common in most jurisdictions throughout the country for the governments to encourage and not penalize certain activities through their tax codes. Two of these activities are receiving scholarships, stipends, and fellowships, and recording gain on sale from principal residences. However, under our tax forgiveness program, we do penalize these activities because they have to be added back in order to determine your income to qualify. When other people who are not on tax forgiveness do not see their taxes change because of this, those who are on tax forgiveness pay an increased liability to the Commonwealth. This amendment would eliminate those two items from income for tax forgiveness and again provide more equity in our Tax Reform Code, and I ask for an affirmative vote.

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

The following roll call was recorded:

YEAS—200

- Adolph Fairchild Mann Schroder
Allen Fargo Markosek Schuler
Argall Feese Marsico Scrimenti
Armstrong Fichter Mayernik Semmel
Baker Fleagle McCall Serafini
Bard Flick McGeehan Seyfert
Barley Forcier McGill Shaner
Barrar Frankel McIlhattan Smith, B.
Bastian Freeman McIlhinney Smith, S. H.
Battisto Gannon McNaughton Snyder
Bebko-Jones Geist Melio Solobay
Belardi George Metcalfe Staback
Belfanti Gigliotti Michlovic Stairs
Benninghoff Gladeck Micozzie Steelman
Birmelin Godshall Miller, R. Steil
Bishop Gordner Miller, S. Stern
Blaum Grucela Mundy Stetler
Boyes Gruitza Myers Stevenson
Browne Habay Nailor Strittmatter
Bunt Haluska Nickol Sturla
Butkovitz Hanna O'Brien Surra
Buxton Harhai Oliver Tangretti
Caltagirone Harhart Orié Taylor, E. Z.
Cappabianca Hasay Perzel Taylor, J.
Carn Hennessey Pesci Thomas
Casorio Herman Petrarca Tigue
Cawley Hershey Petrone Travaglio
Chadwick Hess Phillips Trello

- Civera Horsey Pippy Trich
Clark Hutchinson Pistella True
Clymer Jadowiec Platts Tulli
Cohen, L. I. James Preston Vance
Cohen, M. Josephs Ramos Van Horne
Colafella Kaiser Raymond Veon
Cornell Keller Readshaw Vitali
Corrigan Kenney Reinard Walko
Costa Kirkland Rieger Washington
Coy Krebs Roberts Williams
Curry LaGrotta Robinson Wilt
Dailey Laughlin Roebuck Wogan
Dally Lawless Rohrer Wojnaroski
DeLuca Lederer Rooney Wright
Dempsey Leh Ross Yewcic
Dermody Lescovitz Rubley Youngblood
DeWeese Levdansky Ruffing Yudichak
DiGirolamo Lucyk Sainato Zimmerman
Donatucci Lynch Samuelson Zug
Druce Maher Santoni
Eachus Maitland Sather Ryan,
Egolf Major Saylor Speaker
Evans Manderino

NAYS—0

NOT VOTING—0

EXCUSED—2

- Daley Masland

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

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

The SPEAKER. We have completed the amendments in packet No. 2, and the House will stand at ease awaiting the arrival and distribution of the packet 3.

The Chair requests the gentleman, Mr. Chadwick, to preside temporarily.

THE SPEAKER PRO TEMPORE (J. SCOT CHADWICK) PRESIDING

RULES COMMITTEE MEETING

The SPEAKER pro tempore. While we are awaiting packet No. 3, the Chair recognizes the majority leader, who calls for an immediate meeting of the Rules Committee at the majority leader's desk.

**RESOLUTION REPORTED  
FROM COMMITTEE**

**HR 49, PN 753**

By Rep. PERZEL

A Resolution urging municipalities, local authorities and other public and private organizations receiving funds through the Capital Facilities Debt Enabling Act to utilize Pennsylvania and other domestic products, suppliers and contractors whenever possible.

**RULES.**

**BILL REPORTED FROM COMMITTEE,  
CONSIDERED FIRST TIME, AND TABLED**

**HB 10, PN 854 (Amended)**

By Rep. GEIST

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for licensing eligibility and licensing of minors, for learner's permits, for school, examination or hearing on accumulation of points or excessive speeding and for restraint systems; and making editorial changes.

**TRANSPORTATION.**

The SPEAKER pro tempore. The Chair is advised that most of the members have packet 3. There are about 30 to go, so we should be ready to continue shortly.

**VOTE CORRECTION**

Mr. MICHLOVIC. Mr. Speaker?

The SPEAKER pro tempore. The House will come to order.

For what purpose does the gentleman, Mr. Michlovic, rise?

Mr. MICHLOVIC. Mr. Speaker, would it be in order to change my vote on a past amendment?

The SPEAKER pro tempore. The gentleman is recognized.

Mr. MICHLOVIC. Mr. Speaker, on amendment 728, the Lita Cohen amendment, I was inadvertently voted in favor. I would like to be recorded in the negative on that amendment. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The gentleman's remarks will be spread upon the record.

**CONSIDERATION OF HB 1 CONTINUED**

On the question recurring,

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

Mr. FRANKEL offered the following amendment No. **A0082**:

Amend Title, page 1, line 10, by inserting after "penalties," " further defining "compensation"; and

Amend Sec. 1, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Section 301(d) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended April 23, 1998 (P.L.239, No.45), is amended to read:

Section 301. Definitions.—The following words, terms and phrases when used in this article shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning.

Unless specifically provided otherwise, any reference in this article to the Internal Revenue Code shall include the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to January 1, 1997:

\*\*\*

(d) "Compensation" means and shall include salaries, wages, commissions, bonuses and incentive payments whether based on profits or otherwise, fees, tips and similar remuneration received for services rendered, whether directly or through an agent, and whether in cash or in property.

The term "compensation" shall not mean or include: (i) periodic payments for sickness and disability other than regular wages received during a period of sickness or disability; or (ii) disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts and similar legislation by any government; or (iii) payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of employment, including distribution from an existing individual retirement account into a Roth Individual Retirement Account; or (iv) payments commonly known as public assistance, or unemployment compensation payments by any governmental agency; or (v) payments to reimburse actual expenses; or (vi) payments made by employers or labor unions, including payments made pursuant to a cafeteria plan qualifying under section 125 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 125), for employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits or strike benefits: Provided, That the program does not discriminate in favor of highly compensated individuals as to eligibility to participate, payments or program benefits; or (vii) any compensation received by United States servicemen serving in a combat zone; or (viii) payments received by a foster parent for in-home care of foster children from an agency of the Commonwealth or a political subdivision thereof or an organization exempt from Federal tax under section 501(c)(3) of the Internal Revenue Code of 1954 which is licensed by the Commonwealth or a political subdivision thereof as a placement agency; or (ix) payments made by employers or labor unions for employee benefit programs covering social security or retirement; or (x) personal use of an employer's owned or leased property or of employer-provided services.

\*\*\*

Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

3

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. The Chair wishes to advise the members that this amendment is listed on your packet as being a Stetler amendment. However, it is being offered by the gentleman, Mr. Frankel.

The Chair recognizes the gentleman from Allegheny County, Mr. Frankel.

Mr. FRANKEL. Thank you, Mr. Speaker.

I rise in support of my amendment A082.

Last year, due to the largess of the Federal government, millions of Americans had the opportunity to take advantage of a new retirement vehicle, the Roth IRA (individual retirement account), and this led to many Americans, including many Pennsylvanians, transferring from their traditional IRAs into a Roth IRA. This event was treated as a taxable event by the Federal government. However, rollovers at the State level from regular IRAs, from one IRA to another, had never been taxable. However, our State

regulations provide that the transfer for State tax purposes will follow treatment given them for Federal taxation.

Therefore, in order to avoid any confusion and to continue to encourage people to utilize the Roth IRAs and plan for their retirements, I offer this amendment which would clarify that and assure that there would be continued tax-exempt treatment of rollovers from one IRA to another, including the Roth IRAs, and most importantly, I believe that we would make sure that the rules of the game are not changed in the middle of the game.

Thank you. I urge the members to support this amendment. Thank you.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Kaiser	Ramos	Van Horne
Colafella	Keller	Raymond	Veon
Cornell	Kenney	Readshaw	Vitali
Corrigan	Kirkland	Reinard	Walko
Costa	Krebs	Rieger	Washington
Coy	LaGrotta	Roberts	Williams
Curry	Laughlin	Robinson	Wilt
Dailey	Lawless	Roebuck	Wogan
Dally	Lederer	Rohrer	Wojnaroski
DeLuca	Leh	Rooney	Wright
Dempsey	Lescovitz	Ross	Yewcic
Dermody	Levdansky	Rubley	Youngblood
DeWeese	Lucyk	Ruffing	Yudichak
DiGiroilamo	Lynch	Sainato	Zimmerman
Donatucci	Maher	Samuelson	Zug
Druce	Maitland	Santoni	
Eachus	Major	Sather	Ryan,
Egolf	Manderino	Saylor	Speaker
Evans			

NAYS—0

NOT VOTING—1

Josephs

EXCUSED—2

Daley

Masland

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

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

Mr. DRUCE offered the following amendment No. A0774:

Amend Title, page 1, line 10, by inserting after "penalties," " further defining "compensation"; and

Amend Sec. 1, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Section 301(d) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended April 23, 1998 (P.L.239, No.45), is amended to read:

Section 301. Definitions.—The following words, terms and phrases when used in this article shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning. Unless specifically provided otherwise, any reference in this article to the Internal Revenue Code shall include the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to January 1, 1997:

\*\*\*

(d) "Compensation" means and shall include salaries, wages, commissions, bonuses and incentive payments whether based on profits or otherwise, fees, tips and similar remuneration received for services rendered, whether directly or through an agent, and whether in cash or in property.

The term "compensation" shall not mean or include: (i) periodic payments for sickness and disability other than regular wages received during a period of sickness or disability; or (ii) disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts and similar legislation by any government; or (iii) payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of employment, including distributions from an existing individual retirement account into a Roth IRA under section 408A of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 408-A); or (iv) payments commonly known as public assistance, or unemployment compensation payments by any governmental agency; or (v) payments to reimburse actual expenses; or (vi) payments made by employers or labor unions, including payments made pursuant to a cafeteria plan qualifying under section 125 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 125), for employe benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits or strike benefits: Provided, That the program does not discriminate in favor of highly compensated individuals as to eligibility to participate, payments or program benefits; or (vii) any compensation received by United States servicemen serving in a combat zone; or (viii) payments received by a foster parent for in-home care of foster children from an agency of the Commonwealth or a political subdivision thereof or an organization exempt from Federal tax under section 501(c)(3) of the Internal Revenue Code of 1954 which is licensed by the Commonwealth or a political subdivision thereof as a placement agency; or (ix) payments made by employers or labor unions for employe benefit

programs covering social security or retirement; or (x) personal use of an employer's owned or leased property or of employer-provided services; or (xi) distributions from a Roth IRA that are for qualified higher education expenses or that are qualified first-time homebuyer distributions under section 72(t) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 72(t)).

\*\*\*

Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting 3

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

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman from Bucks County, Mr. Druce.

Mr. DRUCE. Thank you, Mr. Speaker.

This amendment simply would exempt from Pennsylvania tax on an individual retirement account, as the Federal government provides an exemption on taxes for the Roth IRA, withdrawal for two other provisions, one of which would be a first-time home purchase; the second would be, Mr. Speaker, for qualified educational purposes, and we would also then have the individual retirement account not subject to personal income tax as it is today.

I urge the members' support. Thank you.

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

The following roll call was recorded:

YEAS-198

- Adolph, Allen, Argall, Armstrong, Baker, Bard, Barley, Barrar, Bastian, Battisto, Bebko-Jones, Belardi, Belfanti, Benninghoff, Birmelin, Blaum, Boyes, Browne, Bunt, Butkovitz, Buxton, Caltagirone, Cappabianca, Carn, Casorio, Cawley, Chadwick, Civera, Clark, Clymer, Cohen, L. I., Cohen, M., Colafella, Cornell, Corrigan, Costa, Coy, Fairchild, Fargo, Feese, Fichter, Fleagle, Flick, Forcier, Frankel, Freeman, Gannon, Geist, George, Gigliotti, Gladeck, Godshall, Gordner, Grucela, Gruitza, Habay, Haluska, Hanna, Harhai, Harhart, Hasay, Hennessey, Herman, Hershey, Hess, Horsey, Hutchinson, Jadlowiec, James, Kaiser, Keller, Kenney, Kirkland, Krebs, Mann, Markosek, Marsico, Mayernik, McCall, McGeehan, McGill, McIlhattan, McIlhinney, McNaughton, Melio, Metcalfe, Michlovic, Micozzie, Miller, R., Miller, S., Mundy, Myers, Nailor, Nickol, O'Brien, Oliver, Ori, Perzel, Pesci, Petrarca, Petrone, Phillips, Pippy, Pistella, Platts, Preston, Ramos, Raymond, Readshaw, Reinard, Rieger, Schroder, Schuler, Scrimenti, Semmel, Serafini, Seyfert, Shaner, Smith, B., Smith, S. H., Snyder, Solobay, Staback, Stairs, Steelman, Steil, Stern, Stetler, Stevenson, Strittmatter, Sturla, Surra, Tangretti, Taylor, E. Z., Taylor, J., Thomas, Tigue, Travaglio, Trello, Trich, True, Tulli, Vance, Van Horne, Veon, Vitali, Walko, Washington

- Curry, Dailey, Dally, DeLuca, Dempsey, Dermody, DeWeese, DiGirolamo, Donatucci, Druce, Eachus, Egolf, Evans, LaGrotta, Laughlin, Lawless, Lederer, Leh, Lescovitz, Levdansky, Lucyk, Lynch, Maher, Maitland, Major, Manderino, Roberts, Robinson, Roebuck, Rohrer, Rooney, Ross, Rubley, Ruffing, Sainato, Samuelson, Santoni, Sather, Saylor, Williams, Wilt, Wogan, Wojnaroski, Wright, Yewcic, Youngblood, Yudichak, Zimmerman, Zug, Ryan, Speaker

NAYS-0

NOT VOTING-2

- Bishop, Josephs

EXCUSED-2

- Daley, Masland

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

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

Ms. WILLIAMS offered the following amendment No. A0197:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing for a child-care credit against personal income tax.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The act is amended by adding a section to read:

Section 304.1. Credit for Child Care.—(a) A taxpayer is entitled to a credit against the tax imposed by this article in accordance with this section.

(b) A taxpayer is eligible for the credit under this section if all of the following apply:

(1) The taxpayer is the parent of a child who:

(i) is under the age of thirteen; and

(ii) resides with the taxpayer.

(2) The taxpayer and, if the taxpayer is married, the taxpayer's spouse work at least forty hours per week.

(3) The taxpayer pays for child care for the child referred to in clause (1).

(c) The amount of the credit under subsection (b) shall be the per cent specified in section 302(a)(2) or (b)(2) of the amount spent by the taxpayer on child care under subsection (b)(3).

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

3

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

The SPEAKER pro tempore. On that question, the Chair recognizes the lady from Montgomery County, Representative Williams.

Ms. WILLIAMS. Thank you, Mr. Speaker.

Mr. Speaker, we have spoken a lot about child-care policies as it relates to people coming off welfare to work, but we have to remember that there are many working families in the Commonwealth who need child care who are making a good income, and I would like to offer this amendment which recognizes the impact that child-care costs have on working families.

What this amendment would do would be to offer a tax credit for the cost of child care under certain circumstances. It would actually— What would happen would be that the money that was paid for child care would actually be paid in pre-Pennsylvania income tax dollars.

I urge my colleagues to support this in support of working families of Pennsylvania. Thank you.

The SPEAKER pro tempore. On the amendment, the Chair recognizes the lady from Chester County, Representative Taylor.

Mrs. TAYLOR. Thank you, Mr. Speaker.

I rise, naturally, in support of this amendment. I do so because for the past 5 years I have had this legislation before the body. The only difference between the amendment that the Representative has offered today is that the amendment speaks to child-care credit. My amendment, of course, would have exempted that child-care expense prior to the payment of the PIT (personal income tax). However, I think all of us each day are concerned about child care. We are concerned about the quality of child care. We are concerned about how we are going to meet our expenses, and certainly this kind of legislation is needed, Mr. Speaker.

I can support it, but I would also remind the maker of this amendment that this very issue has been before the House for the past 5 or 6 years, and I commend her for her observation of good legislation to be offered.

The SPEAKER pro tempore. For the second time, Ms. Williams.

Ms. WILLIAMS. I appreciate the support of the Representative, and I am glad that I have the opportunity to offer this amendment at this time. Thank you.

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

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimanti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturia
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti

Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Home
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

Daley Masland

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

On the question recurring,

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

Mr. GRUITZA offered the following amendment No. A0264:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing for an exemption from filing a personal income tax return.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 330 of the act is amended by adding a subsection to read:

Section 330. Returns and Liability.—\* \* \*

(c) Notwithstanding subsection (a), a person sixty-five years of age or older who has no income tax liability under this article shall be exempt from the requirement to file a tax return.

Section 3. Section 330(c) of the act shall apply to tax years beginning on or after January 1, 1998.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

4

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman, Mr. Gruitza.

Mr. GRUITZA. Thank you, Mr. Speaker.

Mr. Speaker, this amendment is fairly straightforward and simple. It simply allows senior citizens, those are individuals who are 65 years old or older, to be exempt from the requirement of filing an income tax return when they have determined that there will be no tax liability.

This amendment is offered in the spirit of making life easier for our seniors in a very complicated world of filing papers and doing things like this. You know, in our district we have a lot of volunteers who come and do this, and it is really a hassle and it is really not necessary. I have introduced legislation for a couple of terms on this, and I appreciate your support of our seniors. Thank you.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Centre County, Mr. Benninghoff, on the amendment.

Mr. BENNINGHOFF. In the spirit of saving some time, I have a similar amendment. So I would like to ask the members of both sides of the chamber to support my colleague on the amendment and to be looking out for our seniors. I ask for an affirmative vote on this amendment. Thank you.

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

The following roll call was recorded:

YEAS--199

Adolph	Fargo	Mann	Schroder
Allen	Feese	Markosek	Schuler
Argall	Fichter	Marsico	Scrimenti
Armstrong	Fleagle	Mayernik	Semmel
Baker	Flick	McCall	Serafini
Bard	Forcier	McGeehan	Seyfert
Barley	Frankel	McGill	Shaner
Barrar	Freeman	McIlhattan	Smith, B.
Bastian	Gannon	McIlhinney	Smith, S. H.
Battisto	Geist	McNaughton	Snyder
Bebko-Jones	George	Melio	Solobay
Belardi	Gigliotti	Metcalfe	Staback
Belfanti	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Gordner	Miller, R.	Steil
Blaum	Grucela	Miller, S.	Stern
Boyes	Gruitza	Mundy	Stetler
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Stritmatter
Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Casorio	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsely	Phillips	Trello
Clark	Hutchinson	Pippy	Trich
Clymer	Jadlowiec	Pistella	True
Cohen, L. I.	James	Platts	Tulli
Cohen, M.	Josephs	Preston	Vance
Colafella	Kaiser	Ramos	Van Horne
Cornell	Keller	Raymond	Veon
Corrigan	Kenney	Readshaw	Vitali
Costa	Kirkland	Reinard	Walko
Coy	Krebs	Rieger	Washington
Curry	LaGrotta	Roberts	Williams
Dailey	Laughlin	Robinson	Wilt
Dally	Lawless	Roebuck	Wogan
DeLuca	Lederer	Rohrer	Wojnaroski
Dempsey	Leh	Rooney	Wright

Dermody	Lescovitz	Ross	Yewcic
DeWeese	Levdansky	Rubley	Youngblood
DiGirolamo	Lucyk	Ruffing	Yudichak
Donatucci	Lynch	Sainato	Zimmerman
Druce	Maher	Samuelson	Zug
Eachus	Maitland	Santoni	
Egolf	Major	Sather	Ryan,
Evans	Manderino	Saylor	Speaker
Fairchild			

NAYS--0

NOT VOTING--1

Benninghoff

EXCUSED--2

Daley

Masland

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

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

Mr. HANNA offered the following amendment No. A0289:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing for special tax provisions for the aged and infirm.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The act is amended by adding a section to read:

Section 304.1. Special Tax Provisions for Age and Infirmity.--

(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 for the establishing as a class or classes of subjects of taxation the property or privileges of persons who, because of age and infirmity, 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 section.

(b) The General Assembly having determined that there are persons within this Commonwealth whose age, infirmity and income are such that imposition of a tax thereon would deprive them of the bare necessities of life deems it to be a matter of public policy to provide special tax provisions for the class of persons hereinafter designated to relieve their economic burden.

(c) For the taxable year 1999 and each year thereafter, any claimant who meets the following standard of eligibility as the test for age and infirmity 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 section.

(d) Any claim for special tax provisions hereunder shall be determined as follows: If a claimant is seventy (70) years old or older and has paid an amount equal to or exceeding one hundred per cent of his annual income on unreimbursed medical expenses, 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.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

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

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman, Mr. Hanna.

Mr. HANNA. Thank you, Mr. Speaker.

The purpose of this amendment is to exempt from Pennsylvania income tax those senior citizens who may be in long-term nursing care and whose unreimbursed medical expenses exceed their annual income. Thank you, Mr. Speaker.

Mr. HERMAN. Mr. Speaker?

The SPEAKER pro tempore. The Chair apologizes to the gentleman. The Chair did not see the gentleman, Mr. Herman. The gentleman is recognized.

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

The next amendment on the list is amendment A0585. It is the same amendment that is being offered by Representative Hanna. I would like everybody to support his amendment, and I would like to withdraw mine then. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stern
Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Steverson
Browne	Habay	Myers	Stritmatter
Bunt	Haluska	Naitor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	O'Brien	Tangretti
Caltagirone	Harhart	Oliver	Taylor, E. Z.
Cappabianca	Hasay	Orie	Taylor, J.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Home
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic

Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS—0

NOT VOTING—1

Ruffing

EXCUSED—2

Daley

Masland

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

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

Mrs. HARHART offered the following amendment No. A0580:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and increasing the income allowances for the special tax provisions for poverty.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 304(d)(1) of the act, amended April 23, 1998 (P.L.239, No.45), is amended to read:

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

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

(1) If the poverty income of the claimant during an entire taxable year is [six thousand five hundred dollars (\$6,500)] seven thousand dollars (\$7,000) 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)] fourteen thousand dollars (\$14,000) or less, the claimant shall be entitled to a refund or forgiveness of any moneys which have been paid over to (or would except for the provisions of this act be payable to) the Commonwealth under the provisions of this article, with an additional income allowance of [six thousand dollars (\$6,000)] six thousand five hundred dollars (\$6,500) if claimed by married claimants or of [six thousand five hundred dollars (\$6,500)] seven thousand dollars (\$7,000) if claimed by a single claimant for the first additional dependent and an additional income allowance of [six thousand dollars (\$6,000)] six thousand five hundred dollars (\$6,500) for each additional 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.

\* \* \*

Section 3. The amendment of section 304(d) shall apply to the tax years beginning on or after January 1, 1999.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

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

The SPEAKER pro tempore. On that question, the Chair recognizes the lady from Northampton County, Representative Harhart.

Mrs. HARHART. Thank you, Mr. Speaker.

Under the tax forgiveness program, low- to moderate-income taxpayers can receive up to a 100-percent exemption from paying their State personal income tax if they meet the certain income eligibility levels. Under this bill, what this means is a family of four — both two parents, two children, and a parent, three children — with an income up to \$27,000 would owe no personal income tax in Pennsylvania. The change would be effective for tax year beginning on or after January 1, 1999.

Thank you, and I ask for your support.

The SPEAKER pro tempore. On the amendment, the Chair recognizes the gentleman from Luzerne County, Mr. Yudichak.

Mr. YUDICHAK. Thank you, Mr. Speaker.

I rise to support this amendment.

I offered an amendment several weeks ago very similar to this amendment, if not identical.

This amendment will help seniors and working families who face poverty. I welcome the gentlewoman's support of my idea. I congratulate her on this amendment, and I urge my colleagues' support. Thank you.

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

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalf	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangreti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carr	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali

Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan, Speaker
Egolf	Major	Saylor	
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

Daley Masland

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

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

The SPEAKER pro tempore. The House will be at ease while we await the arrival of packet No. 4.

VOTE CORRECTION

The SPEAKER pro tempore. The Chair recognizes the gentleman from Centre County, Mr. Benninghoff.

Mr. BENNINGHOFF. Thank you, Mr. Speaker.

I just need to make a correction of the record.

On amendment 0264, I was not recorded as voting. I want to be recorded in the affirmative. Thank you.

The SPEAKER pro tempore. The gentleman's remarks will be spread upon the record.

CONSIDERATION OF HB 1 CONTINUED

The SPEAKER pro tempore. The House will come to order.

Will the members who do not yet have packet 4 please raise your hands, if you do not yet have packet 4.

There appear to be only a few. If those members could share, we could move on.

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



Mr. PETRARCA offered the following amendment No. A0463:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

and for the filing of declarations of estimated tax for personal income tax.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 325(a) and (d) of the act, amended August 4, 1991 (P.L.97, No.22), is amended to read:

Section 325. Declarations of Estimated Tax.—(a) Every resident and nonresident individual, trust and estate shall at the time hereinafter prescribed make a declaration of his or its estimated tax for the taxable year, containing such information as the department may prescribe by regulations, if his or its income, other than from compensation on which tax is withheld under this article, can reasonably be expected to exceed [two thousand five hundred dollars (\$2,500)] five thousand dollars (\$5,000).

\*\*\*

(d) Except as hereinafter provided, the date for filing a declaration of estimated tax shall depend upon when the resident or nonresident individual, trust or estate determines that his or its income on which no tax has been withheld under this article can reasonably be expected to exceed [two thousand five hundred dollars (\$2,500)] five thousand dollars (\$5,000) in the taxable year, as follows:

(1) If the determination is made on or before April 1 of the taxable year, a declaration of estimated tax shall be filed no later than April 15 of the taxable year.

(2) If the determination is made after April 1 but before June 2 of the taxable year, the declaration shall be filed no later than June 15 of such year.

(3) If the determination is made after June 1 but before September 2 of the taxable year, the declaration shall be filed no later than September 15 of such year.

(4) If the determination is made after September 1 of the taxable year, the declaration shall be filed no later than January 15 of the year succeeding the taxable year.

\*\*\*

Section 3. The amendment of section 325 shall apply to the tax years beginning on or after January 1, 1999.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
4

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

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman, Mr. Petrarca.

Mr. PETRARCA. Thank you, Mr. Speaker.

Amendment 0463, what it does, currently in Pennsylvania if you have income over \$2,500, you must file and pay estimated tax four times a year. What my amendment would do is raise that threshold from \$2,500 to \$5,000. It, I believe, will obviously cut down on the paperwork at Revenue and also be a good amendment for small business to kind of get government off their backs, raising that threshold from \$2,500 to \$5,000.

I would appreciate your support. Thank you.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Saylor
Allen	Fargo	Mann	Schroder
Argall	Feese	Markosek	Schuler
Armstrong	Fichter	Marsico	Scrimenti
Baker	Fleagle	Mayernik	Semmel
Bard	Flick	McCall	Serafini
Barley	Forcier	McGeehan	Seyfert
Barrar	Frankel	McGill	Shaner
Bastian	Freeman	McIlhatten	Smith, B.
Battisto	Gannon	McIlhinney	Smith, S. H.
Bebko-Jones	Geist	McNaughton	Snyder
Belardi	George	Melio	Solobay
Belfanti	Gigliotti	Metcalfe	Staback
Berninghoff	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Gordner	Miller, R.	Steil
Blaum	Grucela	Miller, S.	Stern
Boyes	Gruitza	Mundy	Stetler
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Strittmatter
Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Cam	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Home
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rublely	Yudichak
DiGirolamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker
Evans			

NAYS—0

NOT VOTING—1

Taylor, J.

EXCUSED—2

Daley Masland

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

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

Mr. **GEORGE** offered the following amendment No. **A0725**:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing for a family caregiver tax credit.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The act is amended by adding an article to read:

**ARTICLE XIX-B**

**FAMILY CAREGIVER TAX CREDIT**

Section 1901-B. Short Title.—This article shall be known and may be cited as the Family Caregiver Tax Credit Act.

Section 1902-B. Definitions.—The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Activities of daily living." Any of the following: eating, toileting, transferring, bathing, dressing or continence.

"Applicable individual." With respect to any taxable year, any individual who has been certified, before the due date for filing the return of tax for the taxable year, by a physician as being an individual with long-term care needs for a period:

(1) which is at least one hundred eighty consecutive days; and

(2) a portion of which occurs within the taxable year.

"Individual with long-term care needs." An individual who is at least sixty-five years of age, and either:

(1) is unable to perform without substantial assistance from another individual at least three activities of daily living; or

(2) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform at least one activity of daily living or to the extent provided in regulations prescribed by the secretary, in consultation with the Secretary of Health and Human Services, is unable to engage in age-appropriate activities.

Section 9103-B. Allowance of Credit.—There shall be allowed as a credit against the tax imposed by Article III for the taxable year an amount equal to the sum of \$250 multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year.

Section 1904-B. Eligible Caregiver.—(a) A taxpayer shall be treated as an eligible caregiver for any taxable year with respect to the following individuals:

(1) The taxpayer.

(2) The taxpayer's spouse.

(3) An individual with respect to whom the taxpayer is allowed a deduction under section 151 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.) for the taxable year.

(4) An individual who would be described in clause (3) for the taxable year if section 151(c)(1)(A) of the Internal Revenue Code of 1986 were applied by substituting for the exemption amount an amount equal to the sum of the exemption amount, the standard deduction under section 63(c)(2)(C) of the Internal Revenue Code of 1986, and any additional standard deduction under section 63(c)(3) which would be applicable to the individual if clause (3) applied.

(5) An individual who would be described in clause (3) for the taxable year if:

(i) the requirements of clause (4) are met with respect to the individual; and

(ii) the requirements of subsection (b) are met with respect to the individual in lieu of the support test of section 152(a) of the Internal Revenue Code of 1986.

(b) The requirements of this section are met if an individual has as his principal place of abode the home of the taxpayer and:

(1) in the case of an individual who is an ancestor or descendant of the taxpayer or the taxpayer's spouse, is a member of the taxpayer's household for over half the taxable year; or

(2) in the case of any other individual, is a member of the taxpayer's household for the entire taxable year.

(c) (1) If more than one individual is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, a taxpayer shall be treated as the eligible caregiver if each such individual, other than the taxpayer, files a written declaration in such form and manner as the secretary may prescribe that the individual will not claim such applicable individual for the credit under this section.

(2) If each individual required under clause (1) to file a written declaration does not do so, the individual with the highest modified adjusted gross income shall be treated as the eligible caregiver.

(3) In the case of married individuals filing separately, the determination under this subsection as to whether the husband or wife is the eligible caregiver shall be made under the rules of clause (2) whether or not one of them has filed a written declaration under clause (1).

Section 1905-B. Identification Requirements.—No credit shall be allowed under this article to a taxpayer with respect to any applicable individual unless the taxpayer includes the name and taxpayer identification number of such individual and the identification number of the physician certifying such individual on the return of tax for the taxable year.

Section 1906-B. Report to General Assembly.—The Department of Revenue shall report to the General Assembly within 120 days of the effective date of this article concerning extension of the tax credit established by this article to persons with disabilities who are under sixty-five years of age.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

3

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman from Clearfield County, Mr. George.

Mr. GEORGE. Thank you, Mr. Speaker.

Mr. Speaker, amendment 0725 provides a \$250 tax credit to those individuals that provide in-home care to disabled individuals that are over 65 years of age.

I ask that we accept this amendment.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

**YEAS—200**

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Soiboy
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.

Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

Daley Masland

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

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

Mr. GEORGE offered the following amendment No. A0726:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing a family caregiver tax credit.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The act is amended by adding an article to read:

ARTICLE XIX-B

FAMILY CAREGIVER TAX CREDIT

Section 1901-B. Short Title.—This article shall be known and may be cited as the Family Caregiver Tax Credit Act.

Section 1902-B. Definitions.—The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Activities of daily living." Any of the following: eating, toileting, transferring, bathing, dressing or continence.

"Applicable individual." With respect to any taxable year, any individual who has been certified, before the due date for filing the return of tax for the taxable year, by a physician as being an individual with long-term care needs for a period:

- (1) which is at least one hundred eighty consecutive days; and
- (2) a portion of which occurs within the taxable year.

"Individual with long-term care needs." An individual who meets any of the following requirements:

(1) Is at least six years of age and;

(i) is unable to perform without substantial assistance from another individual at least three activities of daily living; or

(ii) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform at least one activity of daily living or to the extent provided in regulations prescribed by the secretary, in consultation with the Secretary of Health and Human Services, is unable to engage in age-appropriate activities.

(2) Is at least two but not six years of age and is unable, due to a loss of functional capacity to perform, without substantial assistance from another individual, at least two of the following activities: eating, transferring or mobility.

(3) Is under two years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual's condition to be available if the individual's parents or guardians are absent.

Section 1903-B. Allowance of Credit.—There shall be allowed as a credit against the tax imposed by Article III for the taxable year an amount equal to the sum of \$250 multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year.

Section 1904-B. Eligible Caregiver.—(a) A taxpayer shall be treated as an eligible caregiver for any taxable year with respect to the following individuals:

(1) The taxpayer.

(2) The taxpayer's spouse.

(3) An individual with respect to whom the taxpayer is allowed a deduction under section 151 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.) for the taxable year.

(4) An individual who would be described in clause (3) for the taxable year if section 151(c)(1)(A) of the Internal Revenue Code of 1986 were applied by substituting for the exemption amount an amount equal to the sum of the exemption amount, the standard deduction under section 63(c)(2)(C) of the Internal Revenue Code of 1986, and any additional standard deduction under section 63(c)(3) which would be applicable to the individual if clause (3) applied.

(5) An individual who would be described in clause (3) for the taxable year if:

(i) the requirements of clause (4) are met with respect to the individual; and

(ii) the requirements of subsection (b) are met with respect to the individual in lieu of the support test of section 152(a) of the Internal Revenue Code of 1986.

(b) The requirements of this section are met if an individual has as his principal place of abode the home of the taxpayer and:

(1) in the case of an individual who is an ancestor or descendant of the taxpayer or the taxpayer's spouse, is a member of the taxpayer's household for over half the taxable year; or

(2) in the case of any other individual, is a member of the taxpayer's household for the entire taxable year.

(c) (1) If more than one individual is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, a taxpayer shall be treated as the eligible caregiver if each such individual, other than the taxpayer, files a written declaration in such form and manner as the secretary may prescribe that the individual will not claim such applicable individual for the credit under this section.

(2) If each individual required under clause (1) to file a written declaration does not do so, the individual with the highest modified adjusted gross income shall be treated as the eligible caregiver.

(3) In the case of married individuals filing separately, the determination under this subsection as to whether the husband or wife is the eligible caregiver shall be made under the rules of clause (2) whether or not one of them has filed a written declaration under clause (1).

Section 1905-B. Identification Requirements.—No credit shall be allowed under this article to a taxpayer with respect to any applicable

individual unless the taxpayer includes the name and taxpayer identification number of such individual and the identification number of the physician certifying such individual on the return of tax for the taxable year.

Section 3. The addition of Article XIX-B of the act shall apply to taxable years beginning on or after January 1, 1999.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
4

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

#### AMENDMENT WITHDRAWN

The SPEAKER pro tempore. On that question, again the Chair recognizes the gentleman from Clearfield County, Mr. George.

Mr. GEORGE. Mr. Speaker, I am withdrawing that amendment. The SPEAKER pro tempore. The Chair thanks the gentleman.

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

Mr. FLICK offered the following amendment No. A0727:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

and for classes of income.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 303 of the act is amended by adding a subsection to read:

Section 303. Classes of Income.—\* \* \*

(c) (1) For taxable years beginning in calendar year 1999 and each taxable year thereafter, a shareholder of a Pennsylvania S corporation or a member of a partnership shall be allowed to take a deduction from the classes of income enumerated in subsection (a)(2), (3) and (4) for net losses carried over pursuant to this subsection. The deduction shall be limited to income receive from the Pennsylvania S corporation or a partnership for which the loss is carried over. A loss incurred in one class of income shall not be permitted to be deducted from another class of income.

(2) For taxable years beginning in calendar year 1998 and thereafter, a net loss in a class of income enumerated in subsection (a)(2), (3) or (4) incurred by a shareholder of a Pennsylvania S corporation or a member of a partnership as a result of losses incurred by the Pennsylvania S corporation or partnership may be carried over for ten taxable years. The earliest net loss shall be carried over to the earliest taxable year to which it is permitted.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
3

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

#### AMENDMENT WITHDRAWN

The SPEAKER pro tempore. The Chair understands the gentleman withdraws the amendment. The Chair thanks the gentleman.

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

Mr. EVANS offered the following amendment No. A0486:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting  
; providing for a Decision 2000 Commission; defining its powers and duties; establishing criteria for evaluation of various methods of public school financing; providing for a public referendum; imposing duties upon the General Assembly and the Secretary of Revenue; and making repeals.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. The act is amended by adding an article to read:

#### ARTICLE XXXI

#### DECISION 2000 REFERENDUM

Section 3101. Short Title.—This article shall be known and may be cited as the Decision 2000 Act.

Section 3102. Declaration of Policy.—The General Assembly declares as follows:

(1) It is essential to provide immediate school property tax relief and a mechanism to ensure prompt legislative reform of the manner of financing education in this Commonwealth.

(2) The electorate should have direct input concerning the effect of school finance systems upon taxpayers by means of a referendum to select a financing option.

(3) In order to simultaneously educate the children and insure the economic and social well-being of taxpayers, a commission should be established to prepare a set of meaningful, straightforward options for presentation to the electorate in the referendum.

(4) In order to provide the citizens with fair, viable options for school financing, the commission should be comprised of professionals who are knowledgeable concerning school financing and capable of determining which options for school financing equitably distribute the burden of payment, promote economic efficiency and growth, provide appropriate and timely revenues, are easy to understand and easy to administer and ensure accountability.

(5) The General Assembly recognizes that further procrastination with regard to resolution of school finance issues is unacceptable and declares its intention to enact legislation during the current legislative session upon certification of the results of the referendum.

Section 3103. Definitions.—As used in this article:

"Commission." The Decision 2000 Commission created under section 3104.

"Secretary." The Secretary of the Commonwealth.

Section 3104. Decision 2000 Commission.—The Decision 2000 Commission is hereby created as a temporary commission to develop and implement a comprehensive evaluation of the school finance systems of this Commonwealth and to provide school finance options for presentation to the electorate in a referendum in the year 2000. The commission shall be dissolved at the close of the legislative session during which this article is enacted.

Section 3105. Membership.—The commission shall consist of the following eleven members, all of whom shall be appointed no later than sixty days after the effective date of this article: two appointed by the Governor, two each appointed by the Republican and Democratic caucus leaders of the Senate and the House of Representatives and one appointed by the chairperson of the Legislative Budget and Finance Committee. The members of the commission shall elect a chairperson at the first meeting. Each member of the commission shall be a person qualified to study and design school district finance systems. Qualifications may include significant experience or education in public finance, taxation, accounting or economics.

Section 3106. Powers and Duties of Commission.—The commission shall meet as frequently as it deems appropriate, but at least once during each month. The Governor shall designate a commission member to call the initial meeting of the commission, which shall take place within thirty days of the effective date of this article.

(b) The commission may, at no cost, utilize the office facilities, staff and resources of the Legislative Budget and Finance Committee in order to discharge the duties and responsibilities set forth in this article. The members of the commission shall be reimbursed for actual and necessary expenses incurred while performing the business of the commission.

(c) The commission shall conduct a comprehensive fiscal review of the finance sources for local school districts. The review shall have as its primary purpose the development of school finance options for presentation in the Statewide referendum required by section 3109. The results of the review and all commission reports shall be presented in a manner that a lay person can easily understand. When preparing the review, the commission shall consider the evaluation criteria set forth in section 3107.

(d) The comprehensive fiscal review shall include all of the following:

- (1) An evaluation of current finance sources for school districts.
- (2) Consideration of options to redesign, modernize and improve the finance systems of school districts for presentation on a Statewide ballot.
- (3) Consideration of short-term and long-term policy implications of finance options to be presented on a Statewide ballot.
- (4) Estimates of the fiscal impact of such finance options for the first effective fiscal year and for each of the two succeeding fiscal years.
- (5) Preparation of a compilation of all references, data sources and methodology used in conjunction with the review.

(6) An analysis, as appropriate, of the relationship of school district finance systems to factors that impact such revenue systems, including, but not limited to, general economic and demographic trends, patterns of business methods and organization, economic activity, Federal and State legislative and administrative actions, accounting standards and regulatory requirements.

(e) Each set of finance options to be presented to the electorate shall:

- (1) Provide property tax relief.
- (2) Improve structural deficiencies in the existing local school district finance systems.
- (3) Provide straightforward, fair, efficient and reliable revenue sources.

(4) Not generate excess revenues.

Section 3107. Evaluation Criteria.—When carrying out its duties, where appropriate, the commission shall take into consideration the following:

(1) The simplicity of the taxes and the ability of individual taxpayers to easily understand and comply with them.

(2) The overall mix of all taxes levied by the Commonwealth and its political subdivisions.

(3) Whether the tax burden is distributed fairly among taxpayers in terms of ability to pay and the relationship between benefits received and payments made.

(4) The need to eliminate subjective interpretation of taxes.

(5) The reliability of taxes and whether their bases yield automatic growth and cyclical stability in revenues generated.

(6) The collection and enforcement costs associated with the various taxes and the ability to easily administer the taxes.

(7) Whether the taxes create incentives for individuals and firms to alter their behavior in order to minimize their tax burden.

(8) The system of taxation within various jurisdictions and the incentives for households to move and firms to relocate activities to jurisdictions which provide more favorable tax treatment.

(9) The value of tax incentives and whether they meet the performance requirements on which they are based.

(10) The responsiveness of revenue systems to economic and social conditions, including the goals of economic development policy.

Section 3108. Completion of Comprehensive Fiscal Review.—The comprehensive fiscal review required by section 3106 shall be completed no later than February 29, 2000. When the commission issues its report

of the results of the review, the commission shall simultaneously publish all of the following in the Pennsylvania Bulletin:

(1) A summary of the comprehensive fiscal review.

(2) Notice of availability of the text of the report.

(3) The finance options to be presented on the ballot.

Section 3109. Ballot Requirement.—The finance options developed by the commission shall be presented to the electorate on the ballot at the next Statewide election after the commission's submission of the comprehensive fiscal review, but in any event no later than the next Statewide election after March 1, 2000.

Section 3110. Duty of General Assembly.—The General Assembly shall enact legislation implementing the choice of the electorate within nine months after certification of the results of the referendum.

Section 3111. Duty of Secretary.—(a) Upon failure of the members of the General Assembly to appoint a commission member within the deadline set by section 3105 or to enact legislation within the deadline set by section 3110, the secretary shall immediately publish in the Pennsylvania Bulletin a notice certifying the failure to meet the deadline.

(b) Upon failure of the Governor to appoint a commission member within the deadline set by section 3105, the secretary shall immediately publish in the Pennsylvania Bulletin a notice certifying the failure to meet the deadline.

(c) Upon failure of the commission to meet the deadline set by section 3108, the secretary shall immediately publish in the Pennsylvania Bulletin a notice certifying the failure to meet the deadline.

(d) In the event that the referendum required by section 3109 is not conducted within the required time, the secretary shall immediately publish in the Pennsylvania Bulletin a notice certifying the failure to timely conduct the referendum.

Section 507 and Article VI of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, are repealed to the extent that they authorize the collection of taxes on real property.

Section 4. This act shall take effect as follows:

(1) Section 3 of this act shall take effect upon publication of any of the notices described in section 3111 of the act.

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

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman from Philadelphia County, Mr. Evans.

Mr. EVANS. Mr. Speaker, amendment 486 is a plan to reduce the school property tax burden and allow voters to choose another way to fund schools. I have raised this issue in the past, and this is a plan very similar to what they have done in Michigan. The Republican Governor, John Engler, signed the elimination of local property taxes as a source for funding public education. The voters approved this in 1994 in Michigan.

In my view, Mr. Speaker, I have been dealing with this issue for a number of years. Under Governor Casey we attempted to do something about this, and the voters rejected it. Act 50, in my view, Mr. Speaker, has not been working. I think that Decision 2000 is an opportunity that we once and for all can deal with this question of how we fund public schools.

I would ask members on both sides of the aisle to support this amendment. Thank you, Mr. Speaker.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

Daley Masland

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

On the question recurring,

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

The SPEAKER pro tempore. The gentleman, Mr. Eachus, offers amendment 0293, which is in your packet as a DeWeese amendment, which the clerk will read.

The Chair understands the gentleman, Mr. Casorio, is going to offer the amendment? Is that correct?

Mr. CASORIO. That is correct, Mr. Speaker.

Mr. CASORIO offered the following amendment No. A0293:

Amend Title, page 11, line 1, by removing the period after "tax" and inserting ; and providing for the further allocation of State Realty Transfer Tax revenues to a restricted fund for certain school district reimbursements.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The act is amended by adding a section to read:

Section 1114-C. Allocation of Revenues.—(a) Beginning July 31, 1999, and at the end of each month thereafter, the State Treasurer shall transfer to the restricted receipt account established under subsection (b), the unallocated portion of the previous months' revenues from the tax imposed under section 1102-C.

(b) There is hereby established within the General Fund a restricted receipt account to be known as the School District Real Property Tax Reimbursement Account. All moneys transferred under subsection (a) shall be deposited into this account. All interest earned on funds in this account shall be credited to the account. All moneys in the School District Real Property Tax Reimbursement Account are hereby appropriated on a continuing basis to the Department of Education, subject to the approval of the Governor, for annual reimbursement payments to cover the lost revenue resulting from the imposition of a limitation on real property tax rates imposed by school districts on senior citizens under the act of (P.L. , No. ), known as the "Senior Citizen School District Real Property Tax Limitation Act."

(c) No funds allocated under this section shall be expended until the General Assembly enacts enabling legislation authorizing the expenditure.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

3

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. The Chair recognizes the gentleman from Westmoreland County, Mr. Casorio.

Mr. CASORIO. A0293 is mine. It was listed as a DeWeese amendment.

Mr. Speaker, this will take approximately 85 percent from the realty transfer tax and transfer the amount to a restricted receipt account to be known as the School District Real Property Tax Reimbursement Account. All moneys deposited into this fund will be appropriated for annual reimbursement payments to cover the lost revenue resulting from the imposition of a limitation or a freeze on real property taxes imposed by school districts on senior citizens.

This is an opportunity to freeze the property taxes of seniors, Mr. Speaker, and give the school districts the ability to make up the lost revenue, and I ask for an affirmative vote.

The SPEAKER pro tempore. The Chair recognizes the gentleman, Mr. Snyder, on the amendment.

Mr. SNYDER. Thank you, Mr. Speaker.

Would the maker of this amendment answer a few questions about the amendment?

The SPEAKER pro tempore. The gentleman indicates that he will. You are in order and may proceed.

Mr. SNYDER. Mr. Speaker, as you stated, this proposal is to take, I believe, the State's share of the realty transfer tax and place

it into a restricted school property tax reimbursement account. Is that correct?

Mr. CASORIO. That is correct, Mr. Speaker.

Mr. SNYDER. Under the amendment as it is drafted, there is a section 1114-C, subparagraph (a), beginning on line 8 of the amendment. Could you please tell me what you mean under that paragraph about the unallocated portion of the previous months' revenues?

Mr. CASORIO. Mr. Speaker, can you give me the line and subsection again, please?

Mr. SNYDER. Yes. It would be lines 11 and 12 of the amendment, which is in subparagraph (a) of section 1114-C.

Mr. CASORIO. Mr. Speaker, 15 percent of that fund currently goes to the recreational development fund. So we are taking about 85 percent to be transferred to the fund now to be known for freezing the property taxes of seniors, which would be the District Real Property Tax Reimbursement Account - about 85 percent.

Again, Mr. Speaker—

Mr. SNYDER. Mr. Speaker—

Mr. CASORIO. Yes?

Mr. SNYDER. Mr. Speaker, when we adopt the State's Appropriation Act, we recognize certain revenues that are necessary to balance against expenditures. When you are saying it is unallocated, does that mean that it is taxes that are above and beyond what we anticipated collecting?

Mr. CASORIO. Mr. Speaker, no. We are talking about using the revenue that we are expecting to be generated in the State, and again, it is only 85 percent of the realty transfer tax that comes in at this present time.

Mr. SNYDER. Thank you, Mr. Speaker.

I would like to just make some comments.

The SPEAKER pro tempore. The gentleman is in order.

Mr. SNYDER. Mr. Speaker, without getting to the actual substance of the amendment and arguing whether or not it is valid to use the real estate transfer tax to set aside for a specific fund, it should be noted that the way this is drafted, it seems very vague in terms of what it means by "unallocated portion of the previous months' revenues." First of all, Mr. Speaker, we have various tax revenues that come into the Commonwealth every month, and to distinguish all those tax revenues and the real estate transfer tax is not specifically spelled out here; and number two, what it means by "unallocated," because when you appropriate the budget, you do allocate all revenues for certain expenditures.

Now, the maker of the amendment says about 15 percent that a statute requires to be put through. If that is their intent, I think that the amendment would have to be drafted a lot more specifically to make it clearer what the intention is here.

The SPEAKER pro tempore. Does the gentleman, Mr. Casorio, seek recognition for the second time?

Mr. CASORIO. Yes, Mr. Speaker. Thank you.

The SPEAKER pro tempore. The gentleman is in order.

Mr. CASORIO. And again, I understand that we have made it perfectly clear that subsequent legislation will be needed once we pass this amendment and hopefully it goes through in the House bill. We are saying this is the opportunity to use the portion of the fund that is not allocated toward the recreation fund, that 15 percent - the recreational development fund - the 85 percent to freeze the property taxes of seniors and allow the local school districts to be afforded the opportunity to make up that lost

revenue. That was the problem with the property tax legislation we passed before. The school districts had no way to make up that money. Now we are saying we have that opportunity.

I would say this is a good first step, and I ask for an affirmative vote, Mr. Speaker. Thank you.

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

The following roll call was recorded:

YEAS-197

Adolph	Evans	Major	Saylor
Allen	Fairchild	Manderino	Schroder
Argall	Fargo	Mann	Schuler
Armstrong	Feese	Markosek	Scrimenti
Baker	Fichter	Marsico	Semmel
Bard	Fleagle	Mayernik	Serafini
Barley	Flick	McCall	Seyfert
Barrar	Forcier	McGeehan	Shaner
Bastian	Frankel	McGill	Smith, B.
Battisto	Freeman	McIlhattan	Smith, S. H.
Bebko-Jones	Gannon	McIlhinney	Snyder
Belardi	Geist	McNaughton	Solobay
Belfanti	George	Melio	Staback
Benninghoff	Gigliotti	Metcalfe	Stairs
Birmelin	Gladeck	Michlovic	Steelman
Bishop	Godshall	Micozzie	Stern
Blaum	Gordner	Miller, S.	Stetler
Boyes	Grucela	Mundy	Stevenson
Browne	Gruitza	Myers	Strittmatter
Bunt	Habay	Nailor	Sturla
Butkovitz	Haluska	Nickol	Surra
Buxton	Hanna	O'Brien	Tangretti
Caltagirone	Harhai	Oliver	Taylor, E. Z.
Cappabianca	Harhart	Orie	Taylor, J.
Carn	Hasay	Perzel	Thomas
Casorio	Hennessey	Pesci	Travaglio
Cawley	Herman	Petrarca	Trelo
Chadwick	Hershey	Petrone	Trich
Civera	Hess	Phillips	True
Clark	Horsey	Pippy	Tulli
Clymer	Hutchinson	Pistella	Vance
Cohen, L. I.	Jadlowiec	Platts	Van Horne
Cohen, M.	James	Preston	Veon
Colafella	Josephs	Ramos	Vitali
Cornell	Kaiser	Raymond	Walko
Corrigan	Keller	Readshaw	Washington
Costa	Kenny	Reinard	Williams
Coy	Kirkland	Rieger	Wilt
Curry	Krebs	Roberts	Wogan
Dailey	LaGrotta	Robinson	Wojnaroski
Dally	Laughlin	Roebuck	Wright
DeLuca	Lawless	Rohrer	Yewcic
Dempsey	Lederer	Rooney	Youngblood
Dermody	Leh	Ross	Yudichak
DeWeese	Lescovitz	Rubley	Zimmerman
DiGirolamo	Levdansky	Ruffing	Zug
Donatucci	Lucyk	Sainato	
Druce	Lynch	Samuelson	Ryan,
Eachus	Maher	Santoni	Speaker
Egolf	Maitland	Sather	

NAYS-3

Miller, R.	Steil	Tigue
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NOT VOTING-0

EXCUSED-2

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

On the question recurring,

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

Mr. BATTISTO offered the following amendment No. A0452:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; establishing the Property Tax Reduction Fund; and providing for reimbursement to school districts for real property tax reduction.

Amend Bill, page 2, by inserting between lines 19 and 20

(2.2) In addition to the tax imposed under subsection (a)(2.1), an additional one-tenth of one per cent for the second half of the taxable year commencing with or within calendar year 1999 and each taxable year thereafter. Tax collected under this paragraph shall be deposited into the Property Tax Reduction Fund established under Part X-A and used solely for the purposes of the fund.

Amend Bill, page 3, by inserting between lines 10 and 11

(2.2) In addition to the tax imposed under subsection (b)(2.1), an additional one-tenth of one per cent for the second half of the taxable year commencing with or within calendar year 1999 and each taxable year thereafter. Tax collected under this paragraph shall be deposited into the Property Tax Reduction Fund established under Part X-A and used solely for the purposes of the fund.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The act is amended by adding a part to read:

#### PART X-A

#### PROPERTY TAX REDUCTION FUND

Section 357.1. Definitions.—The following words and phrases when used in this part shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Fund." The Property Tax Reduction Fund established in section 357.2.

Section 357.2. Establishment and Funding of Fund.—There is hereby established a restricted account in the General Fund to be known as the Property Tax Reduction Fund, to be funded by the tax levied under section 302(a)(2.2).

Section 357.3. Purpose of Fund.—The Department of Revenue is authorized to make grants to school districts to reimburse losses in revenue caused by reductions in real property taxes.

Section 357.4. Procedure.—(a) By May 15 of each year the Department of Revenue shall inform the Department of Education of the amount estimated to be available from collection of personal income tax in the current tax year for reimbursements to school districts in their next fiscal year.

(b) By May 31 of each year, the Department of Education shall inform each school district of the amount estimated to be available to reimburse the school district in its next fiscal year if it reduces its real property tax by that amount. Distribution of the fund shall be based on the weighted average daily membership, as defined in section 2501 of the act of March 10, 1949 (P.L.30, No.14), known as "The Public School Code of 1949."

(c) (1) If a school district reduces its real property tax in its next fiscal year, the district will be reimbursed the amount of the reduction, or the amount which it was informed would be available, whichever is the lesser.

(2) If a lesser amount than the estimated amount is actually available for reimbursement in the fiscal year, the lesser amount will be reimbursed in the current fiscal year and the difference will be reimbursed in the following fiscal year.

(3) Money remaining in the fund because of a school district's reduction of its real property tax in an amount less than the amount

available to the school district, or the district's failure to reduce its real property tax, shall remain in the fund and be used, first, to make up any difference between the amount estimated by the Department of Revenue to be available for the fiscal year and the actual amount available, with the balance to be available for reimbursements to school districts in the following fiscal year.

Section 3. The addition of Part X-A of the act shall be retroactive to January 1, 1999.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

4

On the question,

Will the House agree to the amendment?

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman, Mr. Battisto.

Mr. BATTISTO. Thank you, Mr. Speaker.

Mr. Speaker, this amendment establishes a school Property Tax Reduction Fund. One-tenth of 1 percent from the personal income tax will be transferred to the school Property Tax Reduction Fund. This money in turn then would reimburse each of the 501 school districts for revenues lost through reducing property taxes. The amount of reduction of property taxes will be dollar for dollar based upon the amount of money received from the school Property Tax Reduction Fund.

Again, it is based on the population of each school district. The money is sent after school districts reduce their real property taxes by a certain amount, and the fund, of course, one-tenth of 1 percent is worth about \$230 million. So the \$230 million would be sent to school districts, and again, emphasizing the fact that their school property taxes must be reduced dollar for dollar, it will be sent separate from the general allocations we receive each year. This is a separate fund sent separately and demanding a dollar-for-dollar school property tax reduction.

Mr. Speaker, when I looked at HB 1, I assumed, as everyone assumed here, that we admit the fact that we can wean ourselves off of about \$230 million of taxes. The question is, how do we reduce taxes? Well, I am not opposed to reducing the personal income tax; that is a good idea. However, the question I ask all of you is, who calls you up and what do they ask you to do? I know for 15 years here no one has asked me to reduce the personal income tax. You would like it reduced, of course; I have no problem with that. However, you know and I know, everybody almost hounds you about school property taxes.

So I want to give that same \$230 million that we are talking about back to our constituents. However, I want to give it back to each school district and demand that they reduce property taxes dollar for dollar based upon the amount we send them. I think it is very fair, because whether you are in Montgomery County or whether you are in Monroe County or whether you are in Franklin County, we ascertain the school population of your district and multiply that by a certain number, and you get moneys that are earmarked for reduction. For example, a school district with a school population of about 10,000 gets about a million and a half dollars. If you can assume, if you can assume that each mill in that district raises about \$300,000, then you would commensurately reduce taxes by 5 or 6 mills, and this will be year after year.

The good thing about this amendment, Mr. Speaker, is that our personal income tax revenues appreciate each year. For example, in 1993 we realized about \$170 million through one-tenth of



1 percent of the personal income tax. Today we realize about \$230 million. In fact, for this year it is estimated it will be \$232 million. So there has been about a \$70-million increase in the past 5 or 6 or 7 years, and it will appreciate each year, and each year as it appreciates, that money is segregated and put into this school Property Tax Reduction Fund. As an example, the city of Philadelphia, for example, based on a fund of \$300 million, would each year — each year — get about \$35 million. Over 5 years that amounts to \$175 million, which would be reduced in school property taxes dollar for dollar and so on.

I ask for an affirmative vote on this amendment.

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

The following roll call was recorded:

YEAS—98

Battisto	Evans	Mann	Santoni
Bebko-Jones	Frankel	Markosek	Scrimenti
Belardi	Freeman	Mayernik	Shaner
Belfanti	George	McCall	Solobay
Bishop	Gigliotti	McGeehan	Staback
Blaum	Gordner	Melio	Steelman
Butkovitz	Grucela	Michlovic	Stetler
Buxton	Gruitza	Mundy	Sturla
Caltagirone	Haluska	Myers	Surra
Cappabianca	Hanna	Oliver	Tangretti
Carn	Harhai	Pesci	Thomas
Casorio	Horsey	Petrarca	Tigue
Cawley	James	Petrone	Travaglio
Cohen, M.	Josephs	Pistella	Trello
Colafella	Kaiser	Preston	Trich
Corrigan	Keller	Ramos	Van Home
Costa	Kirkland	Readshaw	Veon
Coy	LaGrotta	Rieger	Vitali
Curry	Laughlin	Roberts	Walko
DeLuca	Lawless	Robinson	Washington
Dermody	Lederer	Roebuck	Wojnaroski
DeWeese	Lescovitz	Rooney	Yewcic
Donatucci	Levdansky	Ruffing	Youngblood
Druce	Lucyk	Sainato	Yudichak
Eachus	Manderino		

NAYS—102

Adolph	Fargo	Marsico	Schuler
Allen	Feese	McGill	Semmel
Argall	Fichter	McFhattan	Serafini
Armstrong	Fleagle	McHinnney	Seyfert
Baker	Flick	McNaughton	Smith, B.
Bard	Forcier	Metcalfe	Smith, S. H.
Barley	Gannon	Micozzie	Snyder
Barrar	Geist	Miller, R.	Stairs
Bastian	Gladeck	Miller, S.	Steil
Benninghoff	Godshall	Nailor	Stern
Birmetin	Habay	Nickol	Stevenson
Boyes	Harhart	O'Brien	Strittmatter
Browne	Hasay	Orie	Taylor, E. Z.
Bunt	Hennessey	Perzel	Taylor, J.
Chadwick	Herman	Phillips	True
Civera	Hershey	Pippy	Tulli
Clark	Hess	Platts	Vance
Clymer	Hutchinson	Raymond	Williams
Cohen, L. I.	Jadlowiec	Reinard	Wilt
Cornell	Kenney	Rohrer	Wogan
Dailey	Krebs	Ross	Wright
Dally	Leh	Rubley	Zimmerman
Dempsey	Lynch	Samuelson	Zug
DiGirolamo	Maher	Sather	
Egolf	Maitland	Saylor	Ryan,
Fairchild	Major	Schroder	Speaker

NOT VOTING—0

EXCUSED—2

Daley Masland

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 third consideration as amended?

Mr. GRUCELA offered the following amendment No. A0751:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and establishing a School Real Property Tax Reduction Fund.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. The act is amended by adding an article to read:

ARTICLE XXXI

SCHOOL REAL PROPERTY TAX REDUCTION

Section 3101. Findings and Purpose.—(a) The General Assembly finds that:

(1) The costs and demands of public education require the substantial expenditure of local public funds which are primarily derived from real property taxes which are constantly increasing.

(2) The constant increase of the local real property tax burden is especially burdensome to average Commonwealth families and the Commonwealth has realized over \$1.3 billion in General Fund revenue surpluses over the last three fiscal years; that is, fiscal year 1995-1996, fiscal year 1996-1997 and fiscal year 1997-1998.

(b) (1) The General Assembly declares that it is a valid and appropriate public purpose to annually set aside a portion of Commonwealth revenues to fund the School Real Property Tax Reduction Fund for the purpose of providing payments to school districts for the purpose of reducing the school real property tax burden.

(2) The General Assembly further declares that the Commonwealth should work towards a reduction of fifty per cent in school property taxes.

Section 3102. Definitions.—The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Fund." The School Real Property Tax Reduction Fund established in section 3303.

"School district." A school district as defined in section 102 of the act of March 10, 1949 (P.L.30, No.14), known as the "Public School Code of 1949."

Section 3103. School Real Property Tax Reduction Fund.—(a) There is hereby established in the State Treasury a special fund to be known as the School Real Property Tax Reduction Fund to be used solely to make annual payments to school districts.

(b) Funds appropriated to the fund shall be used solely for payments to school districts. School districts shall spend all payments from the fund for the sole purpose of reducing the property tax liability of property owners. School districts shall not use any payments from the fund for expenses related to the administration of the real property tax system. School districts shall reduce taxes as directed in subsequent legislation by exempting from the property tax on homesteads an amount which does not exceed one-half of the median assessed value of all homestead property within the school district.

(c) The fund shall receive such annual appropriations as may be made by the General Assembly. Any appropriation made to the fund shall not lapse. Within thirty days of the close of each fiscal year, all of the revenue that exceeds the final estimate for General Fund revenue as signed by the Governor under section 618 of the act of April 29, 1929 (P.L. 176, No. 175), known as "The Administrative Code of 1929," shall be deposited in the School Property Tax Reduction Fund.

(d) No expenditure shall be made from the fund until legislation is subsequently enacted to provide for distribution of the moneys in the fund.

Section 3. This act shall take effect immediately.

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

The SPEAKER pro tempore. On that question, the Chair recognizes the gentleman from Northampton County, Mr. Grucela.

Mr. GRUCELA. Thank you, Mr. Speaker.

Mr. Speaker, I rise to offer an amendment which I believe addresses one of if not the most important issue facing the taxpayers in the Commonwealth. While the reduction of the State income tax is laudable, it does not have the broad-base appeal nor provide the most significant tax relief for senior citizens, especially those on fixed incomes, that property tax reduction promises. The property tax is onerous and aggressive, and if Act 50 has accomplished anything, it has magnified the seriousness of this issue.

In my home county of Northampton, over 30,000 applications were received for the homestead exemption. Like many of you, I have spent the last 2 months answering questions and receiving suggestions with regard to Act 50. In my opinion, while Act 50 has many shortcomings, it has brought the issue to the forefront. As a former local government official and former teacher, I am very familiar with the property tax as the major source of revenue for these political subdivisions. In many districts like mine across the Commonwealth, growth and development has placed an added burden on these local entities to increase the property tax to provide needed services and educational opportunities. We have the ability to provide property tax relief to local government entities and local school districts given the projected and real budget surpluses. This amendment answers that call for true and effective property tax reform.

I ask for your support, because this will put us on the road and the path to our goal of reducing the property taxes by 50 percent in the near future. Thank you, Mr. Speaker.

The SPEAKER pro tempore. On the amendment, the Chair recognizes the gentleman from Allegheny County, Mr. Costa.

Mr. COSTA. Thank you, Mr. Speaker.

I rise in support of Representative Grucela's amendment. We have an opportunity today to give back to the homeowners of Pennsylvania their money. The Governor cannot continue to hoard this excessive surplus.

I urge you to help your neighbors and your constituents by reducing their school property tax. Thank you very much, Mr. Speaker.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Washington County, Mr. Trich, on the amendment.

Mr. TRICH. Thank you, Mr. Speaker.

I, too, rise in support of this amendment. I would ask that my colleagues certainly on the other side of the aisle pay attention to this amendment.

What Pennsylvania should be doing and what this amendment will permit us to do is exactly what the State of Texas has already done. Governor George W. Bush took \$1 billion of their surplus money, funneled it into education for the sole purpose of lowering school property taxes. We have an opportunity to do the same type of thing with this legislation.

And keep in mind that I am also one who supported Act 50 a year ago. Many of us had great belief in that particular piece of legislation. Unfortunately, it has not lived up to our expectations. This is something that could be done dramatically and be done very quickly, and I would urge support of this amendment so we can get that goal accomplished.

The SPEAKER pro tempore. On the amendment, the Chair recognizes the gentleman from Lawrence County, Mr. Sainato.

Mr. SAINATO. Mr. Speaker, I also rise to support this amendment. There has been no issue more important to the residents of Pennsylvania than high property taxes. In every legislative district in this State, I think that is becoming the number one issue amongst taxpayers.

Today we have an opportunity — an opportunity to do something for every property owner in this State. By supporting this amendment, we will cut property taxes by 50 percent over the next 5 years. The people have waited a long time for this opportunity. I have been in the legislature now, I am in my fifth year, and in these almost 5 years I have had an opportunity to cut taxes. I cut taxes to help businesses to attract jobs to Pennsylvania by over \$3 billion — \$3 billion. The people have been very patient, especially working-class people, our senior citizens. Now we have that opportunity. It is their turn, Mr. Speaker. It is their turn to have tax relief.

Today is a very important day in Pennsylvania. We need to send a message in this House. The message is, we want to cut property taxes, and we can also cut the personal income tax. We can do both, but it is very important that we do it and we do it right. We have been working on this issue for over 2½ years — 2½ years — and I think all the efforts we have been pushing have come to this point.

I urge my colleagues on both sides of the aisle to support this amendment. This is probably one of the most important amendments you will support during this 2-year legislative session. We are doing something for senior citizens; we are doing something for every property owner in this State. I think we have gone a long time with these people paying the bulk of the bill for education. As everyone in this chamber realizes, we fund schools two ways in Pennsylvania — our subsidy and local property taxes — and by putting this money into cutting property taxes and requiring that every school district dollar for dollar cut property taxes in Pennsylvania, we are doing something for the person who pays the bulk of the education bill.

And, Mr. Speaker, when we look and see in many of our legislative districts who is paying the bulk of our school districts, it is senior citizens. Senior citizens are paying the bulk of sending and paying for our children's education. It is senior citizens, and many of them have not had children in school for 30 and 40 years. So under this amendment we are helping senior citizens; we are

helping working people who do not make a lot of money but they pay a lot of property taxes.

So let us do what is right for Pennsylvania; let us do what is right for senior citizens; let us do what is right for working people. Let us work together, both Democrats and Republicans, to do the right thing. Support this amendment. Let us cut property taxes in Pennsylvania. Thank you, Mr. Speaker.

The SPEAKER pro tempore. On the amendment, the Chair recognizes the lady from Philadelphia County, Representative Josephs.

Ms. JOSEPHS. Thank you, Mr. Speaker.

I rise also in support of this amendment, and I affirm, ratify, and agree with everything that was said before by my colleagues in support. But I want to point out that this is something that the Governor and those proponents of tuition vouchers ought to be for, and the reason is this: If a young family paying rent, because renters will be affected by this, too, in one way or another, or a mortgage suddenly sees that its tax bill is going to decrease by 50 percent, well, many of those families will have enough money now in their budget in order to send their children to the private or denominational school that they want to choose, and this has been on the Governor's plan for so many years to try and help private and the religious schools, and this is the way he can do it.

So I beg him to join us and those people who are for tuition vouchers, and let us help families send their children to the school that they choose. Thank you, Mr. Speaker.

The SPEAKER pro tempore. The Chair recognizes the majority whip, the gentleman, Mr. Snyder.

Mr. SNYDER. Thank you, Mr. Speaker.

Mr. Speaker, would the maker of this amendment please stand for some interrogation?

Mr. GRUCELA. Yes.

Mr. SNYDER. Mr. Speaker, we have heard that the intention of this is to reduce property taxes, and certainly we all share that goal, but, you know, once again, it is one thing to say it; it is another to show and demonstrate how you are going to do it.

I would like to have you reference the second page of the amendment, paragraph (c). Mr. Speaker, within that paragraph there is the following sentence. It reads, "Within thirty days of the close of each fiscal year, all of the revenue that exceeds the final estimate for General Fund revenue as signed by the Governor under section 618 of the act of April 29, 1929...known as 'The Administrative Code of 1929,' shall be deposited in the School Property Tax Reduction Fund." Mr. Speaker, can you tell me, if this was law as of today, how would that affect what we are going to be doing later this year with the budget? In other words, the way I read this, in July you would be transferring moneys to a fund. Can you tell me how you intend to do that?

Mr. GRUCELA. Mr. Speaker, any money that has not been budgeted, I would assume, would be the excess revenue, and the Administrative Code, I believe, lays out that process, and I believe that is somewhere in the vicinity of about \$676 million right now, not given what may come in later in the year. So I would refer to the Administrative Code that I think already answers that particular question.

Mr. SNYDER. Mr. Speaker, you respond with the fact that it says any money not budgeted. Now, if there is funding that we have not yet appropriated for this fiscal year, certainly it is going to be the intent of this General Assembly to carry that forward into the next fiscal year and to put that into the 1999-2000 budget.

So by June 30, this General Assembly, I assume, is going to appropriate all moneys available to us from general tax revenues that the Governor certifies are available for expenditure. Correct?

Mr. GRUCELA. First, in the budgeting process, the budget, obviously, as you are well aware, Mr. Speaker, and I was when I was a county official, there are estimated revenues. We are speaking to, in that budget, these revenues that would be above what were estimated in the budget. Those particular moneys then would be deposited, whatever those are in excess of the estimated revenues, into this fund. It would not necessarily deplete the entire surplus.

Mr. SNYDER. Okay. Mr. Speaker, are you aware of any fund other than the Rainy Day Fund in which we appropriate surplus funds that are not specifically appropriated to any particular expenditure?

Mr. GRUCELA. At this point I am not, other than to say that the Rainy Day Fund, I believe, is well funded right now and is not necessarily moneys, you know, we would be adding to. But, no, I think to answer your question right now, I am not aware of that.

Mr. SNYDER. Is it your intention with this amendment then to spend the Rainy Day Fund? Is that what the intention is here?

Mr. GRUCELA. The intention of my amendment, Mr. Speaker, is to reduce the property tax burden on the homeowners in the State of Pennsylvania.

Mr. SNYDER. And, Mr. Speaker, we share that noble cause, but I would like to know how we do that, because under your proposal, I think we are going to have to make some tough choices. But I am in interrogation right now, so I am asking you again, you stated that the amendment would not spend the Rainy Day Fund? Is that what you are saying? With some of the response, I was not clear. This amendment would not spend the Rainy Day Fund or it would spend the Rainy Day Fund?

Mr. GRUCELA. It would not spend the Rainy Day Fund, and I share and I would be more than willing to work out the mechanics on a bipartisan nature with you to reduce the property tax burden for the people of the State of Pennsylvania.

Mr. SNYDER. Okay. Mr. Speaker, just one last question, because the rest, I think, I will just make under statement. I am still not clear, as a result of the responses that we received to these questions, what revenues would exceed the final estimate for General Fund revenue and what funds would be unappropriated 30 days after the fiscal year begins.

Mr. GRUCELA. I do not believe, Mr. Speaker, I used the word "unappropriated." What I am talking about again, if I may, for the purpose of clarity, is these would be, the revenue surplus would be, those funds above those revenues estimated in the budget. Any good executive, of course, always underestimates his revenues and overestimates his expenditures, and that is where you get your surpluses from. So we are talking about those particular funds that would be above and beyond those that were estimated in the budget.

Mr. SNYDER. Thank you, Mr. Speaker.

Mr. Speaker, I would like to speak on the amendment.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. SNYDER. Mr. Speaker, this proposal is being promoted as the 50-percent property tax cut proposal, and yet, Mr. Speaker, this amendment does not address where the money is going to come from.

For those of you who have gone through the budget process, you know that as we get close to adopting a final budget, the

Governor will certify the amount of moneys available to this General Assembly to appropriate for the various allocations of the State budget. We will decide how much to spend for education, how much to spend to help welfare people, how much to send to our municipalities. Basically, Mr. Speaker, by the time we pass a budget, under our Constitution, we will appropriate the amount of moneys that the Governor certifies are available. When that budget is passed, Mr. Speaker, there is no surplus. The only way to get a surplus, Mr. Speaker, is if during that budget process we set moneys aside that are not appropriated to any specific item, such as the Rainy Day Fund, and through the interrogation we were told that it is not the intention of this amendment to take the money from the Rainy Day Fund.

Mr. Speaker, 30 days after the end of this fiscal year, I do not understand where there is going to be a surplus, because if there are excess revenues that we did not anticipate in this year's budget, they will be rolled into the appropriation bill that will be approved by us for the next fiscal year. Mr. Speaker, what they are basically saying is, on the one hand, that there are moneys available, which I still am not clear where these moneys are coming from, and if not, we are going to have to open the budget process again and take moneys away from our school districts that we give to them in a subsidy, take moneys away from our counties, take moneys away from the health departments and the welfare departments in order to fund what they are trying to do.

Basically, Mr. Speaker, this amendment, in my opinion, unless it can be clarified by some subsequent speakers, does not provide for any funds to put into this goal of reducing property taxes, and I certainly hope that before we vote we will get some better answers. Thank you.

### THE SPEAKER (MATTHEW J. RYAN) PRESIDING

The SPEAKER. The Chair thanks the gentleman.

### PARLIAMENTARY INQUIRY

The SPEAKER. The Chair recognizes the lady from Montgomery County, Mrs. Cohen.

Mrs. COHEN. Thank you, Mr. Speaker.

A parliamentary inquiry, please.

The SPEAKER. The lady will state her point of parliamentary inquiry.

Mrs. COHEN. Thank you, Mr. Speaker.

On page 1 of the amendment, line 29, there is a word right in the middle of the line, "towards" — t-o-w-a-r-d-s. I believe that is grammatically incorrect, and I am wondering if it has either a legal or a fiscal impact on the amendment if we have the use of an incorrect word. I believe it should be in the singular.

The SPEAKER. We will call that to the attention of Reference Bureau, and I advise you that Reference Bureau has the ability to make changes such as that without our having to amend it.

Mrs. COHEN. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from York, Mr. Saylor.

Mr. SAYLOR. Thank you, Mr. Speaker.

Will the gentleman, the maker of the amendment, stand for questioning?

The SPEAKER. The gentleman, Mr. Grucela, indicates he will stand for interrogation. You may begin.

Mr. SAYLOR. Mr. Speaker, what impact does this legislation have on the continuing money being put into the Rainy Day Fund? Does it allow money to continue to be put in there as it now is prescribed by this General Assembly?

Mr. GRUCELA. Yes; absolutely.

Mr. SAYLOR. Number two is, what if there is no surplus next year? What happens then? Does that cause the school districts to have to go back and increase property taxes for what they cut them this year, because all of a sudden there is no surplus and we cannot continue that stream of funding. What then happens to the school districts? Must they increase their property taxes every other year, or what happens?

Mr. GRUCELA. First of all, I do not believe this amendment will have anything to do with the increase of property taxes. If there is no surplus next year, first of all, if you read the amendment, we will have enabling legislation that will also speak to some of the funds that would be able to be appropriated by the General Assembly into the fund so that in the future years— But I believe that the future years will have a surplus. I think the past has shown that. No one has a crystal ball that can see into the future. However, if past practice and past precedent hold true, we will have these moneys. Right now we have these moneys. These moneys belong to the taxpayers of Pennsylvania. We are hoarding them. I have always been taught that you can always do whatever you want to do as long as you work hard to do it. So if you are willing to work with us on the mechanics of this to lower the property taxes in the State of Pennsylvania, we would be more than willing to sit down with you and do it.

Mr. SAYLOR. Mr. Speaker, that is a great speech, but that does not answer the question. The question is, if there is no surplus next year and I am cutting property taxes this year as a school district director, next year I do not get that money from the State, do I have to go back and raise, if I cut their property taxes this year by \$500, do I have to raise it, if I do not get any money next year from the State, raise it \$500 plus whatever I am going to normally raise it? That is the question.

Mr. GRUCELA. I would hope we would never have to raise taxes, but at the same time I would hope that we would always provide the people in Pennsylvania and their students adequate educational opportunities. That is up to the 501 local school directors to make those decisions. However, I believe we can give them that added relief in the property tax reduction right now. We have the money now, and if we have it in the future, we can appropriate such funds.

Mr. SAYLOR. The last question, Mr. Speaker. You stated earlier in your comments that the Rainy Day Fund is adequately funded now. Would the Rainy Day Fund that is currently funded, the amount that is in there, have covered the 1991 Democratic deficit?

Mr. GRUCELA. My father always told me not to live in the past. I was not here in 1991, but if it could, we should have.

Mr. SAYLOR. Mr. Speaker, my father always taught me, learn from the past.

The SPEAKER. This is all very interesting—

Mr. SAYLOR. Mr. Speaker, if I may—

The SPEAKER. —but I would prefer that the two gentlemen stay on target.

Mr. SAYLOR. Mr. Speaker, if I may make comments now.

The SPEAKER. Family or legislative?

Mr. SAYLOR. Legislative.

The SPEAKER. The gentleman is in order.

Mr. SAYLOR. Mr. Speaker, I rise to oppose this amendment. First of all, there is no formula in this amendment. It is a bunch of feel-good legislation, and we all love to tell our voters how we are going to cut property taxes. But the truth of the matter is, this amendment not only does not do it, it does not guarantee it at all in any way, because there is no guarantee that your county, the county of Lehigh or Bucks or Northampton or Westmoreland County, gets its fair share of money that will be set aside. There is no formula here. Nothing tells us that this money will not someday end up where we in the General Assembly, or at least some of us in this General Assembly, do not want it to end up.

If you are going to put a proposal like this together, let us put a proposal together that we all know what we are voting on, that does not have a lot of holes, a lot of questions. If we knew today that we could guarantee property tax reductions on a constant and regular basis for our taxpayers and our senior citizens, I think this General Assembly would be glad to pass it. But this amendment has so many holes in it that nobody could truthfully understand and explain to any taxpayer in all honesty that they truly will receive a property tax reduction.

I say that to vote for this kind of legislation that is making us feel good so we can go back home and tell our taxpayers that we voted to cut property taxes, and then later on when they do not get the tax cut or they did not get what we promised, what are we going to say to them then? Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. DeWeese.

Mr. DeWEESE. Thank you, Mr. Speaker.

We did not hear all that yapping when they were cutting business taxes \$3.2 billion, did we? This is almost unfathomable when I think of what I just heard from the preceding speaker and from his honorable whip a few moments ago as they are parrying and foisting our efforts, or at least attempting to momentarily, as we try to cut property taxes. This is not a property tax reform proposal over here, Mr. Speaker; this is a property tax cut — a property tax cut.

Now, you say to my colleague, where is the revenue coming from? Where is the revenue stream? How fecund is it going to be a year or two or three down the line? Well, where was this argument from you, and you, sir, when you slashed business taxes in this State \$3.2 billion since Tom Ridge took over? You were willing, you were willing to take a chance on the Bill Clinton economy. You were willing to take a chance on the fact that our revenues would be strong. But now we are trying to cut property taxes for folks back home. There is no more important, sir, there is no more important dilemma that my constituents face tonight than property taxes.

Now, we have had over a billion dollars in surpluses since Bob Casey had his final year in office, and Tom Ridge has had 4 — a billion dollars — plus you have cut, with some help from many of us, business taxes. So now it is time for middle-class, working-class Pennsylvanians to get a tax cut. It is time for senior citizens back home to get a tax cut. We have never in the history of this Commonwealth had such wonderfully vibrant

revenue streams. We have got a lot of money coming in, and if you want to say to my colleague, what are you going to do if there is not enough money left, why did you not say that when you were slashing business taxes? Worst-case scenario, worst-case scenario, we could cut business taxes this year and next year and continue to cut them and then never do anything about property taxes. But best-case scenario, best-case scenario is we continue to cut property taxes, starting tonight, cutting property taxes tonight. And if something blows up in the economy and we have to raise more revenue, then you figure out where we can raise it. If we slashed business taxes \$3.2 billion, we might have to elevate them a few hundred million to get some money back.

But I think, sir, I think that the most important thing we can do tonight is cut property taxes. This is the first time in the Ridge administration that we have had this come to fruition in the debate. We have a chance tonight, if your lieutenants can keep it in the Senate proposal and the Governor will affix his signature, we have a chance to cut property taxes with the hundreds of millions of dollars of additional revenue that we have generated over the past several years. This is not specious and this is not arcane. We can cut business taxes and property taxes, and we can do it with your help tonight.

The SPEAKER. The gentleman, Mr. Snyder.

Mr. SNYDER. Mr. Speaker, this amendment is basically meaningless, but it makes you feel good, so why do we not all feel good and vote for it? But the point is, we have a letter that the minority leader sent out talking about all the tax cuts for business that his caucus is going to support, and then we come up with an amendment that does not mean anything. So we make a promise to the people of this Commonwealth that we are going to cut their property taxes, but they cannot say where the money is coming from.

In the next 6 weeks or so, Mr. Speaker, we will have an opportunity to make a choice between raising funding for higher education, appropriating money for environmental programs, health care for our children, basic education, or property tax reductions. That is the process we need to follow through the budget. If we want to put money aside for property tax, we will have that opportunity in the next 4 or 6 weeks as we prepare a budget. But to say we are going to have billions of dollars going to a fund when there is no surplus by the time the budget is passed, and this fund, he does not even know how the money is going to be distributed even if there is \$1 in it.

So let us all vote for this so we all feel good, but realize, it does not mean a darn thing. Thank you.

The SPEAKER. The Chair thanks the gentleman.

Does the gentleman, Mr. Coy, desire recognition?

Mr. COY. Thank you, Mr. Speaker.

Mr. Speaker, I think we all know what we are doing here today. I think we all knew what we were doing when we adopted the last 20 or 30 amendments. And did I think about whether there were excess funds when we lowered the tax on natural gas, when we repealed inheritance taxes, several other tax vehicles? Yeah, I thought about that, and I think we all did.

I think we also know that with the budgeteering process that has taken place during the last several years of this administration, that there will be a surplus; there is a surplus. I think if there is one thing that the administration has proven, that is that they can successfully budget and successfully plan for surpluses. They have

proven it for the last several years. We have it once again right now, and we anticipate it in the future.

Now, what do we do? Are we passing a budget here today? No, and I think we all know it. Do we think that every amendment that is going to go in and has gone in so far and will go in for the remainder of today will stay in once it finishes the Senate and reaches the Governor's Office? No, we do not think that, but what we are about the business of is setting priorities. Our priority is reducing property taxes. Now, you can either vote for it or vote against it, you can either feel good or feel bad, but the message to taxpayers is, it is your money; the relief you need is in the property tax bill you pay; and these are your elected Representatives setting priorities to the process.

Our priority that we have championed and that we will continue to champion at every opportunity during this process will be to reduce property taxes. That is what we are here for; that is what we are about. If you are for it, you vote "yes"; if you are not, you vote "no." We are for it. We are voting "yes."

The SPEAKER. The gentleman, Mr. Sturia.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, I am amazed at some of the rhetoric I have heard here today. How can we possibly afford this after we just got done voting for about a billion dollars in other tax cuts? How could we possibly afford to give the common average citizen a cut in their school taxes? Why, we would be being irresponsible if we did something like that. Somebody said we might actually have to make tough choices if we gave a school tax cut to homeowners. Well, is that not what we are supposed to be doing here? The question came up, what if there are no surpluses; what would we do then? Heaven forbid, we might have only given tax cuts for a few years to homeowners. No one, of course, asked those questions when we were passing all those business tax cuts.

It was pointed out that we cannot guarantee that we are going to give tax cuts to homeowners every year and so, therefore, we should not vote for this legislation, and yet some of those same people voted for Act 50 that passed last year which has guaranteed that no one gets a tax cut on their school taxes. It was such poor legislation that no one has adopted it locally. This will guarantee that there are actual tax cuts in school property taxes for local homeowners.

I actually hope that those people that oppose cutting school taxes for their local citizens use the same rhetoric at home that they used here today on the floor of the House, because they will ensure that we finally come back in the majority again and that we can continue the initiatives to cut property taxes for the citizens of Pennsylvania. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

### GUESTS INTRODUCED

The SPEAKER. The Chair is pleased to welcome to the hall of the House today, as the guests of Representative Benninghoff, Gene Proch and his son, Jeffrey. Would these folks please stand up to be recognized.

### CONSIDERATION OF HB 1 CONTINUED

The SPEAKER. The Chair recognizes the gentleman from Beaver County, Mr. Veon.

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

Mr. Speaker, first of all, I want to commend the gentleman from the Lehigh Valley, first-term member, who is the sponsor of this amendment. I know this has been a very important issue to him, a very important issue to his constituents, and he has heard their voices loud and clear and has come to this General Assembly very early in his legislative career to make it very clear that this is the most important issue that he faces, and he would like his colleagues to support an amendment to cut the property tax by 50 percent over 5 years.

Mr. Speaker, I join with the Democratic leader and the other members on the Democratic side of this aisle, and we listened with some amazement to our Republican colleagues in the House today, and in some ways, Mr. Speaker, it is almost too good to be true when you are a Democratic member listening to Republican members argue against cutting property taxes for middle-class Pennsylvanians. It is almost too good to be true. But that is what we are hearing here today, and we would like to make our points as clearly as possible, and I think almost everybody in the House knows that now for 3 years the House Democratic Caucus has made as their number one priority in this State, every year for the last 3 years our number one legislative priority — to cut property taxes for average, middle-income, middle-class Pennsylvanians. Not a complicated plan, very simple and very straightforward — cut property taxes for middle-income, middle-class Pennsylvanians, 10 percent a year for 5 years; 50 percent over 5 years. People in Pennsylvania are starting to understand that.

And I have to tell you, Mr. Speaker, despite some Republicans today arguing against this, we know that we are making progress in this General Assembly, certainly in this State. People are starting to hear this message. In fact, I think as most of you know, our friend and colleague, the majority leader on the other side of the aisle, the Republican leader, when he did his announcement on the House GOP caucus agenda this year, he talked about, it is very important that we provide tax relief to the people who need it most; we are fighting for Pennsylvania's taxpayers. And, Mr. Speaker, we were so happy and pleased to see that kind of message coming from the Republican side, because we have spent the last 4 years cutting business taxes by \$3½ billion, and what we have been saying is, enough is enough; we have supported some of those business tax cuts; it is time to help average, middle-income, middle-class Pennsylvanians. This is a way to do it. It is very simple, it is very clear, and it is very straightforward.

Just a couple other quick observations about some of the comments from my counterpart, the Republican whip in this House. He says that it is so important that we cannot just say it, we have to demonstrate how to do it. Well, Mr. Speaker, it is the first time today that my colleague got up, the Republican whip, and made those comments, despite the fact that we cut inheritance taxes by \$800 million, despite the fact that we cut so many other taxes. The only tax that the Republican leadership gets up to argue with the Democrats on is our effort and our attempt to cut property taxes for average, middle-income, middle-class Pennsylvanians. That is not the message we want to send out of this General Assembly.

I think the gentleman, the sponsor of this amendment, has put it very well. We ought to say that it can be done. We ought to join in a bipartisan effort today and cut property taxes for average working families in this State. I know that most of you believe that we have done our share for business taxes. Many Democrats



supported those cuts in business taxes, but it is time, Mr. Speaker. And the gentleman can make all the cases he wants about the surplus. We all know how this process works. There is a surplus every year. There has been a surplus every year. There will be a surplus into the foreseeable future, and we ought to take that money and give it back to the people who paid it — middle-class, working Pennsylvanians. A 50-percent property tax cut; 10 percent a year over 5 years.

Mr. Speaker, I think this is not only a test for the Assembly, but this is a test for this Governor. This Governor — it is no secret to anybody — has national aspirations.

The SPEAKER. The gentleman, Mr. Veon, stay on the subject.

Mr. VEON. Thank you, Mr. Speaker.

Mr. Speaker, I also believe that this property tax cut that we would like to propose today ought to be something that can be embraced not just by this Assembly, not just by this House, but by this Senate and by this Governor. It is time to do this. And, Mr. Speaker, I would, in the strongest way, not just say to my friend and colleague, the Republican whip, that we ought not just to talk about it, we ought to demonstrate how it can be done; we have shown time and time again that when we join together, we can make it happen, Mr. Speaker. It is time to do it. This is the time; this is the year — 50-percent property tax cut.

I would strongly urge an affirmative vote. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Allegheny County, Mr. DeLuca.

Mr. DeLUCA. Thank you, Mr. Speaker.

Mr. Speaker, I am a little amazed today, mainly because of the fact that in my estimation, I think we have just, on these 3½ packages, cut a billion and a half dollars — a billion and a half dollars — and we talk about tough choices. I wonder where we are going to make the tough choices to come up with a billion and a half dollars that we have been working on today and unanimously passing these amendments and not knowing where we are going to finance and what programs we are going to cut.

Now, we are talking about a 50-percent reduction in the property tax. It is my understanding it is \$400 million a year. That is \$2 billion over 5 years. Well, we just cut a billion and a half; we thought nothing of it, yet we are thinking about \$400 million every year to try to give relief, relief to senior citizens who have to make tough choices. Mr. Speaker, they have to make tough choices whether to eat or pay their taxes, and they have to pay their taxes because what happens is, we end up sheriff-selling those houses. The average working family whose husband and wife have to work to support their children, to send them to school, who have a property, has to pay those taxes or they lose the roof on their house. So when we talk about making tough choices, they are making tough choices out there — tough choices to pay their taxes.

And we talk about feeling good. Well, we passed the homestead exemption, and all of us went out there and we felt good because we said, we are going to give you a property tax reduction, and when we passed Act 50 we said, boy, we feel good, when we campaigned last year, because we are going to give you a property tax reduction, and I think throughout this State there are only five school districts thinking about it. That is not feeling good; that is a farce. We need to create something that gives back the money to the taxpayers that need it, and that is a property tax reduction of 50 percent.

Now, let me also— If I got your votes, I will roll it; I will pass up. Mr. Speaker, since my colleagues on the other side of the aisle are going to support this amendment, I will ask to roll this bill right now. Thank you.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McIlhinney	Snyder
Bebko-Jones	Geist	McNaughton	Solobay
Belardi	George	Melio	Staback
Belfanti	Gigliotti	Metcalfe	Stairs
Benninghoff	Gladeck	Michlovic	Steelman
Birmelin	Godshall	Micozzie	Steil
Bishop	Gordner	Miller, R.	Stern
Blaum	Grucela	Miller, S.	Stetler
Boyes	Gruitza	Mundy	Stevenson
Browne	Habay	Myers	Strittmatter
Bunt	Haluska	Nailor	Sturla
Butkovitz	Hanna	Nickol	Surra
Buxton	Harhai	O'Brien	Tangretti
Caltagirone	Harhart	Oliver	Taylor, E. Z.
Cappabianca	Hasay	Orie	Taylor, J.
Carn	Hennessey	Perzel	Thomas
Casorio	Herman	Pesci	Tigue
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Home
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGiolamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker
Evans			

NAYS—1

Saylor

NOT VOTING—0

EXCUSED—2

Daley

Masland

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

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

The SPEAKER. For the information of the members, the following amendments are yet to be considered: Flick – it is my understanding that Mr. Veon is withdrawing his next two amendments – Curry, Hanna, Steelman, Freeman, Pesci, Sturla, Stevenson, Schroder, Bard, Fargo, Fargo, Steil, and I cannot really make out whether that is “Steil” or “Stairs,” but I think it is Mr. Steil.

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

Mr. FLICK reoffered the following amendment No. A0727:

Amend Title, page 1, line 11, by removing the period after “tax” and inserting

and for classes of income.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 303 of the act is amended by adding a subsection to read:

Section 303. Classes of Income.—\* \* \*

(c) (1) For taxable years beginning in calendar year 1999 and each taxable year thereafter, a shareholder of a Pennsylvania S corporation or a member of a partnership shall be allowed to take a deduction from the classes of income enumerated in subsection (a)(2), (3) and (4) for net losses carried over pursuant to this subsection. The deduction shall be limited to income receive from the Pennsylvania S corporation or a partnership for which the loss is carried over. A loss incurred in one class of income shall not be permitted to be deducted from another class of income.

(2) For taxable years beginning in calendar year 1998 and thereafter, a net loss in a class of income enumerated in subsection (a)(2), (3) or (4) incurred by a shareholder of a Pennsylvania S corporation or a member of a partnership as a result of losses incurred by the Pennsylvania S corporation or partnership may be carried over for ten taxable years. The earliest net loss shall be carried over to the earliest taxable year to which it is permitted.

Amend Sec. 2, page 3, line 16, by striking out “2” and inserting  
3

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

The SPEAKER. The gentleman, Mr. Wilt. For what reason do you rise?

Mr. WILT. Mr. Speaker, I think I speak for all the members on the floor in saying, I feel good; 50-percent tax cut.  
Thank you, Mr. Speaker.

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

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Stelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rublely	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

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

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



Mr. CURRY offered the following amendment No. A0246:

Amend Title, page 1, line 10, by inserting after "penalties," " repealing certain provisions imposing sales and use tax on lawn care services; and

Amend Bill, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Section 201(b), (f), (g), (k), (o) and (j) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended or added August 4, 1991 (P.L.97, No.22), December 13, 1991 (P.L.373, No.40) and April 23, 1998 (P.L.239, No.45), are amended to read:

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

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(b) "Maintaining a place of business in this Commonwealth."

(1) Having or maintaining within this Commonwealth, directly or by a subsidiary, an office, distribution house, sales house, warehouse, service enterprise or other place of business, or any agent of general or restricted authority irrespective of whether the place of business or agent is located here permanently or temporarily or whether the person or subsidiary maintaining such place of business or agent is authorized to do business within this Commonwealth; or

(2) The engaging in any activity as a business within this Commonwealth by any person, directly or by a subsidiary, in connection with the lease, sale or delivery of tangible personal property or the performance of services thereon for use, storage or consumption or in connection with the sale or delivery for use of the services described in subclauses (11) through (16) and (18) of clause (k) of this section, including, but not limited to, having, maintaining or using any office, distribution house, sales house, warehouse or other place of business, any stock of goods or any solicitor, salesman, agent or representative under its authority, at its direction or with its permission, regardless of whether the person or subsidiary is authorized to do business in this Commonwealth.

(3) Regularly or substantially soliciting orders within this Commonwealth in connection with the lease, sale or delivery of tangible personal property to or the performance thereon of services or in connection with the sale or delivery of the services described in subclauses (11) through (16) and (18) of clause (k) of this section for residents of this Commonwealth by means of catalogues or other advertising, whether such orders are accepted within or without this Commonwealth.

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(f) "Purchase at retail."

(1) The acquisition for a consideration of the ownership, custody or possession of tangible personal property other than for resale by the person acquiring the same when such acquisition is made for the purpose of consumption or use, whether such acquisition shall be absolute or conditional, and by whatsoever means the same shall have been effected.

(2) The acquisition of a license to use or consume, and the rental or lease of tangible personal property, other than for resale regardless of the period of time the lessee has possession or custody of the property.

(3) The obtaining for a consideration of those services described in subclauses (2), (3) and (4) of clause (k) of this section other than for resale.

(4) A retention after March 7, 1956, of possession, custody or a license to use or consume pursuant to a rental contract or other lease arrangement (other than as security), other than for resale.

(5) The obtaining for a consideration of those services described in subclauses (11) through (16) and (18) of clause (k) of this section.

The term "purchase at retail" with respect to "liquor" and "malt or brewed beverages" shall include the purchase of "liquor" from any "Pennsylvania Liquor Store" by any person for any purpose, and the purchase of "malt or brewed beverages" from a "manufacturer of malt or brewed beverages," "distributor" or "importing distributor" by any person

for any purpose, except purchases from a "manufacturer of malt or brewed beverages" by a "distributor" or "importing distributor" or purchases from an "importing distributor" by a "distributor" within the meaning of the "Liquor Code." The term "purchase at retail" shall not include any purchase of "malt or brewed beverages" from a "retail dispenser" or any purchase of "liquor" or "malt or brewed beverages" from a person holding a "retail liquor license" within the meaning of and pursuant to the provisions of the "Liquor Code," but shall include any purchase or acquisition of "liquor" or "malt or brewed beverages" other than pursuant to the provisions of the "Liquor Code."

(g) "Purchase price."

(1) The total value of anything paid or delivered, or promised to be paid or delivered, whether it be money or otherwise, in complete performance of a sale at retail or purchase at retail, as herein defined, without any deduction on account of the cost or value of the property sold, cost or value of transportation, cost or value of labor or service, interest or discount paid or allowed after the sale is consummated, any other taxes imposed by the Commonwealth of Pennsylvania or any other expense except that there shall be excluded any gratuity or separately stated deposit charge for returnable containers.

(2) There shall be deducted from the purchase price the value of any tangible personal property actually taken in trade or exchange in lieu of the whole or any part of the purchase price. For the purpose of this clause, the amount allowed by reason of tangible personal property actually taken in trade or exchange shall be considered the value of such property.

(3) In determining the purchase price on the sale or use of taxable tangible personal property or a service described in subclauses (11) through (16) and (18) of clause (k) of this section where, because of affiliation of interests between the vendor and purchaser, or irrespective of any such affiliation, if for any other reason the purchase price declared by the vendor or taxpayer on the taxable sale or use of such tangible personal property or service is, in the opinion of the department, not indicative of the true value of the article or service or the fair price thereof, the department shall, pursuant to uniform and equitable rules, determine the amount of constructive purchase price upon the basis of which the tax shall be computed and levied. Such rules shall provide for a constructive amount of purchase price for each such sale or use which would naturally and fairly be charged in an arms-length transaction in which the element of common interest between the vendor or purchaser is absent or if no common interest exists, any other element causing a distortion of the price or value is likewise absent. For the purpose of this clause where a taxable sale or purchase at retail transaction occurs between a parent and a subsidiary, affiliate or controlled corporation of such parent corporation, there shall be a rebuttable presumption, that because of such common interest such transaction was not at arms-length.

(4) Where there is a transfer or retention of possession or custody, whether it be termed a rental, lease, service or otherwise, of tangible personal property including, but not limited to linens, aprons, motor vehicles, trailers, tires, industrial office and construction equipment, and business machines the full consideration paid or delivered to the vendor or lessor shall be considered the purchase price, even though such consideration be separately stated and be designated as payment for processing, laundering, service, maintenance, insurance, repairs, depreciation or otherwise. Where the vendor or lessor supplies or provides an employee to operate such tangible personal property, the value of the labor thus supplied may be excluded and shall not be considered as part of the purchase price if separately stated. There shall also be included as part of the purchase price the value of anything paid or delivered, or promised to be paid or delivered by a lessee, whether it be money or otherwise, to any person other than the vendor or lessor by reason of the maintenance, insurance or repair of the tangible personal property which a lessee has the possession or custody of under a rental contract or lease arrangement.

(5) With respect to the tax imposed by subsection (b) of section 202 upon any tangible personal property originally purchased by the user of such property six months or longer prior to the first taxable use

of such property within the Commonwealth, such user may elect to pay tax on a substituted base determined by considering the purchase price of such property for tax purposes to be equal to the prevailing market price of similar tangible personal property at the time and place of such first use within the Commonwealth. Such election must be made at the time of filing a tax return with the department and reporting such tax liability and paying the proper tax due plus all accrued penalties and interest, if there be any, within six months of the due date of such report and payment, as provided for by subsections (a) and (c) of section 217 of this article.

(6) The purchase price of employment agency services and help supply services shall be the service fee paid by the purchaser to the vendor or supplying entity. The term "service fee," as used in this subclause, shall be the total charge or fee of the vendor or supplying entity minus the costs of the supplied employe which costs are wages, salaries, bonuses and commissions, employment benefits, expense reimbursements and payroll and withholding taxes, to the extent that these costs are specifically itemized or that these costs in aggregate are stated in billings from the vendor or supplying entity. To the extent that these costs are not itemized or stated on the billings, then the service fee shall be the total charge or fee of the vendor or supplying entity.

(7) Unless the vendor separately states that portion of the billing which applies to premium cable service as defined in clause (l) of this section, the total bill for the provision of all cable services shall be the purchase price.

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(k) "Sale at retail."

(1) Any transfer, for a consideration, of the ownership, custody or possession of tangible personal property, including the grant of a license to use or consume whether such transfer be absolute or conditional and by whatsoever means the same shall have been effected.

(2) The rendition of the service of printing or imprinting of tangible personal property for a consideration for persons who furnish, either directly or indirectly the materials used in the printing or imprinting.

(3) The rendition for a consideration of the service of—

(i) Washing, cleaning, waxing, polishing or lubricating of motor vehicles of another, whether or not any tangible personal property is transferred in conjunction therewith; and

(ii) Inspecting motor vehicles pursuant to the mandatory requirements of "The Vehicle Code."

(4) The rendition for a consideration of the service of repairing, altering, mending, pressing, fitting, dyeing, laundering, drycleaning or cleaning tangible personal property other than wearing apparel or shoes, or applying or installing tangible personal property as a repair or replacement part of other tangible personal property except wearing apparel or shoes for a consideration, whether or not the services are performed directly or by any means other than by coin-operated self-service laundry equipment for wearing apparel or household goods and whether or not any tangible personal property is transferred in conjunction therewith, except such services as are rendered in the construction, reconstruction, remodeling, repair or maintenance of real estate: Provided, however, That this subclause shall not be deemed to impose tax upon such services in the preparation for sale of new items which are excluded from the tax under clause (26) of section 204, or upon diaper service.

(8) Any retention of possession, custody or a license to use or consume tangible personal property or any further obtaining of services described in subclauses (2), (3) and (4) of this clause pursuant to a rental or service contract or other arrangement (other than as security).

The term "sale at retail" shall not include (i) any such transfer of tangible personal property or rendition of services for the purpose of resale, or (ii) such rendition of services or the transfer of tangible personal property including, but not limited to, machinery and equipment and parts therefor and supplies to be used or consumed by the purchaser directly in the operations of—

(A) The manufacture of tangible personal property.

(B) Farming, dairying, agriculture, horticulture or floriculture when engaged in as a business enterprise. The term "farming" shall include the

propagation and raising of ranch raised fur-bearing animals and the propagation of game birds for commercial purposes by holders of propagation permits issued under 34 Pa.C.S. (relating to game) and the propagation and raising of horses to be used exclusively for commercial racing activities.

(C) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or maintaining the facilities which are directly used in producing, delivering or rendering such service.

(D) Processing as defined in clause (d) of this section.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to any vehicle required to be registered under The Vehicle Code, except those vehicles used directly by a public utility engaged in business as a common carrier; to maintenance facilities; or to materials, supplies or equipment to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations therefor that may be affixed to such real estate.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in paragraphs (A), (B), (C) and (D) herein.

The exclusion provided in paragraph (C) shall not apply to (i) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by the purchaser in the production, delivering or rendition of public utility service, (ii) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain a building, road or similar structure, or (iii) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to the services enumerated in clauses (k)(11) through (16) and (18) and (w) through (ii) and (kk), except that the exclusion provided in this subclause for farming, dairying and agriculture shall apply to the service enumerated in clause (z).

(9) Where tangible personal property or services are utilized for purposes constituting a "sale at retail" and for purposes excluded from the definition of "sale at retail," it shall be presumed that such tangible personal property or services are utilized for purposes constituting a "sale at retail" and subject to tax unless the user thereof proves to the department that the predominant purposes for which such tangible personal property or services are utilized do not constitute a "sale at retail."

(10) The term "sale at retail" with respect to "liquor" and "malt or brewed beverages" shall include the sale of "liquor" by any "Pennsylvania liquor store" to any person for any purpose, and the sale of "malt or brewed beverages" by a "manufacturer of malt or brewed beverages," "distributor" or "importing distributor" to any person for any purpose, except sales by a "manufacturer of malt or brewed beverages" to a "distributor" or "importing distributor" or sales by an "importing distributor" to a "distributor" within the meaning of the "Liquor Code." The term "sale at retail" shall not include any sale of "malt or brewed beverages" by a "retail dispenser" or any sale of "liquor" or "malt or brewed beverages" by a person holding a "retail liquor license" within the meaning of and pursuant to the provisions of the "Liquor Code," but shall include any sale of "liquor" or "malt or brewed beverages" other than pursuant to the provisions of the "Liquor Code."

(11) The rendition for a consideration of lobbying services.

(12) The rendition for a consideration of adjustment services, collection services or credit reporting services.

(13) The rendition for a consideration of secretarial or editing services.

(14) The rendition for a consideration of disinfecting or pest control services, building maintenance or cleaning services.

(15) The rendition for a consideration of employment agency services or help supply services.

(16) The rendition for a consideration of computer programming services; computer-integrated systems design services; computer processing, data preparation or processing services; information retrieval services; computer facilities management services; or other computer-related services. At a minimum, such services shall not include services that are part of electronic fund transfers, electronic financial transactions or services, banking or trust services, or management or administrative services, including transfer agency, shareholder, custodial and portfolio accounting services, provided directly to any entity that duly qualifies to be taxed as a regulated investment company or a real estate investment trust under the provisions of the Internal Revenue Code of 1986

(Public Law 99-514, 26 U.S.C. § 1 et seq.) or to an entity that provides such services to an entity so qualifying.

[(17) The rendition for a consideration of lawn care service.]

(18) The rendition for a consideration of self-storage service.

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(o) "Use."

(1) The exercise of any right or power incidental to the ownership, custody or possession of tangible personal property and shall include, but not be limited to transportation, storage or consumption.

(2) The obtaining by a purchaser of the service of printing or imprinting of tangible personal property when such purchaser furnishes, either directly or indirectly, the articles used in the printing or imprinting.

(3) The obtaining by a purchaser of the services of (i) washing, cleaning, waxing, polishing or lubricating of motor vehicles whether or not any tangible personal property is transferred to the purchaser in conjunction with such services, and (ii) inspecting motor vehicles pursuant to the mandatory requirements of "The Vehicle Code."

(4) The obtaining by a purchaser of the service of repairing, altering, mending, pressing, fitting, dyeing, laundering, drycleaning or cleaning tangible personal property other than wearing apparel or shoes or applying or installing tangible personal property as a repair or replacement part of other tangible personal property other than wearing apparel or shoes, whether or not the services are performed directly or by any means other than by means of coin-operated self-service laundry equipment for wearing apparel or household goods, and whether or not any tangible personal property is transferred to the purchaser in conjunction therewith, except such services as are obtained in the construction, reconstruction, remodeling, repair or maintenance of real estate: Provided, however, That this subclause shall not be deemed to impose tax upon such services in the preparation for sale of new items which are excluded from the tax under clause (26) of section 204, or upon diaper service: And provided further, That the term "use" shall not include—

(A) Any tangible personal property acquired and kept, retained or over which power is exercised within this Commonwealth on which the taxing of the storage, use or other consumption thereof is expressly prohibited by the Constitution of the United States or which is excluded from tax under other provisions of this article.

(B) The use or consumption of tangible personal property, including but not limited to machinery and equipment and parts therefor, and supplies or the obtaining of the services described in subclauses (2), (3) and (4) of this clause directly in the operations of—

(i) The manufacture of tangible personal property.

(ii) Farming, dairying, agriculture, horticulture or floriculture when engaged in as a business enterprise. The term "farming" shall include the propagation and raising of ranch-raised furbearing animals and the propagation of game birds for commercial purposes by holders of propagation permits issued under 34 Pa.C.S. (relating to game) and the propagation and raising of horses to be used exclusively for commercial racing activities.

(iii) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or

maintaining the facilities which are directly used in producing, delivering or rendering such service.

(iv) Processing as defined in subclause (d) of this section.

The exclusions provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to any vehicle required to be registered under The Vehicle Code except those vehicles directly used by a public utility engaged in the business as a common carrier; to maintenance facilities; or to materials, supplies or equipment to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations therefor that may be affixed to such real estate. The exclusions provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in subparagraphs (i), (ii), (iii) and (iv).

The exclusion provided in subparagraph (iii) shall not apply to (A) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by the purchaser in the production, delivering or rendition of public utility service or (B) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusion provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to the services enumerated in clauses (o)(9) through (14) and (16) and (w) through (ii) and (kk), except that the exclusion provided in subparagraph (ii) for farming, dairying and agriculture shall apply to the service enumerated in clause (z).

(5) Where tangible personal property or services are utilized for purposes constituting a "use," as herein defined, and for purposes excluded from the definition of "use," it shall be presumed that such property or services are utilized for purposes constituting a "sale at retail" and subject to tax unless the user thereof proves to the department that the predominant purposes for which such property or services are utilized do not constitute a "sale at retail."

(6) The term "use" with respect to "liquor" and "malt or brewed beverages" shall include the purchase of "liquor" from any "Pennsylvania liquor store" by any person for any purpose and the purchase of "malt or brewed beverages" from a "manufacturer of malt or brewed beverages," "distributor" or "importing distributor" by any person for any purpose, except purchases from a "manufacturer of malt or brewed beverages" by a "distributor" or "importing distributor," or purchases from an "importing distributor" by a "distributor" within the meaning of the "Liquor Code." The term "use" shall not include any purchase of "malt or brewed beverages" from a "retail dispenser" or any purchase of "liquor" or "malt or brewed beverages" from a person holding a "retail liquor license" within the meaning of and pursuant to the provisions of the "Liquor Code," but shall include the exercise of any right or power incidental to the ownership, custody or possession of "liquor" or "malt or brewed beverages" obtained by the person exercising such right or power in any manner other than pursuant to the provisions of the "Liquor Code."

(7) The use of tangible personal property purchased at retail upon which the services described in subclauses (2), (3) and (4) of this clause have been performed shall be deemed to be a use of said services by the person using said property.

(8) The term "use" shall not include the providing of a motor vehicle to a nonprofit private or public school to be used by such a school for the sole purpose of driver education.

(9) The obtaining by the purchaser of lobbying services.

(10) The obtaining by the purchaser of adjustment services, collection services or credit reporting services.

(11) The obtaining by the purchaser of secretarial or editing services.

(12) The obtaining by the purchaser of disinfecting or pest control services, building maintenance or cleaning services.

(13) The obtaining by the purchaser of employment agency services or help supply services.

(14) The obtaining by the purchaser of computer programming services; computer-integrated systems design services; computer processing, data preparation or processing services; information retrieval services; computer facilities management services; or other computer-related services. At a minimum, such services shall not include services that are part of electronic fund transfers, electronic financial transactions or services, banking or trust services, or management or administrative services, including transfer agency, shareholder, custodial and portfolio accounting services, provided directly to any entity that duly qualifies to be taxed as a regulated investment company or a real estate investment trust under the provisions of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.) or to an entity that provides such services to an entity so qualifying.

[(15) The obtaining by the purchaser of lawn care service.]

(16) The obtaining by the purchaser of self-storage service.

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[(j) "Lawn care service." Providing services for lawn upkeep, including, but not limited to, fertilizing, lawn mowing, shrubbery trimming or other lawn treatment services.]

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Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

3

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of that amendment, the Chair recognizes the gentleman from Montgomery County.

Mr. CURRY. Thank you, Mr. Speaker.

Mr. Speaker, this amendment repeals the sales tax on lawn care services. It has passed the House before unanimously. This is a difficult tax to police, to determine who pays the tax, to determine what it is in lawn care that is to be taxed, and the competition from summer employment from high school and college students is an unfair competition to the businessmen who honestly are paying the tax.

I move the adoption of this amendment.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Saylor
Allen	Fargo	Mann	Schroder
Argall	Feese	Markosek	Schuler
Armstrong	Fichter	Marsico	Scrimenti
Baker	Fleagle	Mayernik	Semmel
Bard	Flick	McCall	Serafini
Barley	Forcier	McGeehan	Seyfert
Barrar	Frankel	McGill	Shaner
Bastian	Freeman	McIlhattan	Smith, B.
Battisto	Gannon	McIlhinney	Smith, S. H.
Bebko-Jones	Geist	McNaughton	Snyder
Belardi	George	Melio	Solobay
Belfanti	Gigliotti	Metcalfe	Staback
Benninghoff	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Gordner	Miller, R.	Steil
Blaum	Grucela	Miller, S.	Stern
Boyes	Gruitza	Mundy	Stetler
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Strittmatter

Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Casorio	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsey	Phillips	Trello
Clark	Hutchinson	Pippy	Trich
Clymer	Jadlowiec	Pistella	True
Cohen, L. I.	James	Platts	Tulli
Cohen, M.	Josephs	Preston	Vance
Colafella	Kaiser	Ramos	Van Home
Cornell	Keller	Raymond	Veon
Corrigan	Kenney	Readshaw	Vitali
Costa	Kirkland	Reinard	Walko
Coy	Krebs	Rieger	Washington
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGirolamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	Ryan,
Egolf	Major	Sather	Speaker
Evans			

NAYS—0

NOT VOTING—1

Williams

EXCUSED—2

Daley Masland

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

On the question recurring,

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

Mr. HANNA offered the following amendment No. A0290:

Amend Title, page 1, line 10, by inserting after "penalties," providing exclusion from sales tax for governmental construction projects; and

Amend Bill, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Section 204(12) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended to read:

Section 204. Exclusions from Tax.—The tax imposed by section 202 shall not be imposed upon

\*\*\*

(12) The sale at retail to, or use by the United States, this Commonwealth or its instrumentalities or political subdivisions of tangible personal property or services[.] or any materials and supplies used in the construction, reconstruction, remodeling, repairs and maintenance of any real estate by this Commonwealth or its instrumentalities or political subdivisions.

\*\*\*

Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Sec. 2, page 3, line 16, by striking out all of said line and inserting

Section 3. This act shall take effect as follows:

(1) The amendment of section 204(12) of the act shall take effect in 60 days.

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

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question, the Chair recognizes the gentleman, Mr. Hanna.

Mr. HANNA. Thank you, Mr. Speaker.

This amendment is designed to eliminate the sales tax paid by one government to another. It would eliminate the sales tax on construction materials and supplies used in construction projects where one government entity, such as a municipality or a school district, is building the facility and the State government is collecting the sales tax on those items.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayemik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Cam	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Home
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman

Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

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

On the question recurring,

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

Ms. STEELMAN offered the following amendment No. A0515:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

and for sales and use tax definitions and exclusions; and making a repeal.

Amend Bill, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Sections 201(k)(8) and (o)(4) and 204(55) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended or added April 23, 1998 (P.L.239, No.45), are amended to read:

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

\*\*\*

(k) "Sale at retail."

\*\*\*

(8) Any retention of possession, custody or a license to use or consume tangible personal property or any further obtaining of services described in subclauses (2), (3) and (4) of this clause pursuant to a rental or service contract or other arrangement (other than as security).

The term "sale at retail" shall not include (i) any such transfer of tangible personal property or rendition of services for the purpose of resale, or (ii) such rendition of services or the transfer of tangible personal property including, but not limited to, machinery and equipment and parts therefor and supplies to be used or consumed by the purchaser directly in the operations of—

(A) The manufacture of tangible personal property.

(B) Farming, dairying, agriculture, horticulture or floriculture when engaged in as a business enterprise. The term "farming" shall include the propagation and raising of ranch raised fur-bearing animals and the propagation of game birds for commercial purposes by holders of propagation permits issued under 34 Pa.C.S. (relating to game) and the propagation [and raising of horses to be used exclusively for commercial racing activities.], raising, boarding, training and sale of horses.

(C) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or maintaining the facilities which are directly used in producing, delivering or rendering such service.

(D) Processing as defined in clause (d) of this section.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to any vehicle required to be registered under The Vehicle

Code, except those vehicles used directly by a public utility engaged in business as a common carrier; to maintenance facilities; or to materials, supplies or equipment to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations therefor that may be affixed to such real estate.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in paragraphs (A), (B), (C) and (D) herein.

The exclusion provided in paragraph (C) shall not apply to (i) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by the purchaser in the production, delivering or rendition of public utility service, (ii) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain a building, road or similar structure, or (iii) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to the services enumerated in clauses (k)(11) through (18) and (w) through (kk), except that the exclusion provided in this subclause for farming, dairying and agriculture shall apply to the service enumerated in clause (z).

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(o) "Use."

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(4) The obtaining by a purchaser of the service of repairing, altering, mending, pressing, fitting, dyeing, laundering, drycleaning or cleaning tangible personal property other than wearing apparel or shoes or applying or installing tangible personal property as a repair or replacement part of other tangible personal property other than wearing apparel or shoes, whether or not the services are performed directly or by any means other than by means of coin-operated self-service laundry equipment for wearing apparel or household goods, and whether or not any tangible personal property is transferred to the purchaser in conjunction therewith, except such services as are obtained in the construction, reconstruction, remodeling, repair or maintenance of real estate: Provided, however, That this subclause shall not be deemed to impose tax upon such services in the preparation for sale of new items which are excluded from the tax under clause (26) of section 204, or upon diaper service: And provided further, That the term "use" shall not include—

(A) Any tangible personal property acquired and kept, retained or over which power is exercised within this Commonwealth on which the taxing of the storage, use or other consumption thereof is expressly prohibited by the Constitution of the United States or which is excluded from tax under other provisions of this article.

(B) The use or consumption of tangible personal property, including but not limited to machinery and equipment and parts therefor, and supplies or the obtaining of the services described in subclauses (2), (3) and (4) of this clause directly in the operations of—

(i) The manufacture of tangible personal property.

(ii) Farming, dairying, agriculture, horticulture or floriculture when engaged in as a business enterprise. The term "farming" shall include the propagation and raising of ranch-raised furbearing animals and the propagation of game birds for commercial purposes by holders of propagation permits issued under 34 Pa.C.S. (relating to game) and the propagation [and raising of horses to be used exclusively for commercial racing activities.], raising, boarding, training and sale of horses.

(iii) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or maintaining the facilities which are directly used in producing, delivering or rendering such service.

(iv) Processing as defined in subclause (d) of this section.

The exclusions provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to any vehicle required to be registered under The Vehicle Code except those vehicles directly used by a public utility engaged in the business as a common carrier; to maintenance facilities; or to materials, supplies or equipment to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations therefor that may be affixed to such real estate. The exclusions provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in subparagraphs (i), (ii), (iii) and (iv).

The exclusion provided in subparagraph (iii) shall not apply to (A) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by the purchaser in the production, delivering or rendition of public utility service or (B) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusion provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to the services enumerated in clauses (o)(9) through (16) and (w) through (kk), except that the exclusion provided in subparagraph (ii) for farming, dairying and agriculture shall apply to the service enumerated in clause (z).

\*\*\*

Section 204. Exclusions from Tax.—The tax imposed by section 202 shall not be imposed upon

\*\*\*

(55) The sale at retail, raising, boarding, training or use of horses [to be used exclusively for commercial racing activities] and the sale at retail and use of feed, bedding, grooming supplies, riding tack, farrier services, portable stalls and sulkies for horses [used exclusively for commercial racing activities].

\*\*\*

Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Bill, page 3, by inserting between lines 15 and 16

Section 3. Section 2508 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, is repealed.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

4

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the lady.

Ms. STEELMAN. Thank you, Mr. Speaker.

For many years people in the horse business were the only ones who could not benefit from the agricultural exemption to the sales and use tax. About 4 years ago, we changed that and offered the exemption to the breeders and raisers of thoroughbred and standardbred racehorses. Somewhat more recently, we expanded that to include all commercial racehorses. This is not really fair, and it is not really sensible, and it is not even comprehensible to the people who work in the Department of Revenue. I just had a call a few weeks ago from a constituent who said that she was being asked by the Department of Revenue to pay sales tax on the thoroughbred hunters and jumpers that she sells, and she was surprised and unhappy about this, because when she got into the business 6 years ago, she called the Department of Revenue and asked, as part of setting up her business, whether she had to pay

sales tax and was told, no, she did not, because this is an agricultural operation.

So I think that by expanding the agricultural sales tax exemption that we now offer to people who are engaged in such obscure agricultural activities as the raising of ostriches to people who participate in the growing horse industry in Pennsylvania, we will be striking a blow both for fairness, for rationality, and for economic development. Thanks.

The SPEAKER. The Chair thanks the lady.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Saylor
Allen	Fargo	Mann	Schroder
Argall	Feese	Markosek	Schuler
Armstrong	Fichter	Marsico	Scrimenti
Baker	Fleagle	Mayernik	Semmel
Bard	Flick	McCall	Serafini
Barley	Forcier	McGeehan	Seyfert
Barrar	Frankel	McGill	Shaner
Bastian	Freeman	McIlhattan	Smith, B.
Battisto	Gannon	McIlhinney	Smith, S. H.
Bebko-Jones	Geist	McNaughton	Snyder
Belardi	George	Melio	Solobay
Belfanti	Gigliotti	Metcalfe	Staback
Benninghoff	Gladeck	Michlovic	Stairs
Birmelin	Godshall	Micozzie	Steelman
Bishop	Gordner	Miller, R.	Steil
Blaum	Grucela	Miller, S.	Stern
Boyes	Gruitza	Mundy	Stetter
Browne	Habay	Myers	Stevenson
Bunt	Haluska	Nailor	Strittmatter
Butkovitz	Hanna	Nickol	Sturla
Buxton	Harhai	O'Brien	Surra
Caltagirone	Harhart	Oliver	Tangretti
Cappabianca	Hasay	Orie	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Casorio	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Travaglio
Chadwick	Hess	Petrone	Trello
Civera	Horsey	Phillips	Trich
Clark	Hutchinson	Pippy	True
Clymer	Jadlowiec	Pistella	Tulli
Cohen, L. I.	James	Platts	Vance
Cohen, M.	Josephs	Preston	Van Horne
Colafella	Kaiser	Ramos	Veon
Cornell	Keller	Raymond	Vitali
Corrigan	Kenney	Readshaw	Walko
Costa	Kirkland	Reinard	Washington
Coy	Krebs	Rieger	Williams
Curry	LaGrotta	Roberts	Wilt
Dailey	Laughlin	Robinson	Wogan
Dally	Lawless	Roebuck	Wojnaroski
DeLuca	Lederer	Rohrer	Wright
Dempsey	Leh	Rooney	Yewcic
Dermody	Lescovitz	Ross	Youngblood
DeWeese	Levdansky	Rubley	Yudichak
DiGiroilamo	Lucyk	Ruffing	Zimmerman
Donatucci	Lynch	Sainato	Zug
Druce	Maher	Samuelson	
Eachus	Maitland	Santoni	
Egolf	Major	Sather	
Evans			Ryan, Speaker

NAYS—1

NOT VOTING—0

EXCUSED—2

Daley Masland

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

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

Mr. FREEMAN offered the following amendment No. A0781:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and providing for a simplification of taxation laws and procedure.

Amend Bill, page 3, by inserting between lines 15 and 16 Section 2. The act is amended by adding an article to read:

**ARTICLE XXIX-B  
TAX SIMPLIFICATION**

Section 2901-B. Short Title.—This article shall be known and may be cited as the Tax Simplification Act.

Section 2902-B. Legislative Findings.—The General Assembly hereby finds that:

(1) Over time, there have been a number of tax credits, exemptions and exclusions which have been enacted to further some public policy purpose.

(2) In many instances the purpose of these tax credits, exemptions and exonerations is no longer of import.

(3) Nevertheless, these credits, exemptions and exonerations remain on the books unnecessarily complicating the State tax program and unintentionally inflating tax rates.

Section 2903-B. Legislative Intent.—It is the intent of the General Assembly to:

(1) Review and either reauthorize or eliminate business tax credits, exemptions and exclusions on a periodic basis, to determine if they continue to serve the purpose for which they were enacted.

(2) Simplify the tax code as it applies to businesses in Pennsylvania, by reducing tax rates and eliminating unnecessary complications.

Section 2904-B. Definitions.—The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Business tax expenditures." Tax expenditures applied against the following taxes levied under this act:

- (1) Corporate net income tax.
- (2) Capital stock and franchise tax.
- (3) Utility gross receipts tax.
- (4) Utility realty tax.
- (5) Insurance premiums tax.
- (6) Bank and trust company shares tax.
- (7) Mutual thrift institutions tax.

"Credits." Credits authorized under the following:

(1) The Employment Incentive Payments Tax Credit program created under Article IV of the act of June 13, 1967 (P.L.31, No.21), known as the "Public Welfare Code."

(2) The Homeowner's Emergency Assistance Program created under Article IV-C of the act of December 3, 1959 (P.L.1688, No.621), known as the "Housing Finance Agency Law."



(3) The Job Creation Tax Credit program created under the act of June 29, 1996 (P.L. 434, No. 67), known as the "Job Enhancement Act."

(4) The Neighborhood Assistance Tax Credit program created under Article XIX-A of this act.

"Department." The Department of Revenue of the Commonwealth.  
"Tax expenditure." Any credits, deductions, exemptions and exclusions, limitation, deferral, discount, refund, commission, special rate or special treatment relating to State taxes which does any of the following:

- (1) Reduces State revenues.
- (2) Confers special treatment.
- (3) Is included in the defined tax base.
- (4) Is not subject to equivalent alternative taxation.
- (5) Can be altered by a change in State law.
- (6) Is not an appropriation.

Section 2905-B. Tax Expenditure Report.—Annually, concurrent with the presentation of the Governor's budget, the department shall certify the following information on each business tax expenditure affected by this article:

- (1) Present estimated value of each tax expenditure.
- (2) A description of the purpose of each tax expenditure.
- (3) A statement of the purpose of each tax expenditure.
- (4) A statement of the number and type of beneficiaries of each tax expenditure.
- (5) The rate to which the affected business tax could be adjusted if the business tax expenditure were to be eliminated.

Section 2906-B. Expiration of Business Tax Expenditures.—Unless otherwise reauthorized by the General Assembly, each of the business tax expenditures subject to the provisions of this article shall expire on June 30, 2003.

Section 2907-B. Tax Neutrality.—The elimination of business tax expenditures shall be revenue neutral so that the revenues realized by a business tax would not increase solely through the elimination of a business tax expenditure. If a business tax expenditure expires pursuant to this article, the tax rate for the class of business tax to which the tax expenditure was applied shall be adjusted downward based on the certification prepared by the department.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
3

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

The SPEAKER. The Chair recognizes the gentleman, Mr. Freeman, on the amendment.

Mr. FREEMAN. Thank you, Mr. Speaker.

Mr. Speaker, when the General Assembly provides businesses with tax credits, exemptions, and exclusions for the purpose of fostering economic growth, job creation, or the attainment of worthy public policy objectives and such growth, job creation, or public policy objective is attained, then that is a good public policy. It is a wise use of our Tax Code to achieve worthy goals for our Commonwealth.

However, Mr. Speaker, when such tax incentives have been placed into our Tax Code and they have either outlived their usefulness, failed to successfully achieve their policy objective, not created the anticipated jobs that they were designed to create, or simply resulted in certain corporations paying less than their fair share of tax liability while other segments of the business community are asked to pay their full tax liability, then that is bad public policy. Indeed, tax credits, exemptions, and exclusions that linger on in our Tax Code without achieving any useful purpose are nothing less than corporate welfare, and corporate welfare is a

disservice to the hardworking taxpayers and businesses that pay their full tax bill.

When some businesses are allowed to take tax exemptions that are not afforded to all businesses, that unintentionally inflates business tax rates for all businesses. In addition, this lingering on of unnecessary business deductions only serves to make our Tax Code all the more complicated. We would go a long way toward achieving the goal of simplifying our Tax Code if we had a mechanism in place to weed out unnecessary and ineffective business deductions.

This amendment is not designed to outright repeal any particular tax credit, exemption, or exclusion offered to Pennsylvania businesses today. It is, however, designed to provide a sunset mechanism that will allow this deliberative body to determine whether such tax exemptions, credits, and exclusions are worthy of being retained in our Tax Code. In doing so, we would be given the opportunity to review and assess the merit of each of these provisions in the Tax Code. We, as a legislative body, would determine whether to reauthorize or to eliminate these business tax deductions. If not reauthorized, then they would be sunset as of June 30 in the year 2003. If we decide not to reauthorize a particular business tax credit, exemption, or exclusion, then this will result in a mandated reduction in business taxes that the exemption was to be applied to. In other words, this amendment guarantees a reduction in business taxes if we do not reauthorize the sunset review tax exemptions.

We have heard repeatedly from the business community that high business taxes, such as the corporate net income tax, the capital stock and franchise tax, are what drive businesses away from Pennsylvania. Many businesses interested in expanding or relocating to Pennsylvania fail to look beyond the initial CNI or corporate stock and franchise tax rates. They may not realize that exemptions and deductions exist for their particular business or industry. If we provide a means to review ineffective and unnecessary tax exemptions and deductions that results in their elimination and a corresponding reduction in the business tax rate, then we will be in a much better position to attract businesses here to our Commonwealth, here to Pennsylvania.

Mr. Speaker, this amendment would achieve many worthy objectives. It would afford us the opportunity to simplify our Tax Code. From the standpoint of fiscal responsibility, it would provide a mechanism to eliminate tax exemptions that have outlived their usefulness but still leave an inflated tax rate for most taxpayers. From a good-government perspective, Mr. Speaker, it provides a means by which we can better assess the success and merit of our Tax Code policy. And most significantly, this amendment mandates a reduction in business taxes. Let me repeat that: This amendment mandates a reduction in business taxes if we eliminate unnecessary or ineffective business tax credits, exemptions, and exclusions.

Mr. Speaker, I urge my colleagues to vote to reduce business taxes by voting for this amendment.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:



YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Cam	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsley	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

Daley Masland

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

On the question recurring,

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

Mr. PESCI offered the following amendment No. A0288:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and establishing a restricted receipts account within the General Fund for the Commonwealth proceeds from the tobacco settlement agreement.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. The act is amended by adding a section to read:

Section 1296.1. Deposit of Tobacco Settlement Proceeds.—(a)

There is hereby established within the General Fund a restricted receipts account to be known as the Tobacco Settlement Account.

(b) All payments received by the Commonwealth under the Master Tobacco Settlement Agreement shall be deposited into the Tobacco Settlement Account and shall remain in that account subject to appropriation by the General Assembly.

(c) All interest earned on moneys deposited in the Tobacco Settlement Account shall be credited to that account.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

3

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Pesci.

Mr. PESCI. Thank you, Mr. Speaker.

Amendment A0288 is a very simple amendment. It establishes a restricted receipts account within the General Fund for the Commonwealth proceeds from the tobacco settlement agreement. Please vote for this.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayernik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Cam	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsley	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli

Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dalry	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

Daley Masland

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

On the question recurring,

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

Mr. STURLA offered the following amendment No. A0085:

Amend Title, page 1, line 10, by inserting after "penalties," " further providing for taxpayers' rights; establishing the Office of Independent Taxpayer Advocate;

Amend Title, page 1, line 11, by removing the period after "tax" and inserting ; and making a repeal.

Amend Bill, page 2, lines 1 through 3, by striking out all of said lines and inserting

Section 1. Article I of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended by adding a part to read:

**PART V**  
**TAXPAYERS' BILL OF RIGHTS**  
**CHAPTER I**  
**GENERAL PROVISIONS**

Section 151. Short Title.—This part shall be known and may be cited as the Taxpayers' Bill of Rights.

Section 152. Legislative Intent.—It is the intent of the General Assembly to provide equitable and uniform procedures for the operation of the Department of Revenue and for all taxpayers when dealing with the department. In order to ensure the equitable administration of the tax law, the relative rights and responsibilities of citizens and of their State government should be clearly set forth and adhered to. This part is intended as a minimum procedural code, and the Department of Revenue may adopt or grant additional procedures not inconsistent with this part.

Section 153. Definitions.—The following words and phrases when used in this part shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Advocate." The Office of Independent Taxpayer Advocate, created under this act.

"Assessment." An assessment, determination, settlement or appraisal of tax liability issued by the Department of Revenue.

"Board." The Independent Taxpayer Appeals Board, created under this article.

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

"Fiscal Code." The act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code."

"Member." A person who serves as an appointed member of the Independent Taxpayer Appeals Board.

"Secretary." The Secretary of Revenue of the Commonwealth.

"Taxpayer." An individual, partnership, association, society, company, corporation, estate, trust, trustee, receiver, liquidator, fiduciary or other entity subject to or claiming exemption from any tax administered by the Department of Revenue under the authority of the laws of this Commonwealth or under a duty to perform an act for itself or for another under or pursuant to the authority of such laws.

"Voluntary payment." A payment of a tax liability made pursuant to the free will of the taxpayer. The term does not include a payment made as a result of distraint, levy or pursuant to a legal proceeding in which the Commonwealth is seeking to collect its delinquent taxes or file a claim therefor.

**CHAPTER 2**  
**TAXPAYERS' RIGHTS**

Section 161. Application.—(a) Except as otherwise provided, the provisions of this part shall apply to any tax which is administered by the department. Any reference to a tax or taxes includes special assessments, fees and other impositions which are administered by the secretary.

(b) Strict compliance unnecessary.—Except to the extent explicitly provided by this part, the failure of the secretary or an officer or employe of the department to comply with any provision of this part shall not:

(1) Excuse a taxpayer from payment of any taxes owed by the taxpayer.

(2) Excuse any taxpayer from complying with any other duty imposed under or pursuant to the laws of this Commonwealth.

(3) Cure any procedural defect in an administrative or judicial proceeding or case involving a taxpayer with respect to taxes owed or compliance with any duty imposed under the laws of this Commonwealth.

Section 162. Disclosure Statement of Rights of Taxpayers.—(a) The secretary shall, not later than one hundred eighty days after the effective date of this part, prepare a statement which sets forth the following in simple and nontechnical terms:

(1) The rights of a taxpayer and the authority of the department during an audit. The taxpayer shall be informed about the extent of and the limits to the department's authority in an audit and an appeal. The Code of Ethics established under section 173 shall be made available to taxpayers upon request.

(2) The procedures by which a taxpayer may appeal or seek review of any adverse decision of the department, including administrative and judicial appeals.

(3) The procedure for filing and processing refund claims and taxpayer complaints and the time frames for departmental action.

(4) The procedures which the department may use and the remedies it may seek in enforcing a tax claim.

(5) The taxpayer's right to counsel and advice and to be represented by a person of the taxpayer's choosing.

(b) The statements prepared in accordance with this section shall be distributed by the secretary to all taxpayers the secretary contacts, other than by providing tax return forms, with respect to the determination or collection of any tax, the cancellation, revocation or suspension of a license, permit or registration or the denial of an application for a license, permit or registration. The secretary may take such actions as the secretary deems necessary to assure that distribution does not result in multiple statements being sent to any one taxpayer.

Section 163. Procedures Involving Taxpayer Interviews.—(a) Any officer or employe of the department in connection with any in-person

interview with any taxpayer relating to the determination or collection of any tax, the cancellation, revocation or suspension of a license, permit or registration or the denial of an application for a license, permit or registration shall, upon advance written request of the taxpayer, make an audio recording of the interview at the taxpayer's own expense and with the department's equipment. The taxpayer may also make an audio recording of the interview with the taxpayer's own equipment if, prior to commencement of the interview, the taxpayer notifies all parties present that the interview will be recorded.

(b) (1) An officer or employe of the department shall, before or at an initial interview, provide the following to the taxpayer:

(i) In the case of an in-person interview with the taxpayer relating to the determination of any tax, an explanation of the audit process and the taxpayer's rights under such process.

(ii) In the case of an in-person interview with the taxpayer relating to the collection of any tax, an explanation of the collection process and the taxpayer's rights under such process.

(iii) In the case of an in-person interview with the taxpayer relating to the cancellation, revocation or suspension of a license, permit or registration or to the denial of an application for a license, permit or registration, an explanation of the administrative hearing and judicial review processes and the taxpayer's rights under such processes.

(2) If the taxpayer clearly informs an officer or employe of the department at any time during an interview, other than an interview initiated by a subpoena, writ or other lawful process, that the taxpayer wishes to consult with an attorney, certified public accountant or any other person permitted to represent the taxpayer, such officer or employe shall suspend the interview regardless of whether the taxpayer may have answered one or more questions.

(c) Any attorney, certified public accountant or any other person permitted to represent the taxpayer who is not disbarred or suspended from practice and who has a written power of attorney executed by the taxpayer may be authorized by the taxpayer to represent the taxpayer in any interview described in subsection (a). An officer or employe of the department may not require a taxpayer to accompany the representative in the absence of a subpoena, writ or other lawful process to examine and inspect the taxpayer or the taxpayer's books, records or other papers. The officer or employe, with the consent of the immediate supervisor of the officer or employe, may notify the taxpayer directly that the officer or employe believes such representative is responsible for unreasonable delay or hindrance of a department examination or investigation of the taxpayer.

(d) This section shall not apply to criminal investigations or investigations relating to the integrity of any officer or employe of the department.

(e) For purposes of this section, any reference to tax shall also include any associated penalty, addition to tax or interest.

Section 164. Abatement of Certain Interest, Penalties and Additions to Tax.—(a) In the case of any assessment or final determination of interest, the secretary may abate the assessment or final determination of all or any part of interest for any period for the following:

(1) Any deficiency or any tax finally determined to be due attributable in whole or in part to any error or delay by an officer or employe of the department acting in his or her official capacity in performing a ministerial act.

(2) Any payment of any tax to the extent that any error or delay in such payment is attributable to such officer or employe being erroneous or dilatory in performing a ministerial act.

(b) For purposes of subsection (a)(1), an error or delay shall be taken into account only if no significant aspect of the error or delay can be attributed to the taxpayer involved and after the department has contacted the taxpayer in writing with respect to the deficiency or tax finally determined to be due or payable. The secretary shall determine what constitutes timely performance of various ministerial acts performed under or pursuant to this part. Administrative and judicial review of abatements under subsection (a) and this subsection shall be limited to

review of whether failure to abate would be widely perceived as grossly unfair.

(c) (1) The secretary shall abate any portion of any penalty or excess interest attributable to erroneous advice furnished to the taxpayer in writing by an officer or employe of the department, acting in the officer's or employe's official capacity, if:

(i) the written advice was reasonably relied upon by the taxpayer and was in response to specific written request of the taxpayer; and

(ii) the portion of the penalty or addition to tax or excess interest did not result from a failure by the taxpayer to provide adequate or accurate information.

(2) This subsection shall not be construed to require the department to provide written advice to taxpayers or other persons or entities.

Section 165. Installment Agreements.—(a) The secretary may enter into written agreements with any taxpayer under which the taxpayer is allowed to satisfy liability for payment of any tax and any interest, penalty or addition to tax in installment payments if the secretary determines that the agreement will facilitate collection of the liability.

(b) (1) Except as otherwise provided in this subsection, any agreement entered into by the secretary under subsection (a) shall remain in effect for the term of the agreement.

(2) The secretary may terminate any prior agreement entered into under subsection (a) if:

(i) information which the taxpayer provided to the secretary prior to the date of the agreement was inaccurate or incomplete; or

(ii) the secretary believes that collection of any liability to which an agreement under this section relates is in jeopardy.

(3) If the secretary finds that the financial condition of the taxpayer has significantly changed, the secretary may alter, modify or terminate the agreement, but only if:

(i) notice of the secretary's finding is provided to the taxpayer no later than thirty days prior to the date of such action; and

(ii) the notice contains the reasons why the secretary believes a significant change has occurred.

(4) The secretary may alter, modify or terminate an agreement entered into by the secretary under subsection (a) if the taxpayer fails to do any of the following:

(i) Pay any installment at the time the installment is due under such agreement.

(ii) Pay any other tax liability at the time the liability is due.

(iii) Provide a financial condition update as requested by the secretary.

(c) Nothing in this section should be construed to prevent a taxpayer from prepaying in whole or in part any outstanding liability under any agreement the taxpayer enters into with the secretary.

(d) Additional interest will not accrue on the outstanding tax liability of a taxpayer who has entered into a written agreement to make installment payments to the department to satisfy a tax claim.

Section 166. Basis for Evaluating Department Employees.—(a) The department shall not use records of tax enforcement results:

(1) as the primary criterion to evaluate department officers or employes directly involved in collection activities and their immediate supervisors; or

(2) to impose or suggest collection or assessment quotas or goals with respect to department officers or employes described in this subsection.

(b) Forecasts of enforcement results may be made and communicated for planning purposes. Tax enforcement results may be accumulated, tabulated, published and used for management and control of tax administration resources so long as tax enforcement results tabulations are not used as the primary criterion to evaluate an officer or employe described in subsection (a) or to impose or suggest production quotas or goals. In the discharge of a manager's responsibilities, but subject to the provisions of subsection (a)(1), a manager may raise questions with an officer or employe about the number of cases the officer or employe has processed, the amount of time the officer or employe has

been spending on the individual case or the kind of results the officer or employe has been obtaining.

(c) An employe of the department who violates the principles of the Code of Ethics, established under section 173, shall be subject to appropriate disciplinary action, suspension, removal to another position, demotion or termination of employment. An employe of the department who releases confidential information, uses confidential information for personal or private purposes, or in any other way violates the privacy rights of any taxpayer shall be subject to immediate dismissal.

Section 168. Taxpayer Assistance Orders.—(a) On application by a taxpayer to the Independent Taxpayer Advocate in the form, manner and time prescribed by the advocate and after thorough investigation, the advocate may issue a taxpayer assistance order if, in the determination of the advocate, the manner in which the State tax laws are being administered is creating or will create an unjust and inequitable result for the taxpayer. A determination by the advocate under this section to issue or to not issue a taxpayer assistance order is final and cannot be appealed to any court or administrative panel.

(b) A taxpayer assistance order may require the department to release property of the taxpayer levied on, cease any action or refrain from taking any action to enforce the State tax laws against the taxpayer until the issue or issues giving rise to the order have been resolved. The running of the period of limitation for such department action shall be suspended from the date of the taxpayer assistance order until one of the following:

(1) The expiration date of the order.

(2) If an order is modified, the expiration date of the modification order.

(3) If an order is rescinded, the date of the rescission order.

(c) A taxpayer assistance order may be modified or rescinded by the secretary.

(d) This section shall not prevent the Independent Taxpayer Advocate from taking action in the absence of an application being filed under subsection (a).

Section 169. Application of Payments.—Unless otherwise specified by the taxpayer, all voluntary payments with respect to any tax period for any tax administered by the department shall be allocated within the taxpayer's account in the following priority:

(1) Tax.

(2) Addition to tax.

(3) Interest.

(4) Penalty.

(5) Any other fees or charges.

Section 170. Decisions of Independent Taxpayer Appeals and Department of Revenue.—(a) Where the board has issued a decision or an order in favor of a taxpayer and the Commonwealth has not appealed the decision or order, the department may not make an assessment against the taxpayer that raises an identical or substantially identical issue.

(b) Precedent shall apply to tax periods following the period to which the decision or order of the board applies. It shall not apply where there has been a change in statute, regulation or material fact applicable to periods following the period to which the decision or order of the board applies.

(c) In the case of a tax imposed under Article III, the department may not assess a taxpayer with respect to an issue for which the department assessed the same taxpayer in a previous year and the taxpayer prevailed in removing such assessment based upon identical or substantially identical facts.

(d) Subsections (a) and (c) shall not apply if the department, upon publication of notice, changes its policy with respect to a discretionary issue, provided that any such change in policy shall be effective prospectively only.

Section 171. Authority to Remove Lien.—The secretary shall remove the lien on any property and shall promptly notify the property owner that the lien has been removed if any of the following apply:

(1) the debt which underlies the lien has been otherwise satisfied;

(2) removal of the lien will facilitate the collection of the outstanding debt; or

(3) the taxpayer has entered into an agreement under section 165 to satisfy the outstanding debt by means of installment payments and such agreement provides for the removal of the lien.

Section 172. Enforcement Procedures.—(a) In taking enforcement actions, the department shall not:

(1) Force an innocent spouse who is either divorced from a taxpayer who is subject to an enforcement action by the department or is the widow or widower of a taxpayer subject to such an action to make payment for back taxes if it can be shown that the innocent spouse had no prior knowledge of the acts which resulted in the department's enforcement action.

(2) Unless pursuing a criminal investigation, take action against a taxpayer for the failure to file or the erroneous or fraudulent filing of a tax return for a tax liability under Article III, more than thirty-six months after the filing or payment was due. The department must complete its audit and investigation within fifteen months of providing such notice to the taxpayer.

(b) The department shall bear the burden of proof in any tax claim enforcement action.

Section 173. Code of Ethics.—(a) The department shall establish a code of ethical conduct governing all department employes involved in taxpayer audits, investigations, tax collections and settlements and license or registration. The Code of Ethics shall clearly delineate the authority and responsibility department staff and its agents shall have in investigating a taxpayer, in interviewing a taxpayer, in handling confidential taxpayer information and in informing the taxpayer of his or her rights.

(b) The Code of Ethics shall be distributed to all department employes and made available to taxpayers under investigation or undergoing a department audit.

(c) The department shall require all entities with which it contracts for the collection of delinquent taxes and other claims to adhere to a similar code of ethical conduct.

Section 174. Taxpayer Customer Satisfaction Survey.—(a) The department shall periodically survey taxpayers to determine their satisfaction with how they were treated. This survey shall be provided to every taxpayer selected for an audit and may be provided to a random sample of other taxpayers. The survey, at a minimum, shall seek information about the ease of filing and the behavior of department representatives.

(b) Personal identifying information from the survey shall be confidential.

(c) The department may make the survey available in electronic format.

(d) The department shall annually, as part of its budget submission, provide the General Assembly with a report on the results of the most recent customer satisfaction survey.

Section 175. Audits.—(a) At the time it initiates an audit of a taxpayer, the department shall provide the taxpayer with a reasonable estimate of the length of time the audit will take, including the time required to review the taxpayer's records, the time required to physically be present in the taxpayer's offices and the completion date for the audit.

(b) If an audit of a taxpayer has been completed and the taxpayer has complied with the results of the audit, either voluntarily, through mediation or through adjudication, the taxpayer's records shall be deemed to be closed and not subject to further audit, unless the department has clear and convincing evidence of criminal behavior by the taxpayer.

Section 176. Performance Review and Training of Auditors.—(a) The department shall annually review the performance of each auditor to ensure consistent interpretation of State tax laws, regulations, policies and procedures.

(b) The department shall maintain a digest of policy decisions, interpretations and decisions of the department, the advocate and the board, which shall be periodically distributed to all tax examiners and

auditors. The department shall provide an annual training program for all auditors and examiners.

### CHAPTER 3

#### INDEPENDENT TAXPAYER ADVOCATE

Section 181. Office of Independent Taxpayer Advocate.—(a) The Office of Independent Taxpayer Advocate is hereby established as an independent agency of State government.

(b) The Governor shall appoint an individual to the advocate position from the private sector who is a resident of Pennsylvania, subject to confirmation by the Senate by a two-thirds vote. The term of office shall be five years. The Governor shall submit nominations to the Senate not later than ninety days after the date of the enactment of this part.

(c) The advocate shall be appointed on the basis of his professional experience and expertise in the following areas:

- (1) State tax laws, including tax administration and compliance.
- (2) Standard auditing and accounting procedures.
- (3) Understanding of customer service and information technology.
- (4) Understanding of the needs and concerns of taxpayers.

Section 182. Powers and Duties of Advocate.—The advocate shall have the following powers and duties:

(1) The authority to offer mediation services to settle disputes between taxpayers and the department.

(2) The right to review and comment on policy decisions, including the development of rules, regulations, forms and procedures by the department.

(3) The right to review all judgments pertaining to individual taxpayers by the department.

(4) To advise taxpayers of their rights and responsibilities according to Pennsylvania tax law.

(5) To represent taxpayers in hearings before the board.

(6) To operate a taxpayer hotline.

(7) To hire and fire such staff as may be necessary.

(8) To enter into such contracts, to purchase such supplies and materials as may be necessary to permit the successful operation of the office.

(9) To prepare and present an annual budget.

(10) To report the decisions of the advocate to taxpayers in such form as the advocate deems appropriate.

Section 183. Transfer of Authority and Resources.—The powers and duties of the Taxpayers' Rights Advocate set forth in section 207 of the act of December 20, 1996 (P.L. 1504, No. 195), known as the "Taxpayers' Bill of Rights," and all of the resources dedicated to that office are hereby transferred to the advocate.

Section 184. The Independent Taxpayer Appeals Board.—(a) The Independent Taxpayer Appeals Board is hereby established.

(b) The board shall be composed of three members who are appointed by the Governor and confirmed by a two-thirds vote in the Senate.

(c) Among the initial appointments to the board one shall be for a term of two years, one for a term of four years and one for a term of six years. Thereafter members shall be appointed to serve for six-year terms.

(d) All members of the board shall be attorneys admitted to practice in Pennsylvania and shall have a familiarity with the tax laws of Pennsylvania.

(e) Members shall receive the same compensation set for members of the Environmental Hearing Board.

(f) The board shall be the first level of appeal of any decision by an employe of the department relative to a decision affecting a taxpayer. The board shall have the following powers:

(1) To adjudicate tax disputes between taxpayers and the department, including hearing appeals of decisions of the department, remanding a dispute to mediation and issuing enforceable orders.

(2) To hire such staff, enter into such contracts, implement such rules and procedures and adopt such forms as the board shall deem necessary and appropriate to carry out its responsibilities.

(3) To elect a chairman for the board annually from among the members.

(g) The powers and duties of the internal review program within the department, the department Board of Appeals and the Board of Finance and Revenue relative to adjudicating disputes between the department and taxpayers are hereby transferred to the Independent Taxpayer Appeals Board created under this act.

(h) A board member may only be removed for gross negligence or malfeasance. Three-quarters of the Senate must ratify the Governor's decision for removal of a board member or the advocate. Any vacancy on the board shall be filled in the same manner as the original appointment. Any appointment to fill a vacancy before the expiration of the term for which the predecessor was appointed shall be appointed for the remainder of that term.

Section 185. Personal Liability.—(a) Members of the board and the advocate shall have no personal liability under State law with respect to any claim arising out of or resulting from an act or omission by the member or the advocate within the scope of service of their respective positions.

(b) This shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious conduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of the member or the advocate.

Section 186. Exceptions.—The advocate and board shall have no responsibilities or authority with respect to the criminal law enforcement activities of the department, including compliance activities such as criminal investigations, examinations and collection activities, or specific procurement activities of the department.

Section 187. Confidentiality.—All members of the board and the advocate are bound to confidentiality of all information pertaining to individual tax information. Any member or advocate who does not adhere to this policy shall be removed from office.

### CHAPTER 4

#### INTERDEPARTMENTAL DOCUMENTS

Section 191. Rules and Regulations.—The secretary shall make such reasonable rules and regulations, not inconsistent with law, as may be necessary for the exercise of its powers and the performance of its duties under this part, including regulations which shall advise the public of the following:

(1) The various methods by which the department communicates tax policy and interpretations to taxpayers, tax practitioners, personnel of the department and the general public.

(2) The legal force and effect, precedential value and binding nature of each method of communication.

Section 192. Technical Memoranda.—Technical memoranda issued by the secretary shall be provided to taxpayers and others of existing interpretations of laws and regulations by the department or changes to the statutory or case law of interest to the public. Where and to the extent that an opinion of the legal counsel of the department is deemed to be of sufficient significance and general applicability to a group or group of taxpayers, the opinion shall be likewise provided.

Section 193. Advisory Opinions.—With respect to taxes administered by the secretary, the secretary shall be required to render advisory opinions within ninety days of the receipt of a petition for such an opinion. This period may be extended by the secretary, for good cause shown, for no more than thirty additional days. An advisory opinion shall be rendered to any person subject to a tax or liability under this chapter or claiming exemption from a tax or liability. In the discretion of the secretary, they may also be rendered to any nontaxpayer, including, but not limited to, a local official, petitioning on behalf of a local jurisdiction or the head of a State agency petitioning on behalf of the agency. Advisory opinions, which shall be published and made available to the public, shall not be binding upon the secretary except with respect to the person to whom such opinion is rendered. A subsequent modification by the secretary of an advisory opinion shall apply prospectively only. A petition for an advisory opinion shall contain a specific set of facts, be submitted in the form prescribed by the secretary and be subject to the

rules and regulations as the secretary may promulgate for procedures for submitting such a petition.

Section 2. Section 302 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Amend Bill, page 3, by inserting between lines 15 and 16

Section 3. The act of December 20, 1996 (P.L.1504, No.195), known as the Taxpayers' Bill of Rights, is repealed.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting  
4

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Sturla.

Mr. STURLA. Thank you, Mr. Speaker.

Mr. Speaker, this amendment proposes changes that would mirror those implemented at the Federal level for the Tax Code.

My amendment would strengthen the current Taxpayers' Bill of Rights by making several changes. A key element of the proposal is the simplification of the appeals process, recognizing foremost that the process should be independent. The current system has a number of levels, most within the Department of Revenue, and this system could be streamlined by establishing an independent taxpayer advocate who can help mandate tax disputes and help taxpayers steer their way through the audit and tax appeals process. The amendment would also create an independent tax appeals board, which would hear State tax appeals and, again, simplify the system. The amendment would also create a code of ethics that bind department employees as well as contract bill collectors, and the amendment also seeks to correct many problems by making the system a little fairer and a little less confrontational. A couple of key provisions are that it would limit the statute of limitations on tax cases to 3 years instead of allowing the tax department to go back 10 or 12 years, as they do in some cases, and again, this is about providing fairness to the taxpayers of Pennsylvania and particularly the small businesses in Pennsylvania.

I would urge an affirmative vote. Thank you, Mr. Speaker.

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

The following roll call was recorded:

YEAS—200

Adolph	Fairchild	Mann	Schroder
Allen	Fargo	Markosek	Schuler
Argall	Feese	Marsico	Scrimenti
Armstrong	Fichter	Mayemik	Semmel
Baker	Fleagle	McCall	Serafini
Bard	Flick	McGeehan	Seyfert
Barley	Forcier	McGill	Shaner
Barrar	Frankel	McIlhattan	Smith, B.
Bastian	Freeman	McIlhinney	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla

Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Hemman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Daily	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan, Speaker
Egolf	Major	Saylor	
Evans	Manderino		

NAYS—0

NOT VOTING—0

EXCUSED—2

Daley Masland

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

LEAVE OF ABSENCE

The SPEAKER. The Chair at this time recognizes the majority whip, who asks that the Chair return to leaves of absence and place the gentleman, Mr. McILHINNEY, from Bucks County on leave for the balance of today's session. Without objection, leave will be granted. The Chair hears no objection.

CONSIDERATION OF HB 1 CONTINUED

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

Mr. STEVENSON offered the following amendment No. A0587:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting  
; and providing for library development tax credits.

Amend Bill, page 3, by inserting between lines 15 and 16 Section 2. The act is amended by adding an article to read:

**ARTICLE XIX-B**

**LIBRARY DEVELOPMENT TAX CREDIT**

Section 1901-B. Short Title.—This article shall be known and may be cited as the Library Development Tax Credit Act.

Section 1902-B. Definitions.—The following words, terms and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Business firm.” Any business entity authorized to do business in this Commonwealth and subject to taxes imposed by Article IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of this act.

“Library.” Any local library, county library, district library center or regional library resource center eligible for State-aid or funding under the act of June 14, 1961 (P.L.324, No.188), known as “The Library Code.”

“Qualified Donation.” A donation by a business firm to libraries of cash or cash equivalents, new furnishings or new equipment for the direct purpose of improving the physical infrastructure of libraries or improving access to information and services for library patrons or expanding opportunities for library staff training and development. The term shall include, but not be limited to, capital improvements, donations of new computer software, new computers, new computer peripheral equipment, new equipment or furnishings to be used in conjunction with computers or new furniture.

Section 1903-B. Public Policy.—It is hereby declared to be the public policy of this Commonwealth to encourage business firms to invest in the development of this Commonwealth’s library system.

Section 1904-B. Tax Credit.—(a) Any business firm which makes a qualified donation to a library shall receive a tax credit as provided in subsection (b) if the receiving library and the State Librarian annually approve the proposal of such business firm. The proposal shall set forth:

- (1) The donation to be made.
- (2) The receiving library.
- (3) The estimated market value of the donation to the library.
- (4) The plans for providing the donation.

(b) The Department of Revenue shall grant a tax credit against any tax due under Article III, IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of this act or any tax substituted in lieu thereof in an amount which shall not exceed one hundred percent of the total market value of a qualified donation that occurs during the taxable year by the business firm. No tax credit shall be granted under this subsection to any business firm for activities that are part of its normal course of business. Any tax credit under this subsection that is not used in the period the qualified donation was given may be carried over for the next five succeeding taxable years until full credit has been allowed.

(c) The State Librarian is hereby authorized to promulgate rules and regulations for the approval or disapproval of qualified donations and shall provide a listing of all applications received and their disposition to the General Assembly by October 1 of the following fiscal year.

(d) The total amount of all tax credits under this article shall not exceed ten million dollars (\$10,000,000) in any fiscal year.

Section 3. Section 2 of this act shall apply to taxable years beginning after December 31, 1998.

Amend Sec. 2, page 3, line 16, by striking out “2” and inserting  
4

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman, Mr. Stevenson.

Mr. STEVENSON. Thank you, Mr. Speaker.

This amendment was also introduced by Representative Connie Williams as amendment 265 and was included in her House bill from last session, HB 1771, and was also included in

my current HB 17, which seeks to improve how we handle libraries in the Commonwealth of Pennsylvania into the future.

This amendment provides for credits to businesses which make qualified donations to a library. “Qualified donations” mean cash, new furniture, or new equipment given for the purpose of improving the physical infrastructure of the library or improving access to information and services or expanding the opportunities for the staff in development and training. The library which receives the donations and the State Librarian must approve of the donation. The tax credit shall not exceed 100 percent of the total market value of the qualified donation. Any tax credit not used in any given period may be carried over for 5 successive tax years. The total amount of tax credits for this amendment shall not exceed \$10 million.

I now ask for the members’ support. Thank you, Mr. Speaker.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetter
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O’Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Home
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rublely	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	



Eachus Maitland Sather Ryan,  
Egolf Major Saylor Speaker  
Evans

NAYS-0

NOT VOTING-0

EXCUSED-3

Daley Masland McIlhinney

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

On the question recurring,

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

Mr. SCHRODER offered the following amendment No. A0426:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and extending malt beverage tax credit.

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 2010 of the act, amended or added December 22, 1989 (P.L.775, No.110), June 16, 1994 (P.L.279, No.48) and June 30, 1995 (P.L.139, No.21), is amended to read:

Section 2010. Limited Tax Credits.—(a) The General Assembly of the Commonwealth, conscious of the financial pressures facing small brewers in Pennsylvania and the attendant risk of business failure and loss of employment opportunity, declares it public policy that renewal and improvement of small brewers be encouraged and assisted by a limited tax subsidy to be granted during the period set forth in this section.

(b) As used in this section:

"Amounts paid." The phrase means (i) amounts actually paid, or (ii) at the taxpayer's election, amounts promised to be paid under firm purchase contracts actually executed during any calendar year falling within the effective period of this section: Provided, however, That there shall be no duplication of "amounts paid" under this definition.

"Effective period." The period from January 1, 1974, to December 31, [1998] 2000, inclusive.

"Qualifying capital expenditures." Amounts paid by a taxpayer during the effective period of this section for the purchase of items of plant, machinery or equipment for use by the taxpayer within this Commonwealth in the manufacture and sale of malt or brewed beverages: Provided, however, That the total amount of qualifying capital expenditures made by a taxpayer within a single calendar year shall not exceed two hundred thousand dollars (\$200,000).

"Secretary." The Secretary of Revenue of the Commonwealth of Pennsylvania where not otherwise qualified.

"Taxpayer." A manufacturer of malt or brewed beverages claiming a tax credit or credits under this section and having an annual production of malt or brewed beverages that does not exceed three hundred thousand (300,000) barrels.

(c) A tax credit or credits shall be allowed for each calendar year to a taxpayer, as hereinafter provided, not to exceed in total amount the amount of qualifying capital expenditures made by the taxpayer and certified by the secretary.

(d) A taxpayer desiring to claim a tax credit or credits under this section shall, in accordance with regulations promulgated by the secretary, report annually to the secretary the nature, amounts and dates of qualifying capital expenditures made by him and such other

information as the secretary shall require. If satisfied as to the correctness of such a report, the secretary shall issue to the taxpayer a certificate establishing the amount of qualifying capital expenditures made by the taxpayer and included within said report. The taxpayer shall also provide to the secretary the number of employees, total production of malt or brewed beverages and the amount of capital expenditures made by the taxpayer at each location operated by the taxpayer or a parent corporation, subsidiary, joint venture or affiliate. Also, the taxpayer shall notify the secretary of any contract for production held with another manufacturer. The secretary shall file a report annually with the Chief Clerk of the House of Representatives and with the Secretary of the Senate outlining the employment, production, expenditures and tax credits authorized under this section.

(e) Upon receipt from a taxpayer of a certificate from the secretary issued under subsection (c), the Secretary of Revenue shall grant a tax credit or credits in the amount certified against any tax then due or thereafter becoming due from the taxpayer under this article. No credit shall be allowed against any tax due for any taxable period ending after December 31, [1998] 2000.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting 3

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of that amendment, the gentleman, Mr. Schroder, is recognized.

Mr. SCHRODER. Thank you, Mr. Speaker.

Mr. Speaker, this amendment will extend the malt beverage tax credit for our small breweries, our microbreweries across the State and those breweries who produce 300,000 barrels or less a year. This tax credit expired at the end of 1998, and many of our breweries were counting on that going into this year, so I think we need to extend it.

So I would just ask your support for this amendment. Thank you.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS-199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Cam	Hennessey	Pesci	Thomas



Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Home
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS-0

NOT VOTING-0

EXCUSED-3

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

On the question recurring,

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

Ms. BARD offered the following amendment No. A0740:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; providing property tax or rent rebate to certain senior citizens, widows, widowers and permanently disabled persons with limited incomes; establishing uniform standards and qualifications for eligibility to receive rebates; imposing duties upon the Department of Revenue; and making a repeal.

Amend Bill, page 3, by inserting between lines 15 and 16 Section 2. The act is amended by adding an article to read:

ARTICLE XXIX-B

PROPERTY TAX OR RENT REBATE PROGRAM

Section 2901-B. Declaration of Policy.—In recognition of the severe economic plight of certain senior citizens, widows, widowers and permanently disabled persons who are real property owners or renters with fixed and limited incomes who are faced with rising living costs and constantly increasing tax and inflation cost burdens which threaten their homesteads and self-sufficiency, the General Assembly, pursuant to the mandates of the Constitutional Convention of 1968, considers it to be a matter of sound public policy to make special provisions for property tax rebates or rent rebates in lieu of property taxes to that class of senior citizens, widows, widowers and permanently disabled persons who are real property taxpayers or renters who are without adequate means of support to enable them to remain in peaceable possession of their homes and relieving their economic burden.

Section 2902-B. Definitions.—The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Claimant." A person who files a claim for property tax rebate or rent rebate in lieu of property taxes and inflation dividend and was sixty-five years of age or over, or whose spouse (if a member of the household) was sixty-five years of age or over, during a calendar year in which real property taxes, rent and inflation costs were due and payable or was a widow or widower and was fifty years of age or over during a calendar year or part thereof in which real property taxes, rent and inflation costs were due and payable, or was a permanently disabled person eighteen years of age or over during a calendar year or part thereof in which real property taxes, rent and inflation costs were due and payable. For the purposes of this act the term "widow" or "widower" shall mean the surviving wife or the surviving husband, as the case may be, of a deceased individual and who has not remarried except as provided in section 2903-B(e) and (f). For the purposes of this act the term "permanently disabled person" shall mean a person who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to continue indefinitely, except as provided in section 2903-B(e) and (f).

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

"Homestead." A dwelling, whether owned or rented, and so much of the land surrounding it, as is reasonably necessary for use of the dwelling as a home, occupied by a claimant. A homestead shall also include premises occupied by reason of ownership or lease in a cooperative housing corporation, mobile homes which are assessed as realty for local property tax purposes and the land, if owned or rented by the claimant, upon which the mobile home is situated, and other similar living accommodations, as well as a part of a multi-dwelling or multi-purpose building and a part of the land upon which it is built. It shall also include premises occupied by reason of the claimant's ownership or rental of a dwelling located on land owned by a nonprofit incorporated association, of which the claimant is a member, if the claimant is required to pay a pro rata share of the property taxes levied against the association's land. It shall also include premises occupied by a claimant if he is required by law to pay a property tax by reason of his ownership or rental (including a possessory interest) in the dwelling, the land, or both. An owner includes a person in possession under a contract of sale, deed of trust, life estate, joint tenancy or tenancy in common or by reason of statutes of descent and distribution.

"Household income." All income received by the claimant and his spouse while residing in the homestead during the calendar year for which a rebate and dividend are claimed.

"Income." All income from whatever source derived, including but not limited to salaries, wages, bonuses, commissions, income from self-employment, alimony, support money, cash public assistance and relief, the gross amount of any pensions or annuities including railroad retirement benefits, all benefits received under the Federal Social Security Act (except Medicare benefits), all benefits received under State unemployment insurance laws and veterans' disability payments, all interest received from the Federal or any State government, or any instrumentality or political subdivision thereof, realized capital gains, rentals, workmen's compensation and the gross amount of loss of time insurance benefits, life insurance benefits and proceeds (except the first five thousand dollars (\$5,000) of the total of death benefit payments), and gifts of cash or property (other than transfers by gift between members of a household) in excess of a total value of three hundred dollars (\$300), but shall not include surplus food or other relief in kind supplied by a governmental agency or property tax or rent rebate or inflation dividend.

"Real property taxes." All taxes on a homestead (exclusive of municipal assessments, delinquent charges, and interest) due and payable during a calendar year.

"Rent rebate in lieu of property taxes." Twenty per cent of the gross amount actually paid in cash or its equivalent in any calendar year to a landlord in connection with the occupancy of a homestead by a claimant.

irrespective of whether such amount constitutes payment solely for the right of occupancy or otherwise.

Section 2903-B. Property Tax; Rent Rebate.—(a) The amount of any claim for property tax rebate or rent rebate in lieu of property taxes for real property taxes or rent due and payable during calendar year 1998 and thereafter shall be determined in accordance with the following schedule:

<u>Household Income</u>	<u>Percentage of Real Property Taxes or Rent Rebate in Lieu of Property Taxes Allowed as Rebate</u>
<u>\$ 0 - \$7,500</u>	<u>100%</u>
<u>7,501 - 8,000</u>	<u>90</u>
<u>8,001 - 8,500</u>	<u>80</u>
<u>8,501 - 9,000</u>	<u>70</u>
<u>9,001 - 10,000</u>	<u>60</u>
<u>10,001 - 11,000</u>	<u>50</u>
<u>11,001 - 12,000</u>	<u>40</u>
<u>12,001 - 13,000</u>	<u>30</u>
<u>13,001 - 14,000</u>	<u>25</u>
<u>14,001 - 16,000</u>	<u>20</u>
<u>16,001 - 18,000</u>	<u>15</u>
<u>18,001 - 20,000</u>	<u>10</u>

(b) No claim shall be allowed if the amount of property tax or rent rebate computed in accordance with this section is less than ten dollars (\$10), and the maximum amount of property tax or rent rebate payable shall not exceed the amounts in the following schedule:

<u>Household Income</u>	<u>Maximum</u>
<u>\$ 0 - \$7,500</u>	<u>\$700</u>
<u>7,001 - 9,000</u>	<u>600</u>
<u>9,001 - 20,000</u>	<u>500</u>

(c) No claim shall be allowed if the claimant is a tenant of an owner of real property exempt from real property taxes.

(d) If a homestead is owned or rented and occupied for only a portion of a year or is owned or rented in part by a person who does not meet the qualifications for a claimant, exclusive of any interest owned or leased by a claimant's spouse, or if the claimant is a widow or widower who remarries, or if the claimant is a permanently disabled person who is no longer disabled, the department shall apportion the real property taxes or rent in accordance with the period or degree of ownership or leasehold or eligibility of the claimant in determining the amount of rebate for which a claimant is eligible. A claimant who receives public assistance from the Department of Public Welfare shall not be eligible for rent rebate in lieu of property taxes, or an inflation dividend during those months within which he receives public assistance.

(e) Rent shall not include subsidies provided by or through a governmental agency.

Section 2904-B. Filing of Claim.—A claim for property tax or rent rebate shall be filed with the department on or before the thirtieth day of June of the year next succeeding the end of the calendar year in which real property taxes or rent were due and payable: Provided, That claims filed after the June 30 deadline until December 31 of such calendar year shall be accepted by the Secretary of Revenue as long as funds are available to pay the benefits to the late filing claimants. No reimbursement on a claim shall be made from the State Lottery Fund earlier than the day following the thirtieth day of June provided in this act on which that claim may be filed with the department. Rebate claims for taxes or rent paid during calendar year 1977 shall be accepted by the Secretary of Revenue if filed with the department on or before the thirtieth day of April 1979. Only one claimant from a homestead each year shall be entitled to the property tax or rent rebate and inflation dividend. If two or more persons are able to meet the qualifications for a claimant, they may determine who the claimant shall be. If they are unable to agree, the department shall determine to whom the rebate is to be paid.

Section 2905-B. Proof of Claim.—Each claim shall include reasonable proof of household income, the size and nature of the property claimed as a homestead and the rent or tax receipt, or other proof that the real property taxes on the homestead have been paid, or rent in connection

with the occupancy of a homestead has been paid. If the claimant is a widow, or widower, a declaration of such status in such manner as prescribed by the Secretary of Revenue shall be included. Proof that a claimant is eligible to receive disability benefits under the Federal Social Security Act shall constitute proof of disability under this act. No person who has been found not to be disabled by the social security administration shall be granted a rebate or dividend under this act. A claimant not covered under the Federal Social Security Act shall be examined by a physician designated by the department and such status determined using the same standards used by the social security administration. It shall not be necessary that such taxes or rent were paid directly by the claimant: Provided, That the rent or taxes have been paid when the claim is filed. The first claim filed shall include proof that the claimant or his spouse was age sixty-five or over or fifty years or over in the case of a widow, or widower, during the calendar year in which real property taxes or rent were due and payable.

Section 2906-B. Incorrect Claim.—Whenever on audit of any claim, the department finds the claim to have been incorrectly determined, it shall redetermine the correct amount of the claim and notify the claimant of the reason of the redetermination and the amount of the corrected claim.

Section 2907-B. Funds for Payment of Administrative Expenses and Claims.—Expenses, salaries and other costs incurred in the administration of this act and 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." In the event that the total amount of administrative expenses and claims exceeds the amount in such fund, in any one year, the Governor shall authorize a transfer from the General Fund to equal the excess of administrative expenses and claims. For the purposes of this section, the amount in the State Lottery Fund shall include the June 30 ending lottery fund balance plus eighty per cent of projected lottery fund revenues after lottery fund administrative expenses for the subsequent fiscal year.

Section 2908-B. Claim Forms and Rules and Regulations.—Necessary rules and regulations shall be prescribed by a committee consisting of the Secretaries of Aging, Revenue and Community and Economic Development. The Secretary of Aging shall serve as the chairman of the committee. The Department of Revenue shall receive all applications, determine the eligibility of claimants, hear appeals, disburse payments, and make available suitable forms for the filing of claims.

Section 2909-B. Fraudulent Claim; Conveyance to Obtain Benefits.—In any case in which a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full and a penalty of twenty-five per cent of the amount claimed shall be imposed. The penalty and the amount of the disallowed claim, if the claim has been paid, shall bear interest at the rate of one-half of one per cent per month from the date of the claim until repaid. The claimant and any person who assisted in the preparation or filing of a fraudulent claim shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars (\$1,000), or undergo imprisonment not exceeding one year, or both.

A claim shall be disallowed if the claimant received title to the homestead primarily for the purpose of receiving property tax rebate.

Section 2910-B. Petition for Redetermination.—Any claimant whose claim is either denied, corrected or otherwise adversely affected by the department, may file with the department a petition for redetermination on forms supplied by the department within ninety days after the date of mailing of written notice by the department of such action. Such petition shall set forth the grounds upon which claimant alleges that such departmental action is erroneous or unlawful, in whole or part, and shall contain an affidavit or affirmation that the facts contained therein are true and correct. An extension of time for filing the petition may be allowed for cause but not to exceed one hundred twenty days. The department shall hold such hearings as may be necessary for the purpose of redetermination, and each claimant who has duly filed such petition for redetermination shall be notified by the department of the time when, and the place where, such hearing in his case will be held.

It shall be the duty of the department, within six months after receiving a filed petition for redetermination, to dispose of the matters raised by such petition and mail notice of the department's decision to the claimant.

Section 2911-B. Review by Board of Finance and Revenue.—Within ninety days after the date of official receipt by the claimant of notice mailed by the department of its decision on any petition for redetermination filed with it, the claimant who is adversely affected by such decision may by petition request the Board of Finance and Revenue to review such action. The failure of the department to officially notify the claimant of a decision within the six-months period provided for by section 2911-B shall act as a denial of such petition, and a petition for review may be filed with the Board of Finance and Revenue within one hundred twenty days after written notice is officially received by the claimant that the department has failed to dispose of the petition within the six-months period prescribed by section 2910-B. Every petition for redetermination filed hereunder shall state the reasons upon which the claimant relies, or shall incorporate by reference the petition for redetermination in which such reasons shall have been stated. The petition shall be supported by affidavit that the facts set forth therein are correct and true. The Board of Finance and Revenue shall act in disposition of such petitions filed with it within six months after they have been received, and in the event of failure of said board to dispose of any such petition within six months, the action taken by the department upon the petition for redetermination shall be deemed sustained. The Board of Finance and Revenue may sustain the action taken by the department on the petition for redetermination or it may take such other action as it shall deem is necessary and consistent with provisions of this act. Notice of the action of the Board of Finance and Revenue shall be given by mail to the department and to the claimant.

Section 2912-B. Appeal.—Any claimant, aggrieved by the decision of the Board of Finance and Revenue may appeal from the decision of the Board of Finance and Revenue, in the manner now or hereafter provided by law for appeals from decisions of said board in tax cases.

Section 3. The act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, is repealed.

Section 4. This act shall apply as follows:

(1) The addition of Article XXIX-B of the act shall apply to taxable years beginning after December 31, 1997.

(2) This act shall not apply to any claim for property tax or rent rebate for the taxable year ending on or before December 31, 1997. Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

5

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the lady from Montgomery.

Ms. BARD. Thank you, Mr. Speaker.

Amendment 740 provides much-needed property tax relief for Pennsylvania's older residents with fixed and low incomes. Specifically, the amendment provides for an expansion of income eligibility limits under the Rent and Property Tax Rebate Program from \$15,000 to \$20,000, and it expands the maximum rebate from \$500 to \$700.

Mr. Speaker, the Rent and Property Tax Rebate Program, first adopted in 1979, has not been updated for inflation. The expansion of this program is sorely needed by many older Pennsylvanians who truly fear losing their homes because of high property taxes.

Mr. Speaker, I ask for favorable consideration of this amendment.

The SPEAKER. The Chair thanks the lady.

On the question of the adoption of the amendment, the gentleman, Mr. Sainato.

Mr. SAINATO. Mr. Speaker, I rise to support the lady's amendment. I think it is very important. I think it is something that's time has come.

Last year we adjusted the PACE (Pharmaceutical Assistance Contract for the Elderly) Program. We raised the limit to \$19,200 for married couples and \$17,200 for single individuals. It is something we have been working on for a long time. I commend my colleague for pushing this amendment, because I think it is very important. For too long, the limit has been \$15,000 in Pennsylvania. With inflation, the past 10 years have eaten away at many of our seniors who were thrown off the program.

As we have debated for many hours the merits of property tax reductions and the effect of property taxes on our seniors, I think this is only appropriate that we raise the limit to \$20,000. We could bring in an additional 59,000 seniors into the program by supporting this amendment. The time has come that we help our seniors, especially our lower- and mid-income seniors. By supporting this amendment, we do that. By raising the maximum amount to \$700, this will be a major relief to making sure that many of our seniors are able to keep their homes. This is a problem that affects many of them, and this gives them that opportunity, Mr. Speaker.

So I urge my colleagues to support this amendment and do something to help the senior citizens of Pennsylvania; give them a chance to stay in their homes. Support this amendment.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feeese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzei	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne

Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rublely	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS-0

NOT VOTING-0

EXCUSED-3

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

On the question recurring,

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

Mr. ADOLPH offered the following amendment No. A0634:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting  
; providing property tax or rent rebates to certain senior citizens, widows, widowers and permanently disabled persons with limited incomes; establishing uniform standards and qualifications for eligibility to receive rebates; imposing duties upon the Department of Revenue; and making a repeal.

Amend Bill, page 3, line 16, by striking out all of said line and inserting

Section 2. The act is amended by adding an article to read:

**ARTICLE XXIX-B**

**PROPERTY TAX OR RENT REBATE PROGRAM**

Section 2901-B. Short Title.—This article shall be known and may be cited as The Senior Citizens Rebate and Assistance Law.

Section 2902-B. Declaration of Policy.—In recognition of the severe economic plight of certain senior citizens, widows, widowers and permanently disabled persons who are real property owners or renters with fixed and limited incomes who are faced with rising living costs and constantly increasing tax burdens which threaten their homesteads and self-sufficiency, the General Assembly, pursuant to the mandates of the Constitutional Convention of 1968, considers it to be a matter of sound public policy to make special provisions for property tax rebates or rent rebates in lieu of property taxes to that class of senior citizens, widows, widowers and permanently disabled persons who are real property taxpayers or renters who are without adequate means of support to enable them to remain in peaceable possession of their homes and relieving their economic burden.

Section 2903-B. Definitions.—The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Claimant." A person who files a claim for property tax rebate or rent rebate in lieu of property taxes and inflation dividend and was sixty-five years of age or over, or whose spouse (if a member of the household) was sixty-five years of age or over, during a calendar year in which real property taxes, rent and inflation costs were due and payable or was a widow or widower and was fifty years of age or over during a calendar year or part thereof in which real property taxes and rent were due and payable, or was a permanently disabled person eighteen years of age or over during a calendar year or part thereof in which real property taxes and rent were due and payable. For the purposes of this act the term "widow" or "widower" shall mean the surviving wife or the surviving husband, as the case may be, of a deceased individual and who has not remarried except as provided in section 2904-B(e) and (f). For the purposes of this act the term "permanently disabled person" shall mean a person who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to continue indefinitely, except as provided in section 2904-B(e) and (f).

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

"Homestead." A dwelling, whether owned or rented, and so much of the land surrounding it, as is reasonably necessary for use of the dwelling as a home, occupied by a claimant. A homestead shall also include premises occupied by reason of ownership or lease in a cooperative housing corporation, mobile homes which are assessed as realty for local property tax purposes and the land, if owned or rented by the claimant, upon which the mobile home is situated, and other similar living accommodations, as well as a part of a multi-dwelling or multi-purpose building and a part of the land upon which it is built. It shall also include premises occupied by reason of the claimant's ownership or rental of a dwelling located on land owned by a nonprofit incorporated association, of which the claimant is a member, if the claimant is required to pay a pro rata share of the property taxes levied against the association's land. It shall also include premises occupied by a claimant if he is required by law to pay a property tax by reason of his ownership or rental (including a possessory interest) in the dwelling, the land, or both. An owner includes a person in possession under a contract of sale, deed of trust, life estate, joint tenancy or tenancy in common or by reason of statutes of descent and distribution.

"Household income." All income received by the claimant and his spouse while residing in the homestead during the calendar year for which a rebate and dividend are claimed.

"Income." All income from whatever source derived, including but not limited to salaries, wages, bonuses, commissions, income from self-employment, alimony, support money, cash public assistance and relief, the gross amount of any pensions or annuities including one-half of railroad retirement benefits, one-half of any benefits received under the Federal Social Security Act (except Medicare benefits), all benefits received under State unemployment insurance laws and veterans' disability payments, all interest received from the Federal or any State government, or any instrumentality or political subdivision thereof, realized capital gains, rentals, workmen's compensation and the gross amount of loss of time insurance benefits, life insurance benefits and proceeds (except the first five thousand dollars (\$5,000) of the total of death benefit payments), and gifts of cash or property (other than transfers by gift between members of a household) in excess of a total value of three hundred dollars (\$300), but shall not include surplus food or other relief in kind supplied by a governmental agency or property tax or rent rebate.

"Real property taxes." All taxes on a homestead (exclusive of municipal assessments, delinquent charges, and interest) due and payable during a calendar year.

"Rent rebate in lieu of property taxes." Twenty per cent of the gross amount actually paid in cash or its equivalent in any calendar year to a landlord in connection with the occupancy of a homestead by a claimant, irrespective of whether such amount constitutes payment solely for the right of occupancy or otherwise.

Section 2904-B. Property Tax; Rent Rebate.—(a) The amount of any claim for property tax rebate or rent rebate in lieu of property taxes for real property taxes or rent due and payable during calendar year 1999 and thereafter shall be determined in accordance with the following schedule:

Household Income	Percentage of Real Property Taxes or Rent Rebate in Lieu of Property Taxes Allowed as Rebate
\$ 0 - \$4,999	100%
5,000 - 5,499	100
5,500 - 5,999	90
6,000 - 6,499	80
6,500 - 6,999	70
7,000 - 7,499	60
7,500 - 7,999	50
8,000 - 8,499	40
8,500 - 8,999	35
9,000 - 9,999	25
10,000 - 11,999	20
12,000 - 12,999	15
13,000 - 15,000	10

(b) No claim shall be allowed if the amount of property tax or rent rebate computed in accordance with this section is less than ten dollars (\$10), and the maximum amount of property tax or rent rebate payable shall not exceed five hundred dollars (\$500).

(c) No claim shall be allowed if the claimant is a tenant of an owner of real property exempt from real property taxes.

(d) If a homestead is owned or rented and occupied for only a portion of a year or is owned or rented in part by a person who does not meet the qualifications for a claimant, exclusive of any interest owned or leased by a claimant's spouse, or if the claimant is a widow or widower who remarries, or if the claimant is a permanently disabled person who is no longer disabled, the department shall apportion the real property taxes or rent in accordance with the period or degree of ownership or leasehold or eligibility of the claimant in determining the amount of rebate for which a claimant is eligible. A claimant who receives public assistance from the Department of Public Welfare shall not be eligible for rent rebate in lieu of property taxes during those months within which he receives public assistance.

(e) Rent shall not include subsidies provided by or through a governmental agency.

Section 2905-B. Filing of Claim.—A claim for property tax or rent rebate shall be filed with the department on or before the thirtieth day of June of the year next succeeding the end of the calendar year in which real property taxes or rent were due and payable: Provided, That claims filed after the June 30 deadline until December 31 of such calendar year shall be accepted by the Secretary of Revenue as long as funds are available to pay the benefits to the late filing claimants. No reimbursement on a claim shall be made from the State Lottery Fund earlier than the day following the thirtieth day of June provided in this act on which that claim may be filed with the department. Only one claimant from a homestead each year shall be entitled to the property tax or rent rebate and inflation dividend. If two or more persons are able to meet the qualifications for a claimant, they may determine who the claimant shall be. If they are unable to agree, the department shall determine to whom the rebate is to be paid.

Section 2906-B. Proof of Claim.—Each claim shall include reasonable proof of household income, the size and nature of the property claimed as a homestead and the rent or tax receipt, or other proof that the real property taxes on the homestead have been paid, or rent in connection with the occupancy of a homestead has been paid. If the claimant is a widow, or widower, a declaration of such status in such manner as prescribed by the Secretary of Revenue shall be included. Proof that a claimant is eligible to receive disability benefits under the Federal Social Security Act shall constitute proof of disability under this act. No person who has been found not to be disabled by the social security administration shall be granted a rebate or dividend under this act. A

claimant not covered under the Federal Social Security Act shall be examined by a physician designated by the department and such status determined using the same standards used by the social security administration. It shall not be necessary that such taxes or rent were paid directly by the claimant: Provided, That the rent or taxes have been paid when the claim is filed. The first claim filed shall include proof that the claimant or his spouse was age sixty-five or over or fifty years or over in the case of a widow, or widower, during the calendar year in which real property taxes or rent were due and payable.

Section 2907-B. Incorrect Claim.—Whenever on audit of any claim, the department finds the claim to have been incorrectly determined, it shall redetermine the correct amount of the claim and notify the claimant of the reason of the redetermination and the amount of the corrected claim.

Section 2908-B. Funds for Payment of Administrative Expenses and Claims.—Expenses, salaries and other costs incurred in the administration of this act and 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." In the event that the total amount of administrative expenses and claims exceeds the amount in such fund, in any one year, then an amount necessary to pay the total amount of administrative expenses and claims shall be transferred from the General Fund to the State Lottery Fund. For the purposes of this section, the amount in the State Lottery Fund shall include the June 30 ending lottery fund balance plus eighty per cent of projected lottery fund revenues after lottery fund administrative expenses for the subsequent fiscal year.

Section 2909-B. Claim Forms and Rules and Regulations.—Necessary rules and regulations shall be prescribed by a committee consisting of the Secretary of Aging, the Secretary of Revenue and the Department of Community and Economic Development. The Secretary of Aging shall serve as the chairman of the committee. The Department of Revenue shall receive all applications, determine the eligibility of claimants, hear appeals, disburse payments, and make available suitable forms for the filing of claims.

Section 2910-B. Fraudulent Claim; Conveyance to Obtain Benefits.—In any case in which a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full and a penalty of twenty-five per cent of the amount claimed shall be imposed. The penalty and the amount of the disallowed claim, if the claim has been paid, shall bear interest at the rate of one-half of one per cent per month from the date of the claim until repaid. The claimant and any person who assisted in the preparation or filing of a fraudulent claim shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars (\$1,000), or undergo imprisonment not exceeding one year, or both.

A claim shall be disallowed if the claimant received title to the homestead primarily for the purpose of receiving property tax rebate.

Section 2911-B. Petition for Redetermination.—Any claimant whose claim is either denied, corrected or otherwise adversely affected by the department, may file with the department a petition for redetermination on forms supplied by the department within ninety days after the date of mailing of written notice by the department of such action. Such petition shall set forth the grounds upon which claimant alleges that such departmental action is erroneous or unlawful, in whole or part, and shall contain an affidavit or affirmation that the facts contained therein are true and correct. An extension of time for filing the petition may be allowed for cause but not to exceed one hundred twenty days. The department shall hold such hearings as may be necessary for the purpose of redetermination, and each claimant who has duly filed such petition for redetermination shall be notified by the department of the time when, and the place where, such hearing in his case will be held.

It shall be the duty of the department, within six months after receiving a filed petition for redetermination, to dispose of the matters raised by such petition and mail notice of the department's decision to the claimant.

Section 2912-B. Review by Board of Finance and Revenue.-- Within ninety days after the date of official receipt by the claimant of notice mailed by the department of its decision on any petition for redetermination filed with it, the claimant who is adversely affected by such decision may by petition request the Board of Finance and Revenue to review such action. The failure of the department to officially notify the claimant of a decision within the six-months period provided for by section 2911-B shall act as a denial of such petition, and a petition for review may be filed with the Board of Finance and Revenue within one hundred twenty days after written notice is officially received by the claimant that the department has failed to dispose of the petition within the six-months period prescribed by section 2911-B. Every petition for redetermination filed hereunder shall state the reasons upon which the claimant relies, or shall incorporate by reference the petition for redetermination in which such reasons shall have been stated. The petition shall be supported by affidavit that the facts set forth therein are correct and true. The Board of Finance and Revenue shall act in disposition of such petitions filed with it within six months after they have been received, and in the event of failure of said board to dispose of any such petition within six months, the action taken by the department upon the petition for redetermination shall be deemed sustained. The Board of Finance and Revenue may sustain the action taken by the department on the petition for redetermination or it may take such other action as it shall deem is necessary and consistent with provisions of this act. Notice of the action of the Board of Finance and Revenue shall be given by mail to the department and to the claimant.

Section 2913-B. Appeal.--Any claimant, aggrieved by the decision of the Board of Finance and Revenue may appeal from the decision of the Board of Finance and Revenue, in the manner now or hereafter provided by law for appeals from decisions of said board in tax cases.

Section 3. The act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act, is repealed.

Section 4. This act shall not affect any claim for property tax or rent rebate that is timely filed with the Department of Revenue on or before December 31, 1999, for a taxable year ending on or before December 1998.

Section 5. The addition of Article XXIX-B of the act shall apply to taxable years beginning after December 31, 1998.

Section 6. This act shall take effect as follows:

- (1) Section 3 of this act shall take effect January 1, 2000.
- (2) The remainder of this act shall take effect immediately.

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman from Delaware.

Mr. ADOLPH. Thank you, Mr. Speaker.

Amendment A0634 expands the Property Tax and Rent Rebate Program, and for all the reasons Representative Bard was talking about is another reason why you should support this amendment. This eliminates 50 percent of the Social Security and railroad retirement benefits from the definition of "income." This will expand the program to 181,000 senior citizens and those with disabilities that are not eligible for the program. Over the last decade, we have lost about 60,000 of our seniors as a result of the small COLAs (cost-of-living adjustments) on their Social Security. This will also increase the amount of the average rebate from \$267 to \$367.

I urge my colleagues to support this, and another thing I want you to remember is that by using the COLA of the Social Security, we will not have to come back here every 5, 6, 7, 10 years to raise the income limits, because as their Social Security and railroad retirement benefits increase, 50 percent of that will never be

defined as income. So this will really help the seniors who are out there paying high rents and high property taxes. Thank you very much.

The SPEAKER. The Chair thanks the gentleman.

The lady, Mrs. Harhart, is recognized on the amendment.

Mrs. HARHART. I also stand in support of Representative Adolph's amendment, because the American dream is to own your home, and I do not think anybody's vision of the American dream is not to want our fathers or mothers or grandparents to stay inside their home. Our senior citizens, a generation of people who weathered a depression, won world wars, and built their great nation into the economy superpower, deserve better than this. So I ask for support on both sides of the aisle. Thank you very much.

The SPEAKER. The Chair thanks the lady.

The gentleman, Mr. Tigie.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, I stand up to oppose this amendment.

Mr. Speaker, today has been kind of a typical charade day in the legislature, and this just carries it one step too far. I am for increasing the amount of money that a senior citizen can qualify for a tax or rent rebate. What this does is it eliminates in many cases 50 percent of their income. It does not matter how old you are. It does not matter where your income comes from. The question is, how much income do you have? When we use 50 percent of a Social Security or railroad retirement such as my father is on, those who make the most get the biggest tax break, so it is not going to those who are in need. And I know I am going to stand here and watch the board light up green most likely, but I am not going to sit here and say that I am going to vote for this.

This is not the right thing to do. The previous amendment was much better. I am just voicing my opinion, and I would ask you to defeat this amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Adolph, for the second time on the question.

Mr. ADOLPH. Thank you, Mr. Speaker.

I just want to clarify something to my colleagues, because I am pretty sure Representative Tigie misunderstood me.

Over the years people have received increases in their Social Security and the equivalent in their railroad retirement benefits, taking them just over the \$15,000 limit. Now, if the previous speaker thinks \$15,500 is a lot of income, I question his mathematics. But this will qualify people with incomes of approximately \$20,000, \$22,000. It just takes you over what the previous amendment did, but it builds in this benefit, that we are always eliminating 50 percent. We are not talking about rich people. We are talking about people that have incomes somewhere between \$15,001 and \$22,000.

I appreciate your support on this amendment. Thank you.

## PARLIAMENTARY INQUIRY

The SPEAKER. The Chair recognizes the gentleman from Franklin, Mr. Coy.

Mr. COY. Thank you, Mr. Speaker.

Point of parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state his point.

Mr. COY. Earlier the House passed amendment 740, sponsored by Representative Bard, and as I read that amendment, the maximum rebate would have been \$700, and this amendment, the



maximum rebate would be \$500. Now, I am wondering which amendment would control and what the maximum rebate would be.

The SPEAKER. It is the opinion of the Chair that the Adolph amendment at \$500 would control, assuming it gets in, of course.

Mr. COY. So therefore, the effect of voting for this at this point in time would be to lower that rebate amount?

The SPEAKER. If it carried, I believe that is right, but I make no judgment as to whether there are other provisions in the bill that are affected. You have asked a question about one line in the bill, bringing it from \$700 to \$500. There are other differences in the bill that I am not passing judgment on. They would not necessarily be knocked out.

Mr. Adolph. I am sorry; Mr. Adolph will yield.

REQUEST TO DIVIDE AMENDMENT

Mr. COY. Mr. Speaker, could we divide the amendment? Is the amendment divisible so that we can remove just that one section?

The SPEAKER. On the \$500?

Mr. COY. On the \$500, so that the rebate could be at the \$700 level.

The SPEAKER. No; you cannot divide it there.

Mr. COY. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The gentleman, Mr. Adolph, has twice spoken on the subject. Mr. Tigue.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, we just adopted an amendment prior to this which would increase the income eligibility to \$20,000 and increase the rebate up to \$700. That is fair. We have done that— Okay. Thank you, Mr. Speaker.

AMENDMENT WITHDRAWN

The SPEAKER. The gentleman, Mr. Adolph, has spoken twice on the subject.

The gentleman, Mr. Adolph, indicates to the Chair that he wishes his amendment withdrawn?

Mr. ADOLPH. Yes.

The SPEAKER. So be it.

Mr. ADOLPH. Thank you.

The SPEAKER. Any other followers on that suggestion?

On the question recurring,

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

Mr. LUCYK offered the following amendment No. A0775:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

and for the imposition of inheritance tax.

Amend Bill, page 3, by inserting between lines 15 and 16 Section 2. Section 2107 of the act is amended by adding a subsection to read:

Section 2107. Transfers Subject to Tax.—\* \* \*

(e) (1) The General Assembly, in recognition of the powers contained in section 2(b)(ii) of Article VIII of the Constitution 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 or tax exemptions, hereby declares as its legislative intent and purpose to implement such powers under such constitutional provision by establishing a tax exemption as hereinafter provided in this subsection.

(2) The General Assembly, having determined that there are persons within this Commonwealth the value of whose income and estates are such that the imposition of an inheritance tax under this article would cause them hardship and economic burden and having further determined that poverty is a relative concept inextricably joined with the ability to maintain assets inherited upon the death of a relative, deems it to be a matter of public policy to provide an exemption from taxation for transfers of property to or for the use of that class of persons hereinafter designated in order to relieve their hardship and economic burden.

(3) Notwithstanding any provision of this article to the contrary, no inheritance tax shall be imposed on the first two hundred thousand dollars (\$200,000) of value of any property subject to this article transferred or passing to or for the use of any class of persons.

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

3

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question, the Chair recognizes the gentleman, Mr. Lucyk.

Mr. LUCYK. Thank you, Mr. Speaker.

Amendment 775 provides a \$200,000 exemption to all estates under the Pennsylvania inheritance tax.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS—199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Cam	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Home
Colafrella	Kaiser	Raymond	Veon

Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

NAYS-0

NOT VOTING-0

EXCUSED-3

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

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

Mr. FAIRCHILD offered the following amendment No. A0584:

Amend Title, page 1, line 11, by removing the period after "tax" and inserting

; and authorizing the offsetting of gains and losses among the various classes of income.

Amend Sec. 1 (Sec. 302), page 2, line 6, by inserting a bracket before and after "each of the classes of"

Amend Sec. 1 (Sec. 302), page 2, line 7, by inserting a bracket before and after "hereinafter enumerated in section 303"

Amend Sec. 1 (Sec. 302), page 2, line 26, by inserting a bracket before "each"

Amend Sec. 1 (Sec. 302), page 2, line 27, by inserting a bracket after "of"

Amend Sec. 1 (Sec. 302), page 2, line 27, by inserting a bracket before and after "hereinafter enumerated in section 303"

Amend Bill, page 3, by inserting between lines 15 and 16

Section 2. Section 303(a) introductory paragraph of the act, added August 31, 1971 (P.L.362, No.93), is amended and the section is amended by adding a subsection to read:

Section 303. Classes of Income.—(a) The classes of income [referred to above] are as follows:

\*\*\*

(a.1) (1) Subject to the limitation under paragraph (2), for the tax year beginning January 1, 1999, and each tax year thereafter, a taxpayer may offset the gains or losses within one class of income with the gains or losses occurring within another class of income.

(2) Gains or losses under subsection (a)(7) shall be limited solely to that class of income. Losses within this particular class of income may not be used to offset any gain in any other class of income.

\*\*\*

Amend Sec. 2, page 3, line 16, by striking out "2" and inserting

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

The SPEAKER. On the question of the adoption of the amendment, the Chair recognizes the gentleman.

Mr. FAIRCHILD. Thank you, Mr. Speaker.

This amendment simply allows gains to offset losses, similar to what the Federal government — in fact, what the Federal government allows. This will allow Pennsylvania government to offer the same benefits to our citizens. Thank you.

The SPEAKER. On the question, the lady, Miss Mann.

Miss MANN. Thank you, Mr. Speaker.

As a former small business owner, I rise in support of the gentleman's amendment. In fact, this amendment is identical to amendment A0294, which I introduced several weeks ago.

For the first time, net losses from sole proprietorships, partnerships, and other business activities will be able to offset other income for personal income tax purposes. This amendment will bring greater equity to our personal income tax as it encourages entrepreneurship by not penalizing the risktakers who are creating jobs in our economy.

I am glad the gentleman is joining me in support of small business people, and I encourage my colleagues to support this amendment. Thank you.

The SPEAKER. The Chair thanks the lady.

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

The following roll call was recorded:

YEAS-199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman
Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkovitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Herman	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Home
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington



Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdansky	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	Ryan,
Eachus	Maitland	Sather	Speaker
Egolf	Major	Saylor	
Evans			

NAYS-0

NOT VOTING-0

EXCUSED-3

Daley Masland McIlhinney

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

On the question recurring,

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

Bill as amended was agreed to.

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

Adolph	Evans	Major	Saylor
Allen	Fairchild	Manderino	Schroder
Argall	Fargo	Mann	Schuler
Armstrong	Feese	Markosek	Scrimenti
Baker	Fichter	Marsico	Semmel
Bard	Fleagle	Mayernik	Serafini
Barley	Flick	McCall	Seyfert
Barrar	Forcier	McGeehan	Shaner
Bastian	Frankel	McGill	Smith, B.
Battisto	Freeman	McIlhattan	Smith, S. H.
Bebko-Jones	Gannon	McNaughton	Snyder
Belardi	Geist	Melio	Solobay
Belfanti	George	Metcalfe	Staback
Benninghoff	Gigliotti	Michlovic	Stairs
Birmelin	Gladeck	Micozzie	Steelman
Bishop	Godshall	Miller, R.	Steil
Blaum	Gordner	Miller, S.	Stern
Boyes	Grucela	Mundy	Stetler
Browne	Gruitza	Myers	Stevenson
Bunt	Habay	Nailor	Strittmatter
Butkovitz	Haluska	Nickol	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhai	Oliver	Tangretti
Cappabianca	Harhart	Orie	Taylor, E. Z.
Cam	Hasay	Perzel	Taylor, J.
Casorio	Hennessey	Pesci	Thomas
Cawley	Herman	Petrarca	Travaglio
Chadwick	Hershey	Petrone	Trello
Civera	Hess	Phillips	Trich
Clark	Horsely	Pippy	True

Clymer	Hutchinson	Pistella	Tulli
Cohen, L. I.	Jadlowiec	Platts	Vance
Cohen, M.	James	Preston	Van Horne
Colafella	Josephs	Ramos	Veon
Cornell	Kaiser	Raymond	Vitali
Corrigan	Keller	Readshaw	Walko
Costa	Kenney	Reinard	Washington
Coy	Kirkland	Rieger	Williams
Curry	Krebs	Roberts	Wilt
Dailey	LaGrotta	Robinson	Wogan
Dally	Laughlin	Roebuck	Wojnaroski
DeLuca	Lawless	Rohrer	Wright
Dempsey	Lederer	Rooney	Yewcic
Dermody	Leh	Ross	Youngblood
DeWeese	Lescovitz	Rubley	Yudichak
DiGirolamo	Levdansky	Ruffing	Zimmerman
Donatucci	Lucyk	Sainato	Zug
Druce	Lynch	Samuelson	
Eachus	Maher	Santoni	Ryan,
Egolf	Maitland	Sather	Speaker

NAYS-1

Tigue

NOT VOTING-0

EXCUSED-3

Daley Masland McIlhinney

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.

SUPPLEMENTAL CALENDAR A

RESOLUTION

Mr. SOLOBAY called up HR 49, PN 753, entitled:

A Resolution urging municipalities, local authorities and other public and private organizations receiving funds through the Capital Facilities Debt Enabling Act to utilize Pennsylvania and other domestic products, suppliers and contractors whenever possible.

On the question,

Will the House adopt the resolution?

The following roll call was recorded:

YEAS-199

Adolph	Fairchild	Manderino	Schroder
Allen	Fargo	Mann	Schuler
Argall	Feese	Markosek	Scrimenti
Armstrong	Fichter	Marsico	Semmel
Baker	Fleagle	Mayernik	Serafini
Bard	Flick	McCall	Seyfert
Barley	Forcier	McGeehan	Shaner
Barrar	Frankel	McGill	Smith, B.
Bastian	Freeman	McIlhattan	Smith, S. H.
Battisto	Gannon	McNaughton	Snyder
Bebko-Jones	Geist	Melio	Solobay
Belardi	George	Metcalfe	Staback
Belfanti	Gigliotti	Michlovic	Stairs
Benninghoff	Gladeck	Micozzie	Steelman

Birmelin	Godshall	Miller, R.	Steil
Bishop	Gordner	Miller, S.	Stern
Blaum	Grucela	Mundy	Stetler
Boyes	Gruitza	Myers	Stevenson
Browne	Habay	Nailor	Strittmatter
Bunt	Haluska	Nickol	Sturla
Butkowitz	Hanna	O'Brien	Surra
Buxton	Harhai	Oliver	Tangretti
Caltagirone	Harhart	Orie	Taylor, E. Z.
Cappabianca	Hasay	Perzel	Taylor, J.
Carn	Hennessey	Pesci	Thomas
Casorio	Hernan	Petrarca	Tigue
Cawley	Hershey	Petrone	Travaglio
Chadwick	Hess	Phillips	Trello
Civera	Horsey	Pippy	Trich
Clark	Hutchinson	Pistella	True
Clymer	Jadlowiec	Platts	Tulli
Cohen, L. I.	James	Preston	Vance
Cohen, M.	Josephs	Ramos	Van Horne
Colafella	Kaiser	Raymond	Veon
Cornell	Keller	Readshaw	Vitali
Corrigan	Kenney	Reinard	Walko
Costa	Kirkland	Rieger	Washington
Coy	Krebs	Roberts	Williams
Curry	LaGrotta	Robinson	Wilt
Dailey	Laughlin	Roebuck	Wogan
Dally	Lawless	Rohrer	Wojnaroski
DeLuca	Lederer	Rooney	Wright
Dempsey	Leh	Ross	Yewcic
Dermody	Lescovitz	Rubley	Youngblood
DeWeese	Levdanský	Ruffing	Yudichak
DiGirolamo	Lucyk	Sainato	Zimmerman
Donatucci	Lynch	Samuelson	Zug
Druce	Maher	Santoni	
Eachus	Maitland	Sather	Ryan,
Egolf	Major	Saylor	Speaker
Evans			

## NAYS-0

## NOT VOTING-0

## EXCUSED-3

Daley Masland McIlhinney

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

The SPEAKER. For the information of the members, the Chair will hold the desk open for a short period of time. We will then adjourn until tomorrow morning at 11 o'clock. There will be a voting session.

## DEMOCRATIC CAUCUS

The SPEAKER. The gentleman, Mr. Cohen.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, since we last caucused on Monday, there have been a variety of new amendments filed to bills we will be voting on tomorrow, so therefore, there will be a caucus at 10:30 tomorrow morning, 10:30 tomorrow morning, to go over the new amendments that have been filed.

The SPEAKER. The Chair thanks the gentleman.

## VOTE CORRECTIONS

The SPEAKER. The gentleman, Mr. Fargo.

Mr. FARGO. Thank you, Mr. Speaker.

Just a correction to the record.

On HR 56 I failed to vote, and I would like my vote to be recorded in the affirmative, and thank you.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

Ms. Williams.

Ms. WILLIAMS. Thank you, Mr. Speaker.

For the record, on HB 1, amendment A0246, I had a malfunction, and I would like to be recorded as voting in the affirmative, and on A0452 I wish to be registered as voting in the affirmative as well.

The SPEAKER. I am sorry. The first one, in the affirmative. The second one?

Ms. WILLIAMS. In the affirmative as well.

The SPEAKER. The remarks of the lady will be spread upon the record.

## 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. Are there any further corrections to the record? Announcements by committee chairs?

Hearing none, the Chair recognizes the gentleman from Washington, Mr. Solobay.

Mr. SOLOBAY. Mr. Speaker, I move that this House do now adjourn until Wednesday, March 10, 1999, at 11 a.m., e.s.t., unless sooner recalled by the Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 5:29 p.m., e.s.t., the House adjourned.