

COMMONWEALTH OF PENNSYLVANIA

LEGISLATIVE JOURNAL

FRIDAY, OCTOBER 2, 2009

SESSION OF 2009

193D OF THE GENERAL ASSEMBLY

No. 100

HOUSE OF REPRESENTATIVES

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

**THE SPEAKER (KEITH R. McCALL)
PRESIDING**

PRAYER

REV. LOUISE WILLIAMS BISHOP, member of the House of Representatives, offered the following prayer:

Thank you, Mr. Speaker.

Let us pray:

Eternal, all-wise, all-knowing, everlasting Father, we come boldly to Thy throne of grace knowing that it has always been a place of comfort and peace in troubled times. We also know that You are an intervener when there appears to be no other way out.

So today, as this legislative body struggles with the issue of balancing the budget for the Commonwealth of Pennsylvania, I ask humbly for divine intervention in helping us to make a decision that is appropriate for those who are desperately depending upon us.

We ask once again for Thy wisdom and the wisdom of Solomon so that we might be able to stretch without bending and that we might be able to bend without breaking the spirit and the hope of the people we all love and serve.

These are difficult times for all of us, Father. They are very difficult times, and there are difficult decisions that must be made by each and every one of us. We ask that You give us all the courage to be able to make the correct decisions and give us the strength to be able to stand by that decision.

As I close this prayer, I once again ask that You touch the hearts of the people, the people of the Commonwealth of Pennsylvania, that they may understand that in difficult times, all of us must feel a little pain. Help us to draw strength and courage from each other.

And we thank You for all of the blessings of yesterday, the blessings of today, and the blessings that we know we will have tomorrow when tomorrow comes. Amen.

PLEDGE OF ALLEGIANCE

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

The SPEAKER. Members, please report to the floor of the House.

JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, approval of the Journal of Thursday, October 1, 2009, will be postponed until printed. The Chair hears no objection.

LEAVES OF ABSENCE

The SPEAKER. Turning to leaves of absence, the Chair recognizes the gentleman from Greene County, the majority whip, Representative DeWeese, who requests leave of absence for Representative DEASY from Allegheny County for the day; Representative LENTZ from Delaware County for the day; Representative YOUNGBLOOD from Philadelphia County for the day; Representative PALLONE from Westmoreland County for the day. Without objection, the leaves will be granted.

The Chair recognizes the gentleman from Allegheny County, the minority whip, Representative Turzai, who indicates there are no leaves of absence.

MASTER ROLL CALL

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

(Members proceeded to vote.)

LEAVE OF ABSENCE CANCELED

The SPEAKER. The Chair notes the presence of Representative Youngblood on the floor. Her name will be added to the master roll.

MASTER ROLL CALL CONTINUED

The following roll call was recorded:

PRESENT—198

Adolph	Evans, J.	Levdansky	Reese
Baker	Everett	Longiatti	Reichley
Barbin	Fabrizio	Maher	Roae
Barrar	Fairchild	Mahoney	Rock
Bear	Farry	Major	Roebuck

Belfanti	Fleck	Manderino	Rohrer
Benninghoff	Frankel	Mann	Ross
Beyer	Freeman	Markosek	Sabatina
Bishop	Gabig	Marshall	Sainato
Boback	Gabler	Marsico	Samuelson
Boyd	Galloway	Matzie	Santarsiero
Boyle	Geist	McGeehan	Santoni
Bradford	George	McI. Smith	Saylor
Brennan	Gerber	Melio	Scavello
Briggs	Gergely	Mensch	Schroder
Brooks	Gibbons	Metcalfe	Seip
Brown	Gillespie	Metzgar	Shapiro
Burns	Gingrich	Micozzie	Siptroth
Buxton	Godshall	Millard	Smith, K.
Caltagirone	Goodman	Miller	Smith, M.
Carroll	Grell	Milne	Smith, S.
Casorio	Grove	Mirabito	Solobay
Causer	Grucela	Moul	Sonney
Christiana	Haluska	Mundy	Staback
Civera	Hanna	Murphy	Stern
Clymer	Harhai	Murt	Stevenson
Cohen	Harhart	Mustio	Sturla
Conklin	Harkins	Myers	Swanger
Costa, D.	Harper	O'Brien, D.	Tallman
Costa, P.	Harris	O'Brien, M.	Taylor, J.
Cox	Helm	O'Neill	Taylor, R.
Creighton	Hennessey	Oberlander	Thomas
Cruz	Hess	Oliver	True
Curry	Hickernell	Parker	Turzai
Cutler	Hornaman	Pashinski	Vereb
Daley	Houghton	Payne	Vitali
Dally	Hutchinson	Payton	Vulakovich
Day	Johnson	Peifer	Wagner
DeLozier	Josephs	Perzel	Walko
DeLuca	Kauffman	Petrarca	Wansacz
Denlinger	Keller, M.K.	Petri	Waters
DePasquale	Keller, W.	Phillips	Watson
Dermody	Kessler	Pickett	Wheatley
DeWeese	Killion	Preston	White
DiGirolamo	Kirkland	Pyle	Williams
Donatucci	Knowles	Quigley	Youngblood
Drucker	Kortz	Quinn	Yudichak
Eachus	Kotik	Rapp	
Ellis	Krieger	Readshaw	McCall,
Evans, D.	Kula	Reed	Speaker

ADDITIONS—0

NOT VOTING—0

EXCUSED—5

Deasy	Miccarelli	Pallone	Perry
Lentz			

LEAVES CANCELED—3

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

**HOUSE BILL
INTRODUCED AND REFERRED**

No. 2018 By Representatives GERGELY, BEYER, EVERETT, GIBBONS, GODSHALL, HALUSKA, HORNAMAN, KORTZ, KULA, MAHONEY, MURPHY, SIPTROTH, SONNEY and HANNA

An Act amending Title 34 (Game) of the Pennsylvania Consolidated Statutes, further providing for elk hunting licenses.

Referred to Committee on GAME AND FISHERIES, October 2, 2009.

CALENDAR

RESOLUTIONS PURSUANT TO RULE 35

Mr. DALLY called up **HR 368, PN 2251**, entitled:

A Resolution recognizing the significance of the Pennsylvania Rifle in the history of the United States and the Commonwealth of Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—198

Adolph	Evans, J.	Levdansky	Reese
Baker	Everett	Longietti	Reichley
Barbin	Fabrizio	Maher	Roae
Barrar	Fairchild	Mahoney	Rock
Bear	Farry	Major	Roebuck
Belfanti	Fleck	Manderino	Rohrer
Benninghoff	Frankel	Mann	Ross
Beyer	Freeman	Markosek	Sabatina
Bishop	Gabig	Marshall	Sainato
Boback	Gabler	Marsico	Samuelson
Boyd	Galloway	Matzie	Santarsiero
Boyle	Geist	McGeehan	Santoni
Bradford	George	McI. Smith	Saylor
Brennan	Gerber	Melio	Scavello
Briggs	Gergely	Mensch	Schroder
Brooks	Gibbons	Metcalfe	Seip
Brown	Gillespie	Metzgar	Shapiro
Burns	Gingrich	Micozzie	Siptroth
Buxton	Godshall	Millard	Smith, K.
Caltagirone	Goodman	Miller	Smith, M.
Carroll	Grell	Milne	Smith, S.
Casorio	Grove	Mirabito	Solobay
Causer	Grucela	Moul	Sonney
Christiana	Haluska	Mundy	Staback
Civera	Hanna	Murphy	Stern
Clymer	Harhai	Murt	Stevenson
Cohen	Harhart	Mustio	Sturla
Conklin	Harkins	Myers	Swanger
Costa, D.	Harper	O'Brien, D.	Tallman
Costa, P.	Harris	O'Brien, M.	Taylor, J.
Cox	Helm	O'Neill	Taylor, R.
Creighton	Hennessey	Oberlander	Thomas
Cruz	Hess	Oliver	True
Curry	Hickernell	Parker	Turzai
Cutler	Hornaman	Pashinski	Vereb
Daley	Houghton	Payne	Vitali
Dally	Hutchinson	Payton	Vulakovich
Day	Johnson	Peifer	Wagner
DeLozier	Josephs	Perzel	Walko
DeLuca	Kauffman	Petrarca	Wansacz
Denlinger	Keller, M.K.	Petri	Waters
DePasquale	Keller, W.	Phillips	Watson
Dermody	Kessler	Pickett	Wheatley
DeWeese	Killion	Preston	White
DiGirolamo	Kirkland	Pyle	Williams
Donatucci	Knowles	Quigley	Youngblood

Drucker	Kortz	Quinn	Yudichak
Eachus	Kotik	Rapp	
Ellis	Krieger	Readshaw	McCall,
Evans, D.	Kula	Reed	Speaker

NAYS—0

NOT VOTING—0

EXCUSED—5

Deasy	Miccarelli	Pallone	Perry
Lentz			

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

* * *

Mr. SCAVELLO called up **HR 464, PN 2648**, entitled:

A Resolution recognizing the week of October 1 through 7, 2009, as "Trichotillomania Awareness Week" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—198

Adolph	Evans, J.	Levdansky	Reese
Baker	Everett	Longietti	Reichley
Barbin	Fabrizio	Maher	Roae
Barrar	Fairchild	Mahoney	Rock
Bear	Farry	Major	Roebuck
Belfanti	Fleck	Manderino	Rohrer
Benninghoff	Frankel	Mann	Ross
Beyer	Freeman	Markosek	Sabatina
Bishop	Gabig	Marshall	Sainato
Boback	Gabler	Marsico	Samuelson
Boyd	Galloway	Matzie	Santarsiero
Boyle	Geist	McGeehan	Santoni
Bradford	George	McI. Smith	Saylor
Brennan	Gerber	Melio	Scavello
Briggs	Gergely	Mensch	Schroder
Brooks	Gibbons	Metcalfe	Seip
Brown	Gillespie	Metzgar	Shapiro
Burns	Gingrich	Micozzie	Siptroth
Buxton	Godshall	Millard	Smith, K.
Caltagirone	Goodman	Miller	Smith, M.
Carroll	Grell	Milne	Smith, S.
Casorio	Grove	Mirabito	Solobay
Causer	Grucela	Moul	Sonney
Christiana	Haluska	Mundy	Staback
Civera	Hanna	Murphy	Stern
Clymer	Harhai	Murt	Stevenson
Cohen	Harhart	Mustio	Sturla
Conklin	Harkins	Myers	Swanger
Costa, D.	Harper	O'Brien, D.	Tallman
Costa, P.	Harris	O'Brien, M.	Taylor, J.
Cox	Helm	O'Neill	Taylor, R.
Creighton	Hennessey	Oberlander	Thomas
Cruz	Hess	Oliver	True
Curry	Hickernell	Parker	Turzai
Cutler	Hornaman	Pashinski	Vereb
Daley	Houghton	Payne	Vitali
Dally	Hutchinson	Payton	Vulakovich
Day	Johnson	Peifer	Wagner

DeLozier	Josephs	Perzel	Walko
DeLuca	Kauffman	Petrarca	Wansacz
Denlinger	Keller, M.K.	Petri	Waters
DePasquale	Keller, W.	Phillips	Watson
Dermody	Kessler	Pickett	Wheatley
DeWeese	Killion	Preston	White
DiGirolamo	Kirkland	Pyle	Williams
Donatucci	Knowles	Quigley	Youngblood
Drucker	Kortz	Quinn	Yudichak
Eachus	Kotik	Rapp	
Ellis	Krieger	Readshaw	McCall,
Evans, D.	Kula	Reed	Speaker

NAYS—0

NOT VOTING—0

EXCUSED—5

Deasy	Miccarelli	Pallone	Perry
Lentz			

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

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Mr. GRELL called up **HR 468, PN 2678**, entitled:

A Resolution designating the first week of October 2009 as "Children Healthy Lifestyles Week" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—198

Adolph	Evans, J.	Levdansky	Reese
Baker	Everett	Longietti	Reichley
Barbin	Fabrizio	Maher	Roae
Barrar	Fairchild	Mahoney	Rock
Bear	Farry	Major	Roebuck
Belfanti	Fleck	Manderino	Rohrer
Benninghoff	Frankel	Mann	Ross
Beyer	Freeman	Markosek	Sabatina
Bishop	Gabig	Marshall	Sainato
Boback	Gabler	Marsico	Samuelson
Boyd	Galloway	Matzie	Santarsiero
Boyle	Geist	McGeehan	Santoni
Bradford	George	McI. Smith	Saylor
Brennan	Gerber	Melio	Scavello
Briggs	Gergely	Mensch	Schroder
Brooks	Gibbons	Metcalfe	Seip
Brown	Gillespie	Metzgar	Shapiro
Burns	Gingrich	Micozzie	Siptroth
Buxton	Godshall	Millard	Smith, K.
Caltagirone	Goodman	Miller	Smith, M.
Carroll	Grell	Milne	Smith, S.
Casorio	Grove	Mirabito	Solobay
Causer	Grucela	Moul	Sonney
Christiana	Haluska	Mundy	Staback
Civera	Hanna	Murphy	Stern
Clymer	Harhai	Murt	Stevenson
Cohen	Harhart	Mustio	Sturla
Conklin	Harkins	Myers	Swanger
Costa, D.	Harper	O'Brien, D.	Tallman
Costa, P.	Harris	O'Brien, M.	Taylor, J.

Cox	Helm	O'Neill	Taylor, R.
Creighton	Hennessey	Oberlander	Thomas
Cruz	Hess	Oliver	True
Curry	Hickernell	Parker	Turzai
Cutler	Hornaman	Pashinski	Vereb
Daley	Houghton	Payne	Vitali
Dally	Hutchinson	Payton	Vulakovich
Day	Johnson	Peifer	Wagner
Delozier	Josephs	Perzel	Walko
DeLuca	Kauffman	Petrarca	Wansacz
Denlinger	Keller, M.K.	Petri	Waters
DePasquale	Keller, W.	Phillips	Watson
Dermody	Kessler	Pickett	Wheatley
DeWeese	Killion	Preston	White
DiGirolamo	Kirkland	Pyle	Williams
Donatucci	Knowles	Quigley	Youngblood
Drucker	Kortz	Quinn	Yudichak
Eachus	Kotik	Rapp	
Ellis	Krieger	Readshaw	McCall,
Evans, D.	Kula	Reed	Speaker

NAYS-0

NOT VOTING-0

EXCUSED-5

Deasy	Miccarelli	Pallone	Perry
Lentz			

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

CONDOLENCE RESOLUTION

The SPEAKER. Members will please take their seats. We are about to take up a condolence resolution. The Sergeants at Arms will close the doors of the House.

The clerk will read the resolution.

The following resolution was read:

WHEREAS, The House of Representatives of Pennsylvania wishes to honor the memory of the Honorable Lee A. Donaldson, Jr., Esq., who served as a member of the House of Representatives of Pennsylvania with honor and distinction from 1954 to 1970 and passed away at the age of eighty-four on September 3, 2009; and

WHEREAS, A 1946 graduate of Allegheny College, Mr. Donaldson earned a law degree from the University of Pittsburgh in 1950. He was elected to the House of Representatives of Pennsylvania in 1954 and served as Majority Leader in 1967 and Minority Leader in 1969. Mr. Donaldson was a delegate to the Pennsylvania Constitutional Convention in 1967 and 1968 and the Republican National Convention in 1968. After retiring from politics in 1970, he returned to the practice of law and was appointed to a vacant Allegheny County judgeship in 1972; and

WHEREAS, Mr. Donaldson worked with his brother, Harry, at the Donaldson and Donaldson law firm for more than three decades before joining Goehring, Rutter and Boehm in 1988. He further served as Solicitor for several school districts, including Hampton, Pine-Richland and North Hills, and was the first solicitor for the Allegheny Intermediate Unit. Mr. Donaldson continued to practice law into his seventies, and after his retirement he enjoyed traveling extensively with his wife, Katherine, and playing tennis. He also held leadership positions at the Parkwood Presbyterian Church; now therefore be it

RESOLVED, That the House of Representatives of the Commonwealth of Pennsylvania proclaim with enduring sorrow the

passing of the Honorable Lee A. Donaldson, Jr., Esq.; and extend heartfelt condolences to his wife, Katherine Donaldson; sons, Lee III and Stuart; daughter, Kim Dingess; three grandchildren; and many other friends and family members; and be it further

RESOLVED, That a copy of this resolution, sponsored by Representatives Randy Vulakovich and Mike Turzai, be transmitted to Katherine Donaldson.

On the question,

Will the House adopt the resolution?

The SPEAKER. Those in favor of the resolution will rise and remain standing as a mark of respect for the deceased former member. Guests will also rise.

(Whereupon, the members of the House and all visitors stood in a moment of silence in solemn respect to the memory of the Honorable Lee A. Donaldson, Jr., Esq.)

The SPEAKER. The resolution has been unanimously adopted.

The Sergeants at Arms will open the doors of the House.

REMARKS BY MR. TURZAI

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, the minority whip, Representative Turzai.

Mr. TURZAI. Mr. Speaker, thank you very much.

Along with my colleague, Representative Vulakovich – Randy, just join me – I just wanted to say thank you very much to everybody for the condolence resolution, the unanimous support.

Lee was a good friend of ours and continued to be a civic leader in our communities for a significant period of time, and we just wanted to tell you that really up until his untimely passing, this gentleman was one of those folks that continued to represent this body as a statesman throughout our area in the North Hills of Pittsburgh and also throughout Pennsylvania.

REMARKS BY MR. VULAKOVICH

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Representative Vulakovich.

Mr. VULAKOVICH. Thank you, Mr. Speaker.

Lee Donaldson, most of you never heard his name, but there are a few here that have been here for some time that probably knew about Lee and his position here in the House of Representatives.

As a young man at 18, back when politics was not so much on TV or on the radio, I was 18 years old and I knew who my State Rep was. I needed help. My father passed away when I was 14. We were going to lose the house because of back taxes and everything else, and I got the idea to go see somebody. Someone told me in a barber shop, go see your State Representative, and I went to see Lee Donaldson, and he guided me in the right direction. We managed to hold onto the house so that my younger brother and sister and mother would have a place of security.

And I met with him one other time, to go back and thank him for what he had done. It was a very important part of my life. It was a hard part of my life also.

But the one thing about Lee that I really did not know at the time until I talked to Rick Cessar, another State Representative – that was only a little over a decade ago when he left here, and some of you still remember him – he had told me that the little town of Etna, a little borough in Pittsburgh, is where Lee Donaldson grew up, and he became the State Representative for the 30th District. And it was also the little town where Rick Cessar grew up. He became the 30th District Representative. And then I was the third from the little town of Etna to become State Representative.

So from little towns come good things, and Lee Donaldson was one of those good people. And I thank all of you for your support on this resolution. Thank you.

The SPEAKER. The Chair thanks the gentleman.

DEMOCRATIC CAUCUS

The SPEAKER. The Chair recognizes the gentleman from Luzerne County, the majority leader, Representative Eachus, for the purpose of an announcement.

Mr. EACHUS. Thank you, Mr. Speaker.

I would like to announce a 12 o'clock meeting of the Democratic Caucus, and we will return to the House floor at 1:30.

The SPEAKER. The Chair thanks the gentleman.

REPUBLICAN CAUCUS

The SPEAKER. The Chair recognizes the gentlelady from Susquehanna County, Representative Major.

Ms. MAJOR. Thank you, Mr. Speaker.

I would like to announce a Republican caucus at noon. I would ask Republicans to please report to our caucus room at noon. Thank you.

The SPEAKER. The Chair thanks the lady.

GAMING OVERSIGHT COMMITTEE MEETING

The SPEAKER. The Chair recognizes the gentleman from Berks County, Representative Santoni.

Mr. SANTONI. For a committee announcement, Mr. Speaker.

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

Mr. SANTONI. The House Gaming Oversight Committee will be having a meeting in the Irvis Office Building, room G-50, at the call of the Chair to vote on SB 711.

Thank you, Mr. Speaker.

The SPEAKER. Are there any further announcements?

The Chair recognizes the gentleman from Berks County, Representative Santoni, for an announcement.

Mr. SANTONI. Thank you, Mr. Speaker. Just as a point of clarification so the members of the committee know what is going on.

The House Gaming Oversight Committee will meet in room G-50 of the Irvis Office Building at 12 noon – G-50, Irvis Office Building, 12 noon, the Gaming Oversight Committee – to discuss SB 711.

Thank you, Mr. Speaker.

The SPEAKER. Any further announcements?

RECESS

The SPEAKER. This House stands in recess until 1:30 p.m., unless sooner recalled by the Speaker.

RECESS EXTENDED

The time of recess was extended until 1:45 p.m.; further extended until 2:30 p.m.; further extended until 3 p.m.; further extended until 3:30 p.m.; further extended until 3:45 p.m.

AFTER RECESS

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

The SPEAKER. Members will please report to the floor of the House. Members will please report to the floor.

COMMUNICATION

The SPEAKER. The Speaker is in receipt of the following communication, which the clerk will read.

The following communication was read:

A communication dated October 2, 2009, from the Public Employee Retirement Commission regarding SB 369, PN 1450, stating that the amendment will have no actuarial cost impact beyond that described in the previously issued actuarial note for the bill and that an actuarial note for the amendment is not required.

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

CALENDAR CONTINUED

RESOLUTION PURSUANT TO RULE 35

Mr. SIPTROTH called up **HR 476, PN 2719**, entitled:

A Resolution designating the month of October 2009 as "Crime Prevention Month" in Pennsylvania.

On the question,

Will the House adopt the resolution?

The SPEAKER. On that question, the Chair recognizes the gentleman from Monroe County, Representative Siptroth.

Mr. SIPTROTH. Thank you, Mr. Speaker.

I rise today to ask for support of HR 476, which designates October as "Crime Prevention Month" in Pennsylvania.

Since 1984 the National Crime Prevention Council has made October Crime Prevention Month. Schools, businesses, crime watch groups, and government organizations take part. They promote ways to prevent crime, to help create safer communities, and as many of you know, the National Crime Prevention Council's mascot is McGruff the Crime Dog.

McGruff has taught millions of people that law enforcement cannot prevent crime alone. At first he gave commonsense

advice about crime prevention. He told adults that neighbors should watch out for each other. He taught children to be aware of strangers. As the years passed, his focus has evolved to address 21st-century concerns. They range from bullying in schools to Internet safety to telemarketing fraud committed against seniors.

Now I invite the House of Representatives to join McGruff in "taking a bite out of crime." Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

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

(Members proceeded to vote.)

LEAVE OF ABSENCE CANCELED

The SPEAKER. The Chair recognizes and notes the presence of the gentleman from Westmoreland County, Representative Pallone, on the House floor. His name will be added to the master roll.

CONSIDERATION OF HR 476 CONTINUED

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

The following roll call was recorded:

YEAS—199

Adolph	Everett	Longiotti	Reese
Baker	Fabrizio	Maher	Reichley
Barbin	Fairchild	Mahoney	Roae
Barrar	Farry	Major	Rock
Bear	Fleck	Manderino	Roebuck
Belfanti	Frankel	Mann	Rohrer
Benninghoff	Freeman	Markosek	Ross
Beyer	Gabig	Marshall	Sabatina
Bishop	Gabler	Marsico	Sainato
Boback	Galloway	Matzie	Samuelson
Boyd	Geist	McGeehan	Santarsiero
Boyle	George	McI. Smith	Santoni
Bradford	Gerber	Melio	Saylor
Brennan	Gergely	Mensch	Scavello
Briggs	Gibbons	Metcalfe	Schroder
Brooks	Gillespie	Metzgar	Seip
Brown	Gingrich	Micozzie	Shapiro
Burns	Godshall	Millard	Siptroth
Buxton	Goodman	Miller	Smith, K.
Caltagirone	Grell	Milne	Smith, M.
Carroll	Grove	Mirabito	Smith, S.
Casorio	Grucela	Moul	Solobay
Causar	Haluska	Mundy	Sonney
Christiana	Hanna	Murphy	Staback
Civera	Harhai	Murt	Stern
Clymer	Harhart	Mustio	Stevenson
Cohen	Harkins	Myers	Sturla
Conklin	Harper	O'Brien, D.	Swanger
Costa, D.	Harris	O'Brien, M.	Tallman
Costa, P.	Helm	O'Neill	Taylor, J.
Cox	Hennessey	Oberlander	Taylor, R.
Creighton	Hess	Oliver	Thomas
Cruz	Hickernell	Pallone	True
Curry	Hornaman	Parker	Turzai
Cutler	Houghton	Pashinski	Vereb

Daley	Hutchinson	Payne	Vitali
Dally	Johnson	Payton	Vulakovich
Day	Josephs	Peifer	Wagner
DeLozier	Kauffman	Perzel	Walko
DeLuca	Keller, M.K.	Petrarca	Wansacz
Denlinger	Keller, W.	Petri	Waters
DePasquale	Kessler	Phillips	Watson
Dermody	Killion	Pickett	Wheatley
DeWeese	Kirkland	Preston	White
DiGirolamo	Knowles	Pyle	Williams
Donatucci	Kortz	Quigley	Youngblood
Drucker	Kotik	Quinn	Yudichak
Eachus	Krieger	Rapp	
Ellis	Kula	Readshaw	McCall,
Evans, D.	Levdansky	Reed	Speaker
Evans, J.			

NAYS—0

NOT VOTING—0

EXCUSED—4

Deasy	Lentz	Miccarelli	Perry
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The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

GUEST INTRODUCED

The SPEAKER. To the left of the Speaker, the Chair would like to welcome Dr. Warren Licht. He is the chief medical officer and senior vice president of New York Downtown Hospital in Lower Manhattan. He is the guest of Representative Mike Fleck. Will the guest please rise. Welcome to the hall of the House.

LEAVE OF ABSENCE CANCELED

The SPEAKER. The Chair notes the presence of the gentleman from Delaware County, Representative Lentz, on the House floor. His name will be added to the master roll.

GUEST INTRODUCED

The SPEAKER. To the left of the Speaker, the Chair welcomes Selin Peker. She is an intern in the Speaker's Office. Selin, welcome to the hall of the House.

RESOLUTIONS PURSUANT TO RULE 35

Mr. J. TAYLOR called up **HR 478, PN 2728**, entitled:

A Resolution designating October 4, 2009, as "Pulaski Day" and the month of October 2009 as "Polish American Heritage Month" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—200

Adolph	Everett	Longietti	Reese
Baker	Fabrizio	Maher	Reichley
Barbin	Fairchild	Mahoney	Roae
Barrar	Farry	Major	Rock
Bear	Fleck	Manderino	Roebuck
Belfanti	Frankel	Mann	Rohrer
Benninghoff	Freeman	Markosek	Ross
Beyer	Gabig	Marshall	Sabatina
Bishop	Gabler	Marsico	Sainato
Boback	Galloway	Matzie	Samuelson
Boyd	Geist	McGeehan	Santarsiero
Boyle	George	McI. Smith	Santoni
Bradford	Gerber	Melio	Saylor
Brennan	Gergely	Mensch	Scavello
Briggs	Gibbons	Metcalfe	Schroder
Brooks	Gillespie	Metzgar	Seip
Brown	Gingrich	Micozzie	Shapiro
Burns	Godshall	Millard	Siptroth
Buxton	Goodman	Miller	Smith, K.
Caltagirone	Grell	Milne	Smith, M.
Carroll	Grove	Mirabito	Smith, S.
Casorio	Grucela	Moul	Solobay
Causer	Haluska	Mundy	Sonney
Christiana	Hanna	Murphy	Staback
Civera	Harhai	Murt	Stern
Clymer	Harhart	Mustio	Stevenson
Cohen	Harkins	Myers	Sturla
Conklin	Harper	O'Brien, D.	Swanger
Costa, D.	Harris	O'Brien, M.	Tallman
Costa, P.	Helm	O'Neill	Taylor, J.
Cox	Hennessey	Oberlander	Taylor, R.
Creighton	Hess	Oliver	Thomas
Cruz	Hickernell	Pallone	True
Curry	Hornaman	Parker	Turzai
Cutler	Houghton	Pashinski	Vereb
Daley	Hutchinson	Payne	Vitali
Dally	Johnson	Payton	Vulakovich
Day	Josephs	Peifer	Wagner
Delozier	Kauffman	Perzel	Walko
DeLuca	Keller, M.K.	Petrarca	Wansacz
Denlinger	Keller, W.	Petri	Waters
DePasquale	Kessler	Phillips	Watson
Dermody	Killion	Pickett	Wheatley
DeWeese	Kirkland	Preston	White
DiGirolamo	Knowles	Pyle	Williams
Donatucci	Kortz	Quigley	Youngblood
Drucker	Kotik	Quinn	Yudichak
Eachus	Krieger	Rapp	
Ellis	Kula	Readshaw	McCall,
Evans, D.	Lentz	Reed	Speaker
Evans, J.	Levdansky		

NAYS—0

NOT VOTING—0

EXCUSED—3

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

* * *

Mr. WHEATLEY called up **HR 479, PN 2729**, entitled:

A Resolution designating October 22, 2009, as "Lights on Afterschool! Day" in Pennsylvania.

On the question,
Will the House adopt the resolution?

The following roll call was recorded:

YEAS—200

Adolph	Everett	Longietti	Reese
Baker	Fabrizio	Maher	Reichley
Barbin	Fairchild	Mahoney	Roae
Barrar	Farry	Major	Rock
Bear	Fleck	Manderino	Roebuck
Belfanti	Frankel	Mann	Rohrer
Benninghoff	Freeman	Markosek	Ross
Beyer	Gabig	Marshall	Sabatina
Bishop	Gabler	Marsico	Sainato
Boback	Galloway	Matzie	Samuelson
Boyd	Geist	McGeehan	Santarsiero
Boyle	George	McI. Smith	Santoni
Bradford	Gerber	Melio	Saylor
Brennan	Gergely	Mensch	Scavello
Briggs	Gibbons	Metcalfe	Schroder
Brooks	Gillespie	Metzgar	Seip
Brown	Gingrich	Micozzie	Shapiro
Burns	Godshall	Millard	Siptroth
Buxton	Goodman	Miller	Smith, K.
Caltagirone	Grell	Milne	Smith, M.
Carroll	Grove	Mirabito	Smith, S.
Casorio	Grucela	Moul	Solobay
Causer	Haluska	Mundy	Sonney
Christiana	Hanna	Murphy	Staback
Civera	Harhai	Murt	Stern
Clymer	Harhart	Mustio	Stevenson
Cohen	Harkins	Myers	Sturla
Conklin	Harper	O'Brien, D.	Swanger
Costa, D.	Harris	O'Brien, M.	Tallman
Costa, P.	Helm	O'Neill	Taylor, J.
Cox	Hennessey	Oberlander	Taylor, R.
Creighton	Hess	Oliver	Thomas
Cruz	Hickernell	Pallone	True
Curry	Hornaman	Parker	Turzai
Cutler	Houghton	Pashinski	Vereb
Daley	Hutchinson	Payne	Vitali
Dally	Johnson	Payton	Vulakovich
Day	Josephs	Peifer	Wagner
Delozier	Kauffman	Perzel	Walko
DeLuca	Keller, M.K.	Petrarca	Wansacz
Denlinger	Keller, W.	Petri	Waters
DePasquale	Kessler	Phillips	Watson
Dermody	Killion	Pickett	Wheatley
DeWeese	Kirkland	Preston	White
DiGirolamo	Knowles	Pyle	Williams
Donatucci	Kortz	Quigley	Youngblood
Drucker	Kotik	Quinn	Yudichak
Eachus	Krieger	Rapp	
Ellis	Kula	Readshaw	McCall,
Evans, D.	Lentz	Reed	Speaker
Evans, J.	Levdansky		

NAYS—0

NOT VOTING—0

EXCUSED—3

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

**BILL ON CONCURRENCE
IN SENATE AMENDMENTS
AS AMENDED**

The House proceeded to consideration of concurrence in Senate amendments to the following **HB 1531, PN 2737**, as further amended by the House Rules Committee:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in sales and use tax, further providing for exclusions, for time for filing returns and for time of payment; in personal income tax, further providing for classes of income, for operational provisions and for payment of withheld taxes; in corporate net income tax, further providing for definitions; in capital stock franchise tax, further providing for definitions and reports, for imposition and for expiration; in gross receipts tax, further providing for imposition; in cigarette tax, further providing for incidence and rate, for floor tax, for the Health Care Provider Retention Account and for commissions on sales; further providing for other violations; providing for tobacco products tax and for severance tax; in research and development tax credit, further providing for carrying of credit; providing for educational improvement tax credit; repealing tax amnesty provisions; providing for reduction of tax credits; providing for tax amnesty for fiscal year 2009-2010; providing for penalties for corporate officers, for examination of books and records and for table games; and making related repeals.

On the question,

Will the House concur in Senate amendments as amended by the Rules Committee?

The SPEAKER. On the question, will the House concur in the amendments inserted by the Senate as amended by the House?

Mr. S. SMITH. Mr. Speaker?

The SPEAKER. The Chair recognizes the gentleman from Jefferson County, the minority leader, Representative Smith.

The House will come to order. The House will come to order.

The House will come to order. Members will please take their seats. The Sergeants at Arms will clear the aisles. The Chair would ask the members to take their conversations off the floor. Members will please take their seats.

On the question, will the House concur in the amendments inserted by the Senate as amended by the House? On that question, the Chair recognizes the gentleman from Jefferson County, the minority leader, Representative Smith.

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

I am just going to make a couple of quick opening comments and not belabor this. I am sure there are some other members that have some comments or whatever. But this is a Tax Code bill. It has probably roughly \$1 billion in tax increases in it. And while we had some discussion at the Rules Committee meeting last night about the specifics, I will let others talk about and enumerate the specific changes to the Tax Code that are embodied with this legislation as amended.

Mr. Speaker, the real simple truth of it is that in this economic atmosphere that the people of Pennsylvania are facing, raising taxes is simply not the direction to go. And while some will argue that it is not a broad-based tax because it is not increasing the PIT (personal income tax) and it is not increasing

the sales tax, which we generally refer to as broad-based taxes, when you look at all the various taxes that are increased in this, from the small business tax impact that this has to the tobacco taxes to the reduction in the tax credits – and particularly the one that is of most interest to me is the educational improvement tax credit, the EITC – clearly this legislation affects a broad base of people in Pennsylvania.

The inclusion of a gas severance tax is something that is pretty much putting up a "You're Not Welcome" sign to the one industry that truly has the opportunity to boom in this Commonwealth. At a time when we are looking to generate economic activity, we are just removing the welcome mat from Pennsylvania by telling this industry that we are going to start to tax them.

The fact is, Mr. Speaker, if this were a Fortune 500 company, a single company that was looking to locate in Pennsylvania with the number of jobs that this industry represents over the next few years, we would be doing somersaults backwards, Mr. Speaker, to provide them tax credits or tax exemptions of their own or providing some form of economic stimulus money. But as it is, this industry is scattered across and it is actually many different businesses and it affects a lot of the economy in rural Pennsylvania, and potentially in a very positive way, and I feel that that is something that is simply the wrong direction for Pennsylvania to go.

The tax on smokeless tobacco – I have heard some say that that means if you are voting for that, you are standing up to big tobacco. Well, Mr. Speaker, big tobacco is not going to pay this tax; it is going to be the consumers, and the consumers are primarily those blue-collar working people – the guys that are working in the mines, the guys that are working on these gas wells, the people that work in factories. It is very much a tax on the everyday citizen.

The educational improvement tax credit, as I mentioned before, is another one that I think is sending the wrong message. While this overall budget that may be under consideration relative to this Tax Code bill is proposing to spend a lot of new money in public education, and probably 40 percent of that is going to the city of Philadelphia, we are sending just the opposite message when you look at the educational improvement tax credit. We are saying that those low-income kids are going to be hurt.

And the educational improvement tax credit, Mr. Speaker, does not just deal with private schools; it deals with public schools, and in my area, I have seen it benefit both. I have seen it as the scholarship side on the private for low-income individuals and I have seen it in the public school where it has been used to advance arts-type programs, art education-type programs, dual enrollment-type programs, things of that nature that are creative. And perhaps it is something that the school board at that particular school just was not willing or prepared to raise taxes to do, but a business foundation that was set up to provide the public-side education tax credit stood there to help those programs grow.

The SPEAKER. The gentleman will yield. The gentleman will yield.

The House will come to order. There is entirely too much noise. It is going to be a long night. The less I interrupt the debate, the quicker we get out of here.

The gentleman may continue.

Mr. S. SMITH. Thank you, Mr. Speaker. I will wrap up, because I am sure I will be back up at some other point, and I certainly want to give the other members an opportunity to express their views on this as well.

But when you get right down to it, the people of Pennsylvania are clearly saying that we need to live within our means, that we need to tighten our belt as a State government, just like every household and every business across this Commonwealth and throughout this country is doing.

When you talk to people on the street, and I have had absolute total strangers come up to me and say, you guys are doing the right thing by trying to hold off these tax increases; you are doing the right thing. The taxpayers expect us to provide savings to them in this budget by reducing spending. They do not expect us to increase our spending over time by increasing taxes.

It is not a bottomless well. It is not a bottomless pit where every time State government wants to spend more money or feels the need to that we just keep spending and spending and spending. There is a limit. There is a limit to how much the individuals can pay, and there is a limit to how much the businesses can pay.

A lot of businesses, perhaps on the tobacco side of this – Pennsylvania is a notable tobacco State – maybe the guy in Lancaster County that is growing tobacco cannot pick up his farm and move it somewhere, but the guy that is manufacturing the cigars, they can. They can move their factory to Florida, and those are the kinds of things we are going to see.

In a negative economy, this is the wrong direction to go, Mr. Speaker, and the House Republicans stand in opposition to increasing taxes and we stand for a budget that will control our spending and produce greater savings to the taxpayers, and I would urge the members to vote against HB 1531 and the tax increases that are embodied in it.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

FILMING PERMISSION

The SPEAKER. The Chair wishes to advise the members that he is giving permission to Carolyn Kaster from the Associated Press to take still photographs of the General Assembly.

CONSIDERATION OF HB 1531 CONTINUED

BILL PASSED OVER TEMPORARILY

The SPEAKER. We will go over the bill temporarily just to go to reports of committees.

BILL REPORTED FROM COMMITTEE, CONSIDERED FIRST TIME, AND TABLED

SB 711, PN 1460 (Amended)

By Rep. SANTONI

An Act amending Title 4 (Amusements) of the Pennsylvania Consolidated Statutes, further providing for legislative intent, for definitions, for the Pennsylvania Gaming Control Board established, for applicability of other statutes, for powers of the board and for code

of conduct; providing for expenses of regulatory agencies; further providing for licensed gaming entity application appeals from board, for license or permit application hearing process and public hearings, for board minutes and records, for regulatory authority of board, for collection of fees and fines, for slot machine license fee, for number of slot machines and for reports of board; providing for report by slot machine licensee; further providing for diversity goals of board and for license or permit prohibition; providing for specific authority to suspend slot machine license; further providing for Category 3 slot machine license, for applications for license or permit, for slot machine license application character requirements, for slot machine license application financial fitness requirements, for supplier licenses and for manufacturer licenses; providing for gaming service provider and for alternative supplier licensing standards; further providing for occupation permit application, for additional licenses and permits and approval of agreements, for license renewals, for change in ownership or control of slot machine licensee and for nonportability of slot machine license; providing for appointment of trustee; authorizing table games; further providing for slot machine license deposits; providing for limitation on recovery of costs; further providing for gross terminal revenue deductions, for itemized budget reporting, for establishment of State Gaming Fund and net slot machine revenue distribution, for distributions from Pennsylvania Race Horse Development Fund, for Pennsylvania Gaming Economic Development and Tourism Fund, for transfers from State Gaming Fund, for responsibility and authority of Department of Revenue, for wagering on credit, for no eminent domain authority, for compulsive and problem gambling program, for labor hiring preferences, for declaration of exemption from Federal laws prohibiting slot machines and for financial and employment interests; providing for additional restrictions; further providing for political influence, for regulation requiring exclusion of certain persons; providing for prosecutorial and adjudicative functions; further providing for investigations and enforcement, for conduct of public officials and employees and for prohibited acts and penalties; providing for additional authority and for report of suspicious transactions; further providing for interception of oral communications; providing for electronic funds transfer terminals; regulating junkets; and providing for gaming schools.

GAMING OVERSIGHT.

CONSIDERATION OF HB 1531 CONTINUED

The SPEAKER. Returning to HB 1531 on concurrence in Senate amendments as amended by the House, the Chair recognizes the gentleman from Luzerne County, the majority leader, Representative Eachus.

Mr. EACHUS. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support this budget. And I rise to say I respect the gentleman from Jefferson's position, but the gentleman's position gives us no solutions to complete this budget impasse.

We are now 94 days beyond our statutory deadline. Children are losing day-care services. Many have lost it already. Our county human services departments are at a breaking point. Children have lost health-care access. There is concern for our public schools, because many of them have taken bridge loans to get them through this very difficult moment.

What House Democrats are for today are solutions, to try and move a budget process forward that is responsible, that guarantees that as part of a spending plan, which will come later, that the ability to focus on very vital services for Pennsylvanians are met – for children in health care and education, for seniors in long-term care, for the ability to fund our public schools this year during this very difficult economic moment that guarantees that we do not see a funding cliff that increases school property taxes across the Commonwealth. That takes focus; it takes cuts.

We had a \$3.2 billion deficit this year. That deficit has hampered the growth that we had prior to this national economic downturn that we all face, but it takes leadership at this moment to find a way through. This proposal, which will give us the ability to move the process forward, takes into consideration the difficulties that Pennsylvania's families face. It allows for the ability to focus our effort on an extraction tax, which would take, as natural gas is pumped from the ground across the Marcellus Shale fields of Pennsylvania, that that extraction tax guarantees a resulting revenue stream to Pennsylvanians that allows us, when that natural resource is gone, that Pennsylvanians see social benefit.

We also have advanced in this package an other-tobacco-products tax on cigars and smokeless tobacco and cigarillos, as they are called, that allows for a tax to be applied, because we are the only State in the Union that does not tax those tobacco products.

We also feel strongly that the confines that we worked with our Senate colleagues, the suspension of the capital stock and franchise tax and the ability to take some concepts put forward by our Republican colleagues in this chamber relating to tax amnesty proposals, we have listened. We have tried to find solutions and best ideas from all the parties involved. But right now the people of Pennsylvania demand action on this budget. They demand results. After 3 days of consideration, this Democratic Caucus in this chamber will put forward this revenue package that shows that we can stay within the confines of the agreement that we have with our Senate colleagues of about \$1.2 billion in revenue and a \$27.945 spending level, which is below last year's spending.

We understand that we need to be conservative in this moment, but we also know that the needs of Pennsylvanians must be met – the needs of our children, the needs of our seniors, the needs of our educational system, the needs of vital services that really hinge on life and death. Inside this budget are lines like kidney dialysis. We need to provide those services or people die. The system that actually tracks child predators, the Megan's Law list, is a computer that our police forces use to make sure that our children are protected in our communities. We know where those predators live. That is funded in here. And unlike California, unlike California, we are not willing to release prisoners into the street to cut our way out of this budget. This package that we have is a mix of responsible revenue and cuts – and cuts.

This is a moment that requires leadership. The people of Pennsylvania are waiting. Our counties are waiting. We need to act today and tonight to send this revenue package and a signal about what the Democratic Caucus feels strongly about. Yes, we agree that we should have the framework of a deal that we worked out with the Senate, and we believe that that conversation will and should continue in a bipartisan way. We need that. But we need action, and we need action tonight. Our members are going to speak loud and clear this evening, and we hope that the answer from the Republican Party is not just "no."

I stand in support of this bill, and I look forward to the discussion.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia County, the chairman of the House Appropriations Committee, Representative Evans.

Mr. D. EVANS. Thank you, Mr. Speaker.

Mr. Speaker, today is October 2 – 94 days, 94 days into the budget year. I have said consistently that I am not interested in

pointing fingers. I believe, Mr. Speaker, that we, not as Democrat or Republican but as Pennsylvania, must help solve this problem.

HB 1531 on concurrence, I believe, Mr. Speaker, goes a long way to help us to resolve this budget problem. It is a plan, Mr. Speaker, as the majority leader has just expressed, that has recommendations not just from this House but from the Senate Democrats and the Senate Republicans. But let us first talk about some of the items from this House.

One of the items is the amnesty program, a program that was recommended by someone on the House Republican side. And that amnesty program was a program that was done under the Ridge administration, and it was a program that was successful in bringing in dollars. That is included—

Mr. DeWEESE. Mr. Speaker? Mr. Speaker? Excuse the interruption, but could we please have order on the floor of the House?

The SPEAKER. The gentleman is absolutely correct.

Mr. DeWEESE. Thank you, Mr. Speaker.

The SPEAKER. The gentleman will yield.

The House will come to order. Members will please take their seats. Will the conferences around the majority leader's desk break up.

The House will come to order. The House will come to order.

The gentleman, Mr. Evans, may proceed.

Mr. D. EVANS. Thank you, Mr. Speaker.

Mr. Speaker, as I was just expressing, HB 1531 on concurrence came about from a lot of discussion from a lot of people. And one of the issues I was referring to was the tax amnesty program that was recommended by one of our colleagues on the other side of the aisle, but it was an initiative that was started under the Ridge administration, and it was successful in terms of the dollars that it brought into the Commonwealth of Pennsylvania. The second issue, Mr. Speaker, which also was something that came from this side of the aisle, was the corporate net income tax, the suspension of it. It was recommended at a different rate, but the Senate also recommended that as a part of the discussion. But what we also tied into it, Mr. Speaker, was the net operating loss carryforward initiative, to send a message to our business community that we understand that they are having a rather challenging time, that we all must share in the sacrifice.

The other aspect, Mr. Speaker, that I worked closely on with the Republican leader is the tax credit. It was not an issue where we just targeted one particular tax credit, Mr. Speaker; all the tax credits took some sacrificing in that initiative. Mr. Speaker, we also looked at the issue around tobacco products, something, Mr. Speaker, that in the State of Connecticut, they raised the tax \$3 a pack on cigarettes.

I describe these things to you, Mr. Speaker, because the reality of it is that all these things have to be a part of the solution. On February 6 when the Governor came before this House, there was a deficit problem of \$2,300,000,000. Three months later it was a \$3.2 billion problem. In the initiative that we have dealt with, Mr. Speaker, we have had to make cuts, cuts in the ballpark of \$2 billion. The spend number, Mr. Speaker, that is in the spending program is \$27,450,000,000. That spend number, Mr. Speaker, is less than what it was last year. Let me repeat that: The spend number is less than what it was last year. So \$2 billion in cuts; the spend number is less than what it was last year; and under this

package, we are talking about \$1 billion in additional revenue. We are not talking about broad-based tax, Mr. Speaker. We are not talking about broad-based tax. We are talking about targeting. We are talking about cigarettes, smokeless – that is what we are talking about, Mr. Speaker. We are saying here today that we recognize all Pennsylvanians – those who pay the bill and those who require services – all understand we have to sacrifice. We have made some tough choices, Mr. Speaker, and they have not been easy.

So being that this is October 2 and 94 days into the budget year— It is not the fault of the House Republicans. It is not the fault of the Senate Republicans. It is not the fault of the Senate Democrats or the House Democrats or the Governor. It is what is happening nationally in the nation. This is one time, Mr. Speaker, I hope in my political career, just one time we can transcend the aspect of partisanship. I understand that people take certain positions and they basically say, well, this is the position we are going to maintain. Well, Mr. Speaker, the election is not until next year. What we are doing this year, Mr. Speaker, as the majority leader said, is trying to have enough resources to, one, invest in education; two, to invest in our environment; three, to invest in our veterans; four, to invest in our children; five, to invest in jobs.

We recognize, Mr. Speaker, that this is not our money, that we are only temporary stewards of this money. This money belongs to the taxpayers of the Commonwealth of Pennsylvania, and like any taxpayers, we all have to make choices and sacrifices. We recognize you cannot do it through taxes and you cannot do it completely through cuts. What we have here, Mr. Speaker, we believe is a sound, sound, commonsense approach to dealing with the challenges that we face today. It is not easy. If it was easy, Mr. Speaker, we would have gotten it done on June 30, but we did not get it done and this is not the time to point fingers at anyone. This is not any particular person's fault. But now, Mr. Speaker, there is an opportunity for us to attempt to solve this problem, and HB 1531 on concurrence is just a part of the solution. The other part, Mr. Speaker, is the \$2 billion in reductions that we made in the spending plan. So on one hand, Mr. Speaker, we are talking about offering some additional revenue, and on the other hand, Mr. Speaker, we are talking about reductions that we have made.

So I am saying to you that we would hope you would take a real strong consideration and look at this package closely. If you look at it, there are a lot of different fingerprints and a lot of different thoughts on this particular package. This is not the time, with 94 days past the deadline on October 2 when we need to pass a budget, to be pointing fingers. I joked with the Republican leader the other day – and I did not bring it with me – I joked with him about my olive branch, and I put out that olive branch because I really feel that if we are going to move Pennsylvania forward, we cannot do it by pointing fingers. We have to do it by working together. I understand the political skirmishes. I understand the politics. I understand the one-upmanship, but I also understand this, that it is time to get this done. I also understand that we are the only State in the entire nation which does not have our budget done – the entire nation. So I want to be clear: When the press and individuals look, they do not make a distinction and say it is the Democrats' fault or it is the Republicans' fault. They look at all of us and they say, why can you people not get this done? I try to explain to them that it is challenging and it is difficult, but they are not

interested in hearing that. They kind of do not want to know how the sausage is made. They just want to begin to eat the sausage. That is where we are today, Mr. Speaker.

HB 1531 as amended, as it came out of the Rules Committee, is a part of the overall solution. It is a part of it. I am hoping, I am hoping that you will look at this carefully and think about it. I am hoping you will recognize where we are today, October 2, 94 days. I am hoping you will understand that this, in my view, is an opportunity to close this budget challenge out. This is not a perfect plan. This does not solve every single issue, and I know, with 203 members, some of you would have complete differences if you had to put this together by yourself, but it is a plan, Mr. Speaker. We have attempted to make sure that everybody is participating in this process.

So let us just talk about some of the challenges we have as we look towards the future. One of the challenges we have as we look towards the future is the question around funding our education. Our education is extremely important to economic growth. There is a direct connection to education and economic growth. Health care, health care you see taking place on the national level. We also need to make investments in health care because there is a direct connection to health care and economic growth. Our environment, our parks, our trees – all aspects of our environment are also important. When you are talking about quality of life, Mr. Speaker, that, too, is important. Our veterans, Mr. Speaker, our veterans who every day are fighting for us—

PARLIAMENTARY INQUIRY

The SPEAKER. For what purpose does the gentleman from Butler, Representative Metcalfe, rise?

Mr. METCALFE. Parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. METCALFE. Mr. Speaker, I think in the past when we have debated the appropriations bill, we were encouraged from the Speaker to stay on line with talking about those spending increases and those spending parts of the appropriations bill. The current speaker is off on the appropriations bill when I thought we were actually considering the tax increase bill that the Democrats want to push through today, Mr. Speaker. If we could just get back to the Tax Code bill and not be talking about the appropriations bill, I would appreciate it. It would help expedite the process, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

Mr. D. EVANS. Mr. Speaker, all of this is interconnected, the spending plan and the revenue plan. In order to do the spending plan, you have to talk about the revenue plan. And I think it is important, Mr. Speaker, to recognize that in this particular plan, we are talking in the ballpark of about \$1 billion. We are also, Mr. Speaker, talking about \$2 billion in cuts. We are also talking about the investments that we are making in the people of the Commonwealth of Pennsylvania. I think it is important for all of us to look at this as a holistic approach. There is not one single answer to the challenges that we face today. So, Mr. Speaker, what I want people to look at as I was talking about the challenges and I talked about education and I talked about health care and I talked about the environment and I talked about veterans; I talked about them because they are all a part of Pennsylvania, and they are all

waiting for us, collectively, to solve this budget problem. They are not looking at just one party; we all are responsible. We all took that oath to meet the Constitution of the United States and the Constitution of Pennsylvania. We all have responsibility and it is 94 days past the deadline – no pointing fingers, but we are all responsible. We are all responsible for getting this problem resolved. So no matter how we got to this particular position, Mr. Speaker, in terms of one-upmanship, the reality of it is, we have a chance to take a major step forward by passing HB 1531.

The other challenge I think we have to look at, Mr. Speaker, is we have to recognize the issues that we have in terms of our budget and our tax structure. We have a tax structure, Mr. Speaker, that we obviously have to make some changes to, but we have to make adjustments on the spending side. We recognize, Mr. Speaker, that we cannot do it strictly through taxes and we cannot do it strictly through cuts, that we have to have a balanced and a commonsense approach. We believe, in this package, that is just what we have. We have a sensible approach. We have an approach that we believe, Mr. Speaker, that Pennsylvanians – all Pennsylvanians – can embrace. They are not worrying about if it is Democrat or Republican. They are worrying about as Pennsylvanians, are we going to get this done? So I am saying to you as I look at the challenges that we face today that we have an awful lot of work to do. I mentioned to you about education, I mentioned to you about health care, I mentioned to you about the environment, and I mentioned to you about veterans – all of them, Mr. Speaker, because this money is reinvested back into the people of this State. It is not invested in people in Ohio, it is not invested in people in West Virginia, it is not invested in people in New Jersey, but it is reinvested back to Pennsylvanians. So Pennsylvanians, who are paying our salaries, we are reinvesting back into the 67 counties, the 2600 local governments – rural, urban, suburban. We are reinvesting back into the people of this State.

So I understand the politics. I understand the issue about one-upmanship, but I guess the one thing I will not understand is understanding that this is not any particular group's fault and that we all have a responsibility. I understand you may say, well, majority leader, you really designed this bill and you did not give us chance for any input. Well, I can just tell you, Pennsylvanians are not interested in that kind of argument. What they are interested in is that this does not go on to be day 100 or day 200. They want this resolved, and they want it resolved now. HB 1531, in my view, Mr. Speaker, moves it in that direction. I understand that you may have some concerns about particular items in this bill, but at the end of the day, Mr. Speaker, we have to get it done. I am hoping, Mr. Speaker, on both sides of the aisle, that people are understanding that people are watching us and watching our collective performance. They are not just watching the majority leader's performance or the Republican leader's performance, but they are watching all of our performances. They all recognize that we all have a responsibility. They are recognizing that we have to do something and we have to do it now.

Now, in an ideal world, I understand that people like to have perfect plans – a perfect tax plan, a perfect budget – and there has to be some time when there would have to be no pain, but the reality of it is, when you look at the approach we have taken, we have tried to make sure, across the board, across the board, we have all had to sacrifice. We recognize the times we are in. This economy, this recession, depression we have been in is not the fault of the members of the General Assembly. It is

not the fault of the members of the General Assembly, but it is something that we have to deal with. So, Mr. Speaker, I say to you today that I am hoping – and I would love to be shocked, I would love to be shocked just one time – that we can send a message to the people of this State that this is really going to be a bipartisan issue and not an issue, not an issue where we are pointing fingers at each other and blaming that I did not have input, I was not there, you did not talk to me, you do not want to be around me. I would just hope, and after being here for 29 years, it is amazing that I still believe in the House of Representatives; not a sense of cynicism, very much a sense of optimism. I know I hear people come up to me and say to me, how can you be here for 29 years and still be very optimistic about this place? I am optimistic because I am optimistic about people, and I believe whenever people are communicating and whenever people are working together, no matter what their differences may be, no matter what their shapes may be, no matter what their sizes may be, no matter what their parties may be, at the end of the day, we can come together. We can find a way to move this State forward.

With 94 days, October 2, we finally need to begin to move through that process. That can only happen, Mr. Speaker, with starting by voting for HB 1531. HB 1531, I believe, Mr. Speaker, has in it the parts that are necessary to begin to try to close out this very difficult nightmare that all Pennsylvanians have been sharing in, because this has been a nightmare. This has not been something that we can be proud of. Mr. Speaker, let me just say this to you: There are not going to be any winners in this. You know, in politics, when they do a story, they like to usually do a story about winners and losers. They usually like to say, well, the Democrats win and the Republicans win, and the majority leader is up and the Republican leader is down or vice versa, but there are no winners in this, Mr. Speaker. The only winners we need to have are the people of the Commonwealth of Pennsylvania, because that is who we are serving. The people, Mr. Speaker, that is who we are serving.

Now, this package is a part of a longer plan. It is a plan, Mr. Speaker, that we all know has to happen. We know it has to happen because, Mr. Speaker, even in the House Republican plan when it first came out, you recognized, in Representative Mario Civera's amendment, that you needed new money, you needed additional money. So in the plan that you offered, you recognized it needed more money. The Senate recognized it needed more money. They knew they could not just cut their way out of this problem, and that is where we are today.

Mr. Speaker, may I get a little order, please?

The SPEAKER. The gentleman is correct. The House will come to order.

The gentleman, Mr. Evans, may proceed.

Mr. D. EVANS. Thank you, Mr. Speaker.

Mr. Speaker, the reason I am taking a little bit more extra time than I normally do when I am speaking on the issue is because this is October 2, 94 days. What I am hoping, Mr. Speaker, and I am hoping if I am registering with you, I am hoping that if I am touching something inside of you that you understand that we have to get this solved. I understand some of you may differ with what has happened in the process. Some of you may not have liked the process. Some of you may not even care about the process. Some of you may not even like me. Some of you, let me repeat that again – now, do not get upset over that – some of you may not even like me. I respect that, but

what is interesting is, what is interesting is, it is not about me. It is not about you. It is about 12 million people. It is not about you, it is not about me; it is about people. We are elected, not ordained, not appointed. We are here to do a job.

Now, I said that to you to get your attention, and it got your attention, but what I want to get your attention with is HB 1531. I need you to think about it. I need you to really understand the dynamics of us trying to solve this budget, that in order to solve this budget, Mr. Speaker, it is going to take a collective effort. You know, I said from the beginning that we needed the cooperation of all the caucuses and the Governor. And in a strange way – we got there in a very strange way, not the way I would have loved to have gotten there, but you have to take the cards you are dealt with; that is kind of like what life is about. HB 1531 is that perfect example. In an ideal situation, it would be great if everybody would have been participating to make this happen, but some folks made decisions early where they said, I do not want to participate, and I respect that. We cannot make people participate who choose not to participate because that is what you call choice; that is what you call options; that is what you call freedom; that is what you call liberation. Well, that is where we are. But what I am hoping for, Mr. Speaker, is that we have sent a message, we have sent a message to the people of this State that we want to get this done, and we want to get it done now.

It, again, Mr. Speaker, cannot happen unless we all work together. So, Mr. Speaker, I stand here today – and you can look at the details of it on your computer – hoping more than ever before with HB 1531 on concurrence, that you really do a little soul-searching and that in that soul-searching, you understand, on this 94th day, on October 2, that we get it now. Let us vote "yes" on HB 1531.

Thank you very much, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Delaware County, Representative Civera.

Mr. CIVERA. Thank you, Mr. Speaker.

Mr. Speaker, let me begin by saying first of all to the majority chairman about liking him: I like him. I thought we have been working together good in the last 3 years, but however, when it comes to issues of HB 1531 on concurrence, a Tax Code bill, 94 days into the year, no State budget, and then I hear across the aisle that the Republicans never put forward a good foot as far as what their ideas were, when in fact, Mr. Speaker, there have been two spending plans that were put forth, news conferences, bills introduced in the Appropriations Committee. One bill was shared by the other side of the aisle and all of a sudden, when they looked at it, they did not want to deal with it. Today should not be 94 days. Here is a timeline, and I have showed you this before, of all the dates of when we started back in May and June of getting this budget done. We are talking about today increasing taxes by \$1 billion.

Now, you could say this, you could say, well, it is easy for the Republican chairman of the Appropriations Committee to come out and say – and we have said it from the beginning. Our message as a Republican Party and our caucus has been consistent. The message that was delivered was that we wanted to contain spending, we wanted to live within our means, and we wanted no tax increase. We never deviated from that message. That message has been a message that was said back in May, that was said in June, and it was said in July. Now, when you deliver a message of that magnitude and you deliver

that type of package, you say, well, how can you get to no tax increase when we have a \$3.2 billion deficit? How could you say that? It is easy to say politically. It is easy to go to a town meeting and say, I am for no taxes, and everybody claps for you. But, Mr. Speaker, we delivered, we sincerely delivered and shared with the other side of the aisle how we could get there without raising taxes.

Now, this is what we did, Mr. Speaker, what we did was we took last year's budget across the board and cut it by 12 percent. When we got to the education item in the first amendment, the Governor said, you cut education too much; that is my priority. We went back and drew another package of bills, another idea, put another \$150 million into education, went to the Governor. I met the Governor on a Saturday night, showed him the plan. No, your spending is not enough. I need to be at least a \$28.8 or \$28.7, when in fact last year, the last year's State budget that we voted on was \$28.2 and I do not know where the \$2 billion is that they cut.

What I am trying to say to you is, we did not have to go into 94 days. We did not have to do that, but the reason was this: We started with a PIT and it was publicized all over the State of Pennsylvania, and then all of a sudden they backed away from the PIT. They started with a sales tax increase, and then all of a sudden they backed away from the sales tax increase. Do you know why they backed away from it? Because the people that you represent in your legislative district got to that individual legislator and that Senator and said, no taxes. That is why we are on the 94th day. Had you moved off the tax issue, we might have been done in the middle of July or the beginning of August, but no, we chose to go down a different road.

Now, there are programs that were adequately funded in the amendment that we put forward. Representative Sam Smith on the Conference Committee, our minority leader, put that idea on the Conference Committee 3 or 4 weeks ago and said, you want to resolve this? Here is the idea. None of the caucuses, including the Senate, looked at it. When it came to send the bill back over, they did not send our bill back over. What I am trying to say to you today is this: We cannot afford to increase taxes \$1 billion, and let me explain to you why. We are not out of this crisis. I do not blame the majority chairman of the Appropriations Committee because we have this problem; the blame is clearly to be put on the economy, the economy. We woke up a year ago with Wall Street falling on its face. Let us not even go there, because those people should have been put in jail for what they did to this country, but we had a dilemma. That is why, when you have a dilemma and you have a certain crisis that is handed to you as government officials, you need to respond, and adding more taxes is not the way to respond to this problem.

Today I sit here; we are \$140 million under revenue from last year. When I took the Appropriations Committee and was elected to the Appropriations Committee, our surplus was \$700 million, then it went to \$600 million, then it went to \$500 million, and from \$500 million, it went to a deficit. So why, when you are in a 2-year cycle and next year is an election year, why would you want to increase taxes when you are \$140 million already under from last year? Now, think about it. If you had a small business and it was your money invested in that business, would you operate it that way? This is what we cannot make the other side understand. So we took a package, we put it together, we laid it out, shared it. It was not that we were running around the State saying, we have the magic

number. Sure, there is some suffering in it, but to do this today because you do not know where you are going to be next year, and the way the numbers drive, you could be worse off next year than you are now, and you then are caught in a severe bind. Then you are looking at a broad-based tax increase, and that is a shame.

The other thing I want to mention that I do not understand, the EITC program, which was adopted back in the nineties to help poor children go to different schools other than the public school system, and in some areas of Pennsylvania, it works very successfully. Let me share a story with you. There is a school in my district in the borough of East Lansdowne in Delaware County. There was a young boy that had MS. Have you ever heard of the program Make-A-Wish? Well, these people got in touch with them because he had this disease, and the disease was so bad that they went to him and said they wanted to do something for him and his family. Usually a young child would say, well, I want to go to Disney World or I want to go to some vacation land, but do you know what the boy's wish was? That he could graduate from St. Cyril School. You know how they did it? They raised private money, but the EITC program worked for that parish and kept that school open. We cut that program now by over 33 percent – \$25 million each year.

Mr. Speaker, this is not going to work. It might work to get you through this budget, but next year you are into a real bad situation. I am saying to you, the Republican Party of this room put forward a budget that will work, that will give you safety measures, that does not rob the entire Rainy Day money, that does not take the Mcare funds or any reserves whatsoever. That is where you are going. That is exactly where you are going. I know this issue inside and outside. I have lived with it for the last 6 months. I could not rest at night because of the condition that we were in and what the forecast was ahead of us.

The SPEAKER. The gentleman will yield. The House will come to order.

The gentleman, Mr. Civera, may proceed.

Mr. CIVERA. It is difficult when you are in the majority because you have to govern and you have to lead, and sometimes you have to make— I have been in that situation. I was not a leader then, but I was in the majority party, and sometimes there are things that happen, difficult votes have to be taken. But I am saying to you right now that the economy and the presence of this State financially, this is not the answer. Be careful. Think about what you are doing here. Think about it. I would not have extended. I was not playing politics when I extended the amendment; I was playing a sincere way of getting this done so we would be home during the summer.

Mr. Speaker, I ask you not to vote for this Tax Code bill today. I think it sends a wrong message to the people of Pennsylvania, and that is what we do not need right now in the difficulty of what this State is in financially.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Clearfield County, Representative George.

Mr. GEORGE. Mr. Speaker, thank you for recognizing me.

I will not sound very eloquent compared to the three previous speakers who have the knack of loquacity, and because I did not speak earlier, it will look like I am criticizing them. Now, I naturally have a big printout of good points that I should talk about that was prepared for me. I looked at it and I said, you know, what would I be saying to these colleagues of mine

that they do not already know? Now, the minority leader claimed he talked to people who do not want this budget. I can agree with him and anyone else in here that I do not like to see taxes placed on our working class, especially. But the truth of the matter is, what we have now is a bill that is intended to not only help Pennsylvania financially, but hopefully, to be able to correct the problems that have happened in other States because of water loss, contamination, et cetera.

Now, let me say this, and even though they may read, they may announce that this tax on the removal of gas is unheard of, there are 38 States in this country of ours that impose this tax. Then there are those that said that, especially in the gas business, that said, this will harm us; this will hurt the industry. But it is also proven, if I may, that the transportation of anything can up the cost of any product, that is natural. But in Pennsylvania and New York and New Jersey, 65 percent of all the gas used in this country is used by our citizens in those areas. What I am saying is, why do we not really talk about where we are now that that language has been placed with other language to formulate a budget?

Mr. Speaker, I know that I might be boring, but if you could ask them to listen a moment, and then I promise I will not be over an hour, an hour and a half.

The SPEAKER. The House will come to order.

Mr. GEORGE. I did not talk while they were talking.

The SPEAKER. The gentleman will yield. The gentleman will yield. The House will come to order.

The gentleman from Clearfield may proceed.

Mr. GEORGE. Thank you, sir.

Now, again, there are many smart people in here. In fact, you are all smart, and you all have obligations, and you all have constituents that from time to time, no matter how well you do or how proper you attempt to do it, you will be criticized. But I never found – and this is my 35th budget – that I was harassed by any of my constituents, because I was upfront and I tried to explain in my humble way that government cannot run without money, the schools cannot be operated unless they get the money back home, and none of us wants to see the imposition of any more local taxes on schools. They know that some of the services that most of us, even on the other side – they are as decent as anyone else – want to see children's services and programs like that. They want to see them continue so that they can do the right thing for these families that need these kids cared for and educated, and that takes money.

Now, the truth is that no one will consider this tax on gas to be a tax because none of your citizens will be paying for it, only the gas companies, and it is going to get cheaper the more that you produce. So I am saying to you without being critical of anyone who says this is not the right thing to do: It is not up to anyone else but us whether we want to fall back on our common sense and our decency or whether we want to play the political game of saying, no more taxes. I would have voted for the personal income tax, and in 1977 I was the one that put a bill in to reduce it back to 1 percent. But today I am saying that the majority of our constituents are not the big and the powerful with means; they are average citizens who have problems that, fortunately, many of us do not have. We ought to understand that they sent us down here because they believe in us, because they believe that what we do, no matter how easy or how tough, is in their best interest. Regardless, if you continue to do in your heart and your mind what is in the best interest – next year will be worse if we do not do this, because there is not going to be

an end to this terrible recession. Next year, with the end of the Federal stimulus, we will be in worse shape.

But I am talking about the water that will be ruined. I am talking about those in the east that will no longer have water flowing from the west. I am talking about the 81 different materials that go into the fracking that are toxic. I am talking about the things where it is proven that 11 schools in the country are faced with toxicity for their kids coming from you know what: gas, drilling, the toxicity of the material that is used for fracking. Now, many of you know more about drilling – there is drilling in Indiana and drilling in Jefferson. Now there is drilling all over the place, and it is a godsend that someone found a way to retrieve a resource that our maker put in the ground for our use. We would be remiss if we did not utilize it, but we are further remiss if we do not do everything we can and take every precaution and put the money there so if in fact there is a mistake or several mistakes, that this will take care of it. Environmentally, publicly, purposely, it is all up to you and me.

There is not anything that I have said or could say that you do not know. There is not any way that I could insist that you do not care for your constituents as much as me. I would be less than honest if I told you I like taxing cigarettes or anything else, but I know one thing: If we want to provide all those good things we told our people we are going to continue to provide, then it is going to take the dollars and, unfortunately, they are the ones that are going to have to pay for it. The reason I am glad that my bill was picked with the Marcellus Shale in, those dollars will help to lessen the obligation of those people we are concerned about in the next year.

Trust me, that will happen. Thank you for listening.

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, the minority whip, Representative Turzai.

Mr. TURZAI. Thank you, Mr. Speaker.

There has been significant discussion about spending although we do not have a spending bill, a budget bill, in front of us today. What we have in front of us is a bill, and let us be honest about it, it is a \$1 billion-plus tax increase on the citizens of Pennsylvania. The bill that is in front of each of us today is a \$1 billion-plus tax increase on the citizens of Pennsylvania. And here we are on October 2 trying to justify a tax increase on our citizens, money that will come out of their pockets in a time of a recession, and in the private sector and in their family lives, they, too, are feeling tough economic times and they are looking at ways to cut their expenditures at the kitchen table or in the back office room. They are not happy with all their choices, but they recognize that in everyday life when it is tough, the tough look at the bottom line and make some hard decisions. It is not a hard decision or a difficult decision to take money out of the pockets of Pennsylvania and Pennsylvanians; that is sort of an easy call because it is the easy way out. The really tough decision is saying, where do we tighten our belts like other Pennsylvania citizens are doing? Now, I have heard the rhetoric, I have heard the rhetoric about how this \$1 billion tax increase is necessary for education, for hospitals, for law enforcement, but I want to make it clear on the record, that is just not the case. It is not true.

If you have the time, I would like to invite Pennsylvania citizens watching us today and all of you on the House floor to look at Representative Civera's HB 1943. That is a bill without any tax increase in a responsible manner – actually increases spending on core government services like education, like hospitals, like law enforcement. So if HB 1943, our House

proposal, Representative Civera's proposal, can increase spending on core government services while reducing expenditures in a lot of other places like government operations, where we need to reduce expenditures, then I pose this question to each and every one of you: What do we really need the \$1 billion tax increase for? So that certain party leaders can stay in power? So that individuals who want to continue to do back-room deals and business as usual can continue to have their way? Maybe the thing they call embedded walking-around money? To control particular votes? Let me give you some examples. Might it include \$25 million going to nonprofits in inner-city Philadelphia where they buy bars for economic development? A bar that somehow— This is all tax dollars, Mr. Speaker, it is all spending. What are \$300,000 in tax arrears? Is that where this \$1 billion tax increase is going? Or perhaps it is going to \$10 million out in western Pennsylvania to a nonprofit that pays off family members so that they can have a living at the expense of taxpayers. We not only have an opportunity to tighten our belts, but we have an opportunity to do a reform-minded approach to budgeting. We all know it; every single person here knows it. The fact of the matter is, as then Senator John Kennedy wrote in a book called "Profiles in Courage," if you want to do the right thing, the right thing for Pennsylvania citizens is voting against 1531 and this billion dollar tax increase, because if you really care about families and businesses and what they are doing in this State, you can take care of core government services like education, law enforcement, and hospitals in HB 1943 without a tax increase.

Now, let me tell you, this package, this package, will ultimately do a number of things in addition to increasing taxes by over \$1 billion. It is going to take the entire Rainy Day Fund of about \$750 million, and it is going to use it all. It is going to draw down every cent of that in year one, in year one. It is going to draw down every cent. A responsible plan says that it has to be at least over a 2-year period to see if we can get a turnaround in our economy. This plan overall is going to take every cent out of the Health Care Provider Retention Account and the Mcare account and say, we do not really care that much about health care or providing quality care through doctors and nurses, specialists. We do not really care about that because we are going to spend every cent of that, too, in year one. We are going to make sure, we are going to make sure in doing this that we are not going to make the needed, overall changes in how Pennsylvania is governed. The fact of the matter is, we have two plans that can be voted upon: one that is responsible like Representative Civera's or one that increases spending overall, does not make the tough choices, raids the Rainy Day Fund, raids the doctors' accounts, and taxes people by a billion more.

I would like to end with this question to everybody. We are going to be back here pretty soon, we are going to be back here really quickly in February looking at the '10-'11 budget. Would we be better off in terms of being fiscally responsible, reform-minded, dutiful to the public citizens at large with the bill that is going to be part of 1531? Where are we going with this budget? We are going to be facing tax increases again next year because the appropriate decisions, the tough decisions, are not going to be made. I wish my colleagues would run Representative Civera's proposal. I honestly believe it would get well over two-thirds of the vote in this House and in the chamber across the Capitol because everybody, in their heart of hearts, does not want to increase taxes. They want to prioritize spending. Unfortunately, the Governor has not allowed that to

occur because he wants to maintain business as usual, and it is too bad. I think the good people on both sides of the aisle and both sides of the Capitol know that the right thing to do is to hold the line on spending, focus on core government services, not increase taxes, and use the Rainy Day Fund and the Health Care Provider Retention fund and the Mcare Fund responsibly over the next 2 to 3 years.

It is an important choice, and I would urge members to vote "no." Thank you.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Monroe County, Representative Siptroth.

Mr. SIPTROTH. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of HB 1531, and in particular, the proposal to impose an extraction tax on the Marcellus Shale drillers. This is a fair way to raise revenue instead of forcing the Department of Conservation and Natural Resources to lease hundreds of thousands of acres of State forest for drilling. If DCNR had to raise \$60 million this year and \$180 million next year, its hands would be tied. DCNR would have no discretion to decide which land is best suited for drilling and what would be left alone.

The natural gas trapped under our State belongs to everyone in the State, not just the big out-of-State companies. Everyone should benefit from a well-regulated, carefully monitored use of this natural resource. This is a much fairer way, Mr. Speaker, to raise revenue than singling out the arts, our cultural institutions, and our civic groups like our volunteer fire companies and service clubs for taxation. Finally, the tax will not harm Pennsylvania competitiveness as some may argue. As of the 14 States with higher natural gas tax than Pennsylvania, 13 impose a severance tax. New York levies a property tax on the wells, West Virginia levies both property and severance taxes, and even with both taxes, West Virginia has produced more natural gas than Pennsylvania every year since 1990. Mr. Speaker, again, I rise in support of HB 1531 and ask my colleagues to do so also.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Allegheny County, Representative Kortz.

Mr. KORTZ. Thank you, Mr. Speaker.

I rise in support of HB 1531, Mr. Speaker. It is time to move this process forward. It is time to end the impasse. We are in day 94, and it is time to move on. Mr. Speaker, the minority whip talked a little earlier and suggested that 1531 as amended is no good. I take issue with that. I assume that the minority whip then agreed to 1531 unamended. That being the case, let us talk about that bill as it was, unamended. That bill also raised taxes, Mr. Speaker. It imposed a 20-percent tax on the nonprofits, tax on our volunteer fire companies, tax on the American Legion, tax on the VFWs (Veterans of Foreign Wars). Do we really want to tax these people on the small games of chance that they have by 20 percent? Well, that is what the unamended version did.

Mr. Speaker, it is time to move on. This bill is good for Pennsylvania. This bill will help end this impasse. It will help business. It will help the people of Pennsylvania. It is going to do some things such as the NOL (net operating loss) and the single sales factor, it is going to help that. It is going to keep intact the sales tax 1-percent deduction for the quarterly full payments. The tax amnesty plan that the gentleman from the

other side of the aisle in Lancaster, it will also incorporate that, Mr. Speaker. Mr. Speaker, the old proposal, the old way that was coming to us from the Senate would have been a proposal that would have been in favor of the big tobacco companies, the big casino companies, and the big gas companies at the expense of the working class, Mr. Speaker, at the expense of the working class. Let us be clear: A "no" vote today on HB 1531 is choosing those big tobacco, big casino, and big gas company windfall profits over the working class.

By the way, Mr. Speaker, the CEO (chief executive officer) of Chesapeake gas was recently ranked number one in the United States in CEO compensation with \$112 million. So do we really need to pad his pocket anymore?

A "no" vote, Mr. Speaker, is a vote against the citizens of Pennsylvania. Mr. Speaker, I urge a "yes" vote for 1531. Thank you.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Delaware County, Representative Lentz.

Mr. LENTZ. Thank you, Mr. Speaker.

I stand also in support of HB 1531. What we have to ask ourselves this evening, Mr. Speaker, is what is our job here? What is our job in Harrisburg? I think our job was best described by the Governor of Montana when he said it is the job of State governments to "...educate, medicate, and incarcerate..." and balance their budgets. Educate our children, provide medical care for our seniors and our most vulnerable, incarcerate criminals, and balance the budget. That is our job. It is a pretty straightforward job, and it is a job that we are 94 days late in doing.

Now, we have heard a lot of debate about where we are financially and how far in the hole we are with revenue. We have heard that this budget proposal cuts \$2.5 or over \$2 billion from State government spending, but we have also heard that apparently the math in the Republican Senate is different than the math in the Republican House. In the Republican Senate, it appears that two plus two equals four, and they have recognized that we need additional revenue to do our job, to do our job of balancing the budget and educating, medicating, and incarcerating. Now, the question for us tonight is not whether or not we pass Representative Civera's bill, not whether we pass any bill. The question for us tonight is where do we get the revenue? If you are on this floor, you can have a say in where we get the revenue.

Now, the greatest statement of tax policy that I ever heard was said by a Senator from Louisiana many years ago when he said tax policy can best be described as, "Don't tax you, don't tax me, tax that fellow behind the tree." Now, if some people get their way in Pennsylvania, we will not have any trees to hide behind because they are going to eat up all the State land mining for natural gas, but the truth is, the truth is, tonight is a choice between taxing VFWs and the arts and the people that were in this bill before it was modified. We are taxing a billion-dollar business in natural gas and taxing tobacco, becoming the 50th State in the Union to tax smokeless tobacco. That is the choice. So you cannot put your head in the sand and sit back and watch and say, I have nothing to do with that, because you know, depending on what we do here tonight, that is going to decide what happens in the Senate. So we are giving them a choice. They have a choice between taxing veterans and the arts or taxing a billion-dollar business in the gas companies and another billion-dollar business in the tobacco companies. That is

the choice, and you can have a say in that. You can have a vote. You can decide who the fellow behind the tree is.

From where I am standing, the fellow behind the tree is the billion-dollar gas business and the tobacco companies. I am not voting tonight— I am not choosing the veterans and the arts. If you do not vote tonight affirmatively, if you do not stand up and show some leadership and say, we are going to tax the gas companies and we are going to tax the tobacco companies, then you are voting the other way and you are choosing the other people to be taxed. So I say, vote "yes" on this bill.

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Representative Frankel.

Mr. FRANKEL. Thank you, Mr. Speaker.

This protracted budget battle has been painful for everybody, and it is going to be much more painful as we move forward. The minority whip spoke about raiding different pots of money and raising taxes and the alternative being we should be cutting and cutting more. Well, the pain that will be exacted when Pennsylvanians take a look at the line items on the budget is not going to be just those things that he pointed out, the core functions of government. There are going to be folks who have to depend on day-care centers – he did not talk about those folks – day-care centers that are closing across the State today so they can get to work. There are many, many functions across this State that are going to be impacted and that are going to be very difficult.

But with respect to tax policy, we have, throughout the history of this State, since I have been an adult, Republican and Democratic Governors – every single one since I have been able to vote has faced a recession and had to make the difficult decisions to find revenue. In most cases, they looked at a broad-based type of tax that would have everybody paying a little. That option was taken off the table during this debate, during this conference committee. So we had to look at, instead of having everybody pay a little in a fair way, targeting certain groups, and those targets are really unfortunate. To take a look at taxing our cultural and arts organizations, to take a look at taxing the small charitable organizations that sustain the fabric of many of our communities is absolutely the wrong approach.

Now, if we take broad-based taxes off the table, there are some legitimate and logical alternatives, and they are in HB 1531. Those alternatives include a tax on the extraction of energy in Pennsylvania. That is not only a logical tax, but it is good public policy. The landscape of Pennsylvania is littered with scars from generations ago – energy companies, coal companies, oil companies who have wreaked havoc with the landscape of Pennsylvania and never restored it. An extraction tax will not only help restore our budget finances, but it will hold these energy companies accountable. That is good public policy along with good budget policy.

The other tax that is part of this package that makes enormous sense that I have been waging a battle for years to get done is a tax on other tobacco products. Pennsylvania, bizarrely enough, Pennsylvania is the only one of 50 States; 49 other States tax smokeless tobacco products and cigars. What is wrong with that? Not only is that good revenue, budgetary policy, but it is good public policy, because it is a public health issue. Today in this State, we are talking about taxing families who want to take their children to the zoo, to the theater, to the children's museum. At the same time, we are subsidizing,

are subsidizing tobacco companies who are providing predatory products, predatory products— And here I have one of them, snuff. This is geared towards young people. We are subsidizing the tobacco company that is manufacturing this to hook our kids on tobacco products. We ought to be taxing that like 49 other States, and it helps our revenue situation as well. These taxes make sense from a budgetary standpoint and from a good public policy standpoint instead of going after our nonprofit organizations and charitable organizations in the State of Pennsylvania.

This makes sense. Please pass 1531.

The SPEAKER. The Chair recognizes the gentlelady from Mercer County, Representative Brooks.

Mrs. BROOKS. Thank you, Mr. Speaker.

Much has been said this evening, and some of those comments have said there have been no solutions from this side of the aisle that have been proposed. I would remind those who have said that, look at A02779, look at amendment A03273, look at HB 1943. It is always easy to say, without anyone looking to see if it is accurate, no solutions have been proposed. Mr. Speaker, we have offered solutions.

You know, over the past several months – it is like a bumper sticker: Care about the kids, increase taxes. I have two children, Mr. Speaker. We all in this chamber care about the kids, but there are very clear philosophical differences. When you care about the kids, do you continue to spend their money and their parents' money that they do not have? Do we continue to cost those children's parents their jobs because some want to raise business taxes, creating those businesses to leave Pennsylvania? Caring about the kids – it is a billion-dollar tax increase. For some, caring about the kids and the only solution is looking at their parents to raise money, to raise taxes, and to continue to spend money that they do not have. Mr. Speaker, we have a \$3.2 billion deficit. When are we going to get back to the solutions of responsible government, fiscal responsibility, keeping our jobs here? Walk the walk; keep our businesses here.

Mr. Speaker, we all care about the children. Do not mortgage their future away. Much has been said about the timeline and that it is 92, 91, 93 – it is going to be 95 days late. There was not a budget brought forth to this House chamber until July 16. That is after the budget deadline. The only entity that has the ability to bring that budget forth is the majority party Appropriations chairman.

So let us care about the kids. Let us be fiscally responsible. Let us quit mortgaging their future and get back to basics. Let us live responsibly. Let us make government more efficient. Let us eliminate welfare fraud and welfare abuse. Let us really care about the kids and live within our means. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia County, Representative Cohen.

Mr. COHEN. Thank you, Mr. Speaker.

Mr. Speaker, it has been over a quarter of a century since Ronald Reagan said the taxes ought not to be a matter of first resort; taxes ought to be a matter of last resort. Three months after the budget deadline we are down to a time of last resort. There was not going to be a magical infusion of money in the State Treasury in July or August or September which would make tax increases unnecessary. There is not going to be a

magical increase in the stock market, a Dow Jones Average of 20,000 or 25,000 which would reduce the amount of pension fund debt. There were not going to be any magical solutions that made it possible for us to solve the budget crisis without alienating or irritating or disappointing a single individual.

We have tough choices to make, and we decided that if we have to tax somebody, it is better to tax cigar smokers than theatergoers, because the cigar smoke hurts people. If somebody says, gee, I am not going to smoke cigars anymore, they are helping their own health and they are cutting medical costs for Pennsylvanians to pay. We decided it was better to tax casinos more because the casinos want to be here. They have 30 percent more revenue in Pennsylvania than they had last year. They are not going anywhere. We decided it was better to tax the various businesses that are extracting natural gas from the Marcellus Shale. They are not going anywhere either. Pennsylvania was a center of the oil industry when oil was first discovered, and right now we are the center of the emerging discoveries of new natural gas. That is going to continue, and they are going to be extremely profitable whether we have these taxes or not.

We have made tough choices. We have said no to raising the personal income tax. We have said no to raising the State sales tax for State purposes. We raised them for the city of Philadelphia's purposes, but we are not raising them for State purposes. We have said no to an increase in the corporate income tax. We are making tough, responsible choices as to how we can best raise the revenues that are needed to meet our budgetary needs, and we are not spending money wildly. We have already cut \$2 billion out of the State budget. We are listening to the people of Pennsylvania who want us to tax special interests and limit the taxes on individual citizens, who want us to meet urgent needs but do not want us to expand governmental spending. We are in a very, very difficult situation. As the Republican chair of the Appropriations Committee noted, the problems we face are the problems of an international recession. They are not problems we created, whether "we" is the Governor, whether "we" is the House Democratic Caucus, whether "we" is the House Republican Caucus or the Senate Republican Caucus or the Senate Democratic Caucus. This is an international recession that we are faced with, and given this international recession, we have had to make difficult choices. We have made responsible choices. We have made choices which are relatively popular. We have made choices that the average citizen would make if he or she was in our position. We have made choices that are logical, defensible, and morally right.

I have every belief that the House of Representatives will do the responsible thing and pass the budget tonight and move this process towards a swift and just conclusion.

The SPEAKER. The Chair recognizes the gentleman from Montgomery County, Representative Mensch.

Mr. MENSCH. Thank you, Mr. Speaker. I want to make a few comments; I will attempt to be brief.

It will not be a surprise to any of you to know that I have been out talking in the last 6 or 8 weeks with thousands, thousands of Pennsylvanians. I have not heard one of them tell me, please raise my taxes. I have not even heard one of them say, increase taxes on special interests. I will tell you what I have heard them say. I have heard them say, stop spending, get the government under control. That is what they want. They are really getting very concerned for the continued growth that we are seeing in the State of Pennsylvania. There are times when

we talk about the 40-percent growth of this government over the last 6 years. Let us put that in perspective. Does anybody have an idea what 40-percent growth in 6 years means? It is almost \$12 billion of new spending in this State – \$12 billion – and yet we are at a crisis now where we say, we cannot operate the government without additional spending. Seven years ago our budget was about \$17,000 – excuse me, \$17 billion. What is a zero among friends, though? It was \$17 billion 7 years ago.

Now, it has been suggested here that HB 1531 somehow represents a bipartisan solution. I will tell you what is bipartisan. It is the bipartisan attitude of the residents of Pennsylvania who do not want to see an increase in taxes, who do not want to see an increase in spending. That is what is bipartisan. It was also suggested that somehow the Republicans – it has been dredged up again – the Republicans are going to be the party of "no" with this vote. I believe that anybody who votes for the tax is a "no" vote, because you are not listening to the people of Pennsylvania, and that is the big, most important "no" vote. You are not listening to your constituents. The discussion to raise taxes is only in this hall. Go outside the hall, talk to your constituents, and you will not hear the debate to raise taxes. You will not hear the debate to increase spending. It is only in this hall. We are doing it to ourselves, and I sure hope the voters are watching and listening.

Now, it has also been suggested that we are now in our 94th day of a crisis, 94 days. I would remind everyone that we did not even have a budget in this hall until July 16. We missed the deadline. We did not even have a budget in place to debate by the time that we were supposed to have a budget done.

Someone said that the spend for this budget is below last year's spend, as if somehow we, the government, are making sacrifices. No, let me tell you what the sacrifices are. We have the same options that every other business has: We can increase revenue, we can reduce spending, businesses also have a chance to optimize assets. That does not come into play here, but every time that we get into a situation like this, the only consideration that we give is, how do we increase spending? We are debating about which tax is the best tax. We have forgotten the debate about maybe we do not increase spending at all, maybe we reduce spending. Has anyone read Jack Wagner's, the Auditor General's reports on excess spending throughout our government? We are not incorporating any of that into this budget or this discussion, but the responsible thing to do would be to include that.

So I am going to say again, I do not think— I am going to be a "no" vote on this, and I believe that I am throwing a "yes" vote to the people. I believe that people who vote for HB 1531 are truly the "no" votes in this room, because you are not listening to the people of Pennsylvania.

And someone said that next year's deficit will be worse than this year's if we do not pass this budget or pass this tax bill. That is just not logical, because the more we increase our government spending, the more we compound our taxes, the more we make our problems more difficult next year for ourselves.

Mr. Speaker, in conclusion, the problems that we are going to have next year and the problems that we are going to have in 2011 with the pension plan and everything else are problems that we are creating for ourselves. Let us not delude ourselves. This is not about the economy. The economy is there. It is functioning. We are ignoring the signs and we are going to increase spending regardless, and that is irresponsible.

Mr. Speaker, I encourage a "no" vote on HB 1531. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Beaver County, Representative Christiana.

Mr. CHRISTIANA. Thank you, Mr. Speaker.

It has been said that this vote will be sure to speed up the process and finally get Pennsylvania a budget, but, Mr. Speaker, from what I heard, this plan sends it back to square one.

Nonetheless, Mr. Speaker, this tax plan sucks another \$1.3 billion out of Pennsylvania's economy. These taxes will assuredly put more "closed" signs on Pennsylvania businesses, will shrink the bottom lines of businesses, and will ultimately lead to more layoffs in this Commonwealth. With an unemployment rate at 10 percent, I think it is irresponsible for us to make decisions here that will put more people out of work. Our business climate in Pennsylvania is already on life support. I think this is irresponsible to tax landowners and small businesses across this State.

While the argument has been made that these taxes are touted towards the principle that we are going to increase basic education, I looked into that claim, and while Philadelphia School District is set to get a \$78 million increase over last year's increase, Mr. Speaker, the 14 school districts in Beaver County – all 14 of them – are set to get a \$3.3 million increase, 3 percent of what Philadelphia is set to get. Three different school districts in three different legislative districts will see the increase of \$238,000, \$310,000; one school district will see a \$55,000 increase.

Mr. Speaker, my constituents and the businesses in my district are asked to pay more and more taxes and more and more of the funding is going to southeastern Pennsylvania. I think it is time that Pennsylvania passed a responsible budget, live within our means like the millions of people across this State have demanded, and I think it is irresponsible for us, 93 days later, to be passing a budget that is ultimately going to send the process backwards.

I urge a "no" vote, Mr. Speaker. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Lancaster County, Representative Denlinger.

Mr. DENLINGER. Thank you, Mr. Speaker.

I rise in opposition to HB 1531.

Mr. Speaker, it has been put forward in our chamber that this will move the process forward, and I think in reality we all know, on both sides of the aisle, that in fact this brings the process to a grinding halt, and as the Senate leadership has indicated, brings us back to square one.

And some speakers have put forward the idea that these tax increases are preferable to the last laundry list of tax increases. But, Mr. Speaker, I do wish to point out that some in this chamber, this side of the aisle has been consistently against tax increases from the beginning of this process, preferring instead to force this government to live within its means and to control spending as we should.

It is unfortunate that we meet here 94 days into this process and that the best solution that can be put forward is a billion-plus in new taxes. Mr. Speaker, the voters, the taxpaying citizens of Pennsylvania deserve better than what they are getting here tonight.

Very quickly, I want to highlight four items. Mr. Speaker, I am in opposition to HB 1531 because of what it does to the educational improvement tax credit. Recently I received a call from the principal of the Hinkletown Mennonite School, a lady

who is passionate about children attending her school for the reasons of the dictates of their faith. Mr. Speaker, she detailed for me in painful numbers how many children would be removed from their school if a one-third cut in the EITC goes forward. And you know, that is not just a local concern; that is an urban concern. It is private, parochial schools, kids being removed from their classrooms, from the teachers and schools that they love because of a decision that we might make here tonight.

Mr. Speaker, I am opposed because of the business tax increase, the tax on capital that is included in this proposal. You know, this morning driving here in the car I was listening to some unfortunate news that the unemployment rate has started to escalate once again, climbing close to 10 percent nationally. Mr. Speaker, at a time when we should be stepping forward to support our business community, the people that provide the jobs, what are we doing? Putting another boat anchor on their recovery, putting a boat anchor on their ability to go out and hire more people, put more people back to work. It is a wrongheaded direction.

Mr. Speaker, I am opposed because of the gambling expansion that is delineated, the financial aspects of it, and the direction that that sends our State. I heard a speaker from the other side say that this was the morally right thing to do. You know, I have an issue with that, and I know a lot of voters across Pennsylvania have a moral issue in opposition because of the cost that gambling exacts on our families, on our citizens.

And then finally, Mr. Speaker, I am opposed, because as we look at where we are today, 3 months into a fiscal year in which we are projecting revenues to be flat as compared to the previous year, already revenues are \$140 million below where they were at this point last year. This proposal puts us \$140 million into a deficit right out of the gate. Mr. Speaker, that is not careful financial management; that is mismanagement. The people of this State, the voters of Pennsylvania, the taxpaying citizens deserve better out of the House than they are getting tonight.

So, Mr. Speaker, I rise in opposition and hope that there will be a reconsideration on the part of many as we move forward and a "no" vote on HB 1531. Thank you.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Lancaster County, Representative Cutler.

Mr. CUTLER. Thank you, Mr. Speaker.

I, too, rise in opposition to HB 1531.

Mr. Speaker, we have heard a lot about budgets and deals and things to move the process along. The truth of the matter is, Mr. Speaker, we are here 93 days after the deadline. The process has not moved all that much. While we heard twice that a deal had been reached, Mr. Speaker, I certainly call into question if this bill honors that deal.

Mr. Speaker, we have also heard that this is all about taxing VFWs versus taxing gas companies, tobacco companies, and other special interest groups. Mr. Speaker, I would like to offer a third option that perhaps some of my colleagues have missed, and that is the fact that we do not need to tax anyone to get this budget deal done. We had offered an alternative, HB 1943, that funded core services and yet did not raise any taxes.

Mr. Speaker, to go back to the deal aspect that we have heard about, I do not know if this bill honors the word or the spirit of the deals that were made in coming to an agreement on the final budget number, how we would get there, but, Mr. Speaker, I do

know this: If this bill does not, it will set the process back immensely. All the talk of avoiding delays and moving the process forward will be for nothing if this does not honor that deal.

Mr. Speaker, I would like to go back in time and speak of some other deals, other promises that we have made. The deal with our physicians and the fact that we promised to help them with their insurance premiums, Mr. Speaker, the \$708 million that we will be taking from them to plug a budget hole. What about that promise? What about that deal? Mr. Speaker, that is one I believe is still worth honoring and should not be thrown to the wayside simply to create a new deal, one that is supposedly better.

Mr. Speaker, we can get this done without taxes, and here is why I believe that, Mr. Speaker. It is very simple. We do not need a \$1 billion tax increase as long as the Department of Revenue says that there are \$3.2 billion in owed taxes that have not been collected. Arguably, only \$1.6 billion of that is collectable by their own estimates, and yet, Mr. Speaker, that number is greater than the number that is enclosed in this bill. Let us give the tax amnesty plan and tax collection a chance before we ask the honest taxpayers who have paid their taxes to pay \$1 more.

Mr. Speaker, we do not need a \$1 billion tax increase as long as there is waste in the welfare programs like the \$500,000 that was recently uncovered in Philadelphia for the mismanagement of the LIHEAP (Low-Income Home Energy Assistance Program) program that those investigating it called but the tip of the iceberg, Mr. Speaker, those very same things that the Auditor General highlighted in his report over 2 years ago.

Mr. Speaker, we do not need a \$1 billion tax increase as long as costs continue to go up in our prison systems and yet we continue to give free postage totaling \$1.3 million plus other free benefits to prisoners, and yet they are the one area in the budget that does see an increase.

Mr. Speaker, it is time to honor all of the deals that we have made in the past before we make new deals going forward. It is time to honor the deals that we made with the taxpayers to be good stewards of their money while we are here. It is time to honor the deal that we have made with physicians to keep them here practicing and providing health care to all of our constituents, and it is time, Mr. Speaker, to vote "no" on this bill because it is a bad idea whose time is not yet here.

Mr. Speaker, the taxes are not needed. The money is here. We must make the tougher decisions and make the cuts, collect the taxes that we are owed, and go forward, Mr. Speaker. That is what I urge all my colleagues to do. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Butler County, Representative Ellis.

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

Obviously, we come here tonight after a couple days' worth of talks and deals being considered and changed. And actually, it dawned on me that maybe this week was theme week here in the legislature, and the theme that I see happening over and over again is promises made, promises broken; deals made, deals broken. Now, that is not the way we work in our families, it is not the way the businesses back home work. They do not tell you something costs \$1 and then charge you \$1.50. They do not tell you they are going to sell you an apple and give you an orange. They keep their deal. We are not doing that this week. This legislation, HB 1531, is the ultimate example of a deal made and a deal broken.

And there are four points, Mr. Speaker: A, this body made a commitment to the business community years ago that we would get rid of one of the worst taxes that exist, the capital stock and franchise tax. We break that promise if we pass this legislation.

B, we told all summer long – well, I cannot say that our caucus has changed our position, because we have not, Mr. Speaker, but we said, we are going to live within our means and spend the revenue that we have got in. That deal is long gone. That was a deal made and a deal broken.

C, we were not going to tax a new industry that was going to bring 50,000 to 100,000 jobs to Pennsylvania before it got going. Actually, last week the Governor himself said we will not do a severance tax this year. That deal also broken.

And, Mr. Speaker, D, and that is the biggest – the deal that we make when we swear-in every 2 years. We say we are going to live by the words of the Constitution, so we had an obligation to finish this budget by June 30. Obviously, that deal was broken a long, long time ago.

You know, one of the previous speakers talked about one of the oldest tricks in the book – this tax is better than that tax – but the most recent speaker pointed out we had a third choice, no new taxes. That has been the policy of our caucus. The Republican House caucus has stayed with what the voters are telling us, and I will tell you what, Mr. Speaker, that is what the voters are telling us. I have a list here of 419 e-mails that I received in the last 30 days telling me that my constituents do not want new taxes; no new taxes. That is the deal I made with them this year, and I am sticking with that deal. But I do want to share one that a sweet, little old lady – I have known her for a long time. She sent me an e-mail, and she said that anyone who votes for new taxes is a moron and should be tarred and feathered. Now, Mr. Speaker, these are not my words; that is what she said. But I have never seen anybody tarred and feathered, but I do not think that she is too far off the money this time.

This is not good for Pennsylvania. This is a bad idea. This is not the direction that we could have gone 90 days ago. Mr. Speaker, vote "no" on HB 1531.

The SPEAKER. The gentleman, Mr. Ellis, you have an amendment that would require rules suspension. Do you plan on offering the amendment or withdrawing it?

Mr. ELLIS. Mr. Speaker, I think at this point we are pretty sure of where this vote is going to end up on that, but I will touch base real quickly on the amendment that I had.

One of the promises that we made and was broken by this bill—

The SPEAKER. Is the gentleman offering the amendment?

Mr. ELLIS. I will not be offering the amendment, but if I could have just 1 second to explain what it would have done?

The SPEAKER. The gentleman may proceed.

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

Very quickly, we made a promise to the business community with the capital stock and franchise tax phaseout. My amendment would have really softened the blow and provided savings for the small businesses of Pennsylvania that pay this crippling tax. I thought it should have been more part of the conversation this year, and I hope that we could have done that today. But understanding, like I said, where this vote is going to go, I will be withdrawing the amendment.

Thank you very much, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Bucks County, Representative Clymer.

Mr. CLYMER. Thank you, Mr. Speaker, and I intend to be very brief here.

I rise in opposition to HB 1531. Unemployment continues to move upward, workers are working fewer hours, jobseekers are finding fewer jobs to apply for. All these individuals share a common concern, and that is, in this continuing recession, how will they pay their taxes and how will they be able to maintain their household expenses? In these difficult economic times, it is basic economics not to increase existing taxes or create new taxes. Increasing taxes is fiscally irresponsible. Increased taxes only prolong the recession because consumer spending, consumer spending is one of the keys to economic recovery, and that will continue to shrink with wage earners having less money to spend.

The minority Appropriations chairman and others have spoken about the educational improvement tax credit, and I agree with those who spoke very favorably about this issue. It has made a difference, a world of difference to families across Pennsylvania who wanted an alternative classroom setting for their child, and the results have been most gratifying. We can all speak of wonderful stories that have occurred because of this particular program. But now \$25 million is being cut from the program, and these are the cuts that we should not be experiencing as we talk about quality education and a need for parents to have choices.

And with that, Mr. Speaker, I wonder if I could interrogate the maker of this legislation on this very issue?

The SPEAKER. Who does the gentleman care to interrogate?

Mr. CLYMER. The maker of HB 1531 or someone who has knowledge about this particular issue, that is the educational improvement tax credit. The maker of the amendment, I guess. I am sure there is someone who can speak knowledgeably about the issue.

Mr. Speaker, I am just inquiring about a question I want to ask about the educational improvement tax credit. It is only one question, and then I will—

The SPEAKER. I understand, Mr. Clymer. We are trying to get somebody to stand for interrogation.

The gentleman from Philadelphia, the chairman of the House Appropriations Committee, Representative Evans, indicates he will stand for interrogation. The gentleman, Mr. Clymer, is in order and may proceed.

Mr. CLYMER. Thank you, Mr. Speaker.

Mr. Speaker, I have looked at these figures from different reports, and I just want the assurance that there is no disproportional difference when it comes to the tax impact on research and development, film production, and the educational improvement tax credit, that they are all getting treated equally in the 2009-10 State budget.

Mr. D. EVANS. Could you hold, Mr. Speaker? Let me just double-check.

Could you repeat your question again, Mr. Speaker?

Mr. CLYMER. Yes, I can. I just want the assurance that there is no disproportional difference of these three items: research and development, film production, and the educational improvement tax credit, that the tax impact is equal on all three

of them as it refers to the 2009-10 State budget, in this coming budget, that the tax we are putting on them, each of them is receiving proportionally the same reduction.

Mr. D. EVANS. Mr. Speaker, it is cut evenly across the board.

Mr. CLYMER. Well, could you explain that? Because I am looking at a report here, and it shows that the film production is 8.4 percent, research and development is 4.3 percent, and educational improvement is 19.8 percent. Why the discrepancy there? I am sure there is a logical answer, and that is what I am looking for.

Mr. D. EVANS. Mr. Speaker, the only thing I can tell you is that it is a 33-percent across-the-board reduction for the next 2 fiscal years.

Mr. CLYMER. Well, I know that after 2 years it comes up to 50 percent. But my question is, the assurance that each one that I just mentioned, that the reduction in this budget is being treated equally, that not one is receiving a decrease, a reduction in their line item and that it is all equal, that the reductions in the line items are proportional to each one.

Mr. D. EVANS. Mr. Speaker, I apologize. I am maybe just not clear on the question you are asking. I need you to speak clearer on what exactly you are trying to find out. What I said to you is that it is 33 percent across the board in neighborhood assistance programs, employment incentive job creation tax credit, research and development, educational improvement tax credit, film production tax credit – it is 33 percent of the total amount of what it is in the budget, Mr. Speaker.

Mr. CLYMER. Well, Mr. Speaker—

Mr. D. EVANS. And I am not trying to be evasive in any way, Mr. Speaker.

Mr. CLYMER. No; no. I just have a report that shows that under the tax credits, film production gets 8.4 percent in the 2009-10 budget, research and development gets 4.3 percent, and the educational improvement gets a cut of 19.8 percent, which seems disproportional. And my question was, am I missing something that you can tell me that despite these disproportional figures, it still comes out that each one is being treated equally? That is my question.

Mr. D. EVANS. Well, Mr. Speaker— Mr. Speaker, one, I do not know what report you are referring to. And secondly, the only thing I have, on page 116, it talks about the article applying to tax credits awarded in fiscal years beginning June 30, 2009, and ending July 1. I have it on page 116 of the proposed bill, Mr. Speaker.

Mr. CLYMER. Mr. Speaker, I appreciate the gentleman responding to my interrogation. I would like to proceed forward at this point.

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

Mr. CLYMER. Thank you.

Mr. Speaker, the issues about the small businesses and Mcare Fund and the health-care plan for doctors – how critical that is if we are going to maintain quality health care in the State of Pennsylvania, and we are seeing that money dissipate into this HB 1531. I think that this is wrong, and it is going to hurt the quality of life for all Pennsylvanians.

Mr. Speaker, I said at the outset that increasing taxes and placing new taxes on the citizens of Pennsylvania when they have spoken very clearly that they do not want any more taxes is the reason why we should not be supporting this bill, and I will be a "no" vote.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Cambria County, Representative Barbin.

Mr. BARBIN. Thank you, Mr. Speaker.

I rise in defense of an indefensible tax bill. Ninety-four days into a budget dispute, I have yet to be able to see the details of the budget. There are members that say there was an agreement that has been broken. I am a lawyer. Agreements generally have terms. The only terms that have been discussed are that we will spend \$27.95 million.

Now today I am asked to vote on a tax bill, and today I am told that I must make one of three decisions: I must vote for HB 1943, I must vote for a Senate bill that has been deemed to be the only thing that is allowed to be voted upon by any chamber, or I must vote for a severance tax that becomes immediately applicable even though it will reduce the amount of jobs that we will see from a new industry.

Now, I was riding home the other day, and I saw on a sign in Bedford, an independent Christian fellowship church, and it said that a hypocrite is someone who pretends to be someone that he never intends to be.

Here are the facts: In 1982 I became the State's tax lawyer. In 1982 the Delaware loophole was \$900 million. Today the answer to why we should be voting "no" on this bill is because we made a promise that a capital stock tax should be reduced. Well, that is just not true. If the Delaware loophole had been closed in 1982, we would have no capital stock tax. If the Delaware loophole was closed today, we would have no capital stock tax.

Today there is a question in my mind why we want to have the capital stock tax be the tax increase that it appears not to be? HB 1943 is supposed to be a no-tax-increase bill but yet it relies on the capital stock tax. The fact of the matter is, you cannot have your cake and eat it too.

I am against HB 1943 because the bill required a 34-percent cut in public libraries, it required a 67-percent cut in arts funding, it required a 50-percent cut in Pre-K Counts, and it required a 12-percent cut in the parks budget. I am against an agreement from the king of the Senate that says I have to vote for a 20-percent tax on the VFWs when we do not tax the Blues. They pay no tax but we want to tax the small VFWs and the volunteer fire companies 20 percent. I am asked to vote for 20 percent on the VFWs despite the fact there is \$600 million in the nonpreferreds that nobody wants to talk about. Well, I do not think that it is the role of government to hand out money for extras before you take care of essential government functions.

The SPEAKER. Will the gentleman yield.

The question before the House is concurrence on HB 1531.

Mr. BARBIN. Mr. Speaker, I am discussing the options of this House to protect the public interest of the Commonwealth of Pennsylvania. The option of taxing the Delaware loophole was one of those options. The capital stock tax is the option that is put forward by the House Republicans. At the same time that we are asked to vote for the capital stock tax, we are going to provide an additional \$30 million benefit to companies that are shipping their jobs to Mexico. I do not think that is in the public interest.

I would say this in closing, Mr. Speaker. There will come a day when we actually come onto the floor and vote for the public interest, but today is not that day. Today I will choose option No. 3, because a few days ago I had the honor to attend the Pennsylvania Conference of Catholic Bishops, and at the close of that breakfast meeting, the Bishop asked me how

I would deal with the State budget. I told him it was going to be very difficult because the interest of the schools that provide significant reductions in cost in public education is not a high priority, and what he told me was this: Bryan, if you can close this budget for the benefit of other people, we can fix the other things at a later date, and that is what we are going to have to do. I will support and concur with the amendments to HB 1531.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Allegheny County, Representative Levdansky.

Mr. LEVDANSKY. Thank you, Mr. Speaker.

Mr. Speaker, this bill, HB 1531, is a compilation of a lot of amendatory language that is designed to provide the revenues necessary to fund a budget in Pennsylvania, I believe, of \$27.945 billion. That budget is \$300 million less than the budget that the State operated with last year, and notwithstanding that \$300 million cut in spending proposed in this budget, the reality is that we do need new recurring revenue in order to balance our budget. We cannot sell Treasury notes and we cannot print money, unlike the Federal government.

This package of amendments, Mr. Speaker, generates \$935 million worth of revenue designed to resolve this budget crisis that has lasted far too long. Specifically, there are some changes to the business tax structure. The capital stock and franchise tax will revert to the level that it was on January 1. It will stay there for, I believe, a 2-year period, and it eventually will be reduced and eliminated in 2014. It will stay at that millage rate that generates some revenue for the State, but that will be offset. So the bottom line is, we cannot afford an extraordinary business tax cut in this economic environment as much as we would like to, but we have made adjustments on the net operating loss carryforward and on the single sales factor that benefits, that benefits new startup companies, biotech companies, and some of our businesses in more cyclical industries. That is very important to them.

This amendment also redirects some of the cigarette tax funds to the tune of \$170 million, and it does impose an increase in the State cigarette tax. It taxes for the first time other tobacco products to generate \$25 million. It provides for the taxation of table games at casinos to the tune of \$241 million in revenue. The suspension of various tax credits will save the State about \$38 million this year, and it will provide for a severance tax on the Marcellus gas that is being drilled here in Pennsylvania for \$60 million of revenue gain in this year. All told, that is \$935 million in revenue.

Now, let me put that in perspective. The only two things in here that have not been agreed to by the three caucus negotiators, the only two things are the other tobacco products and the Marcellus Shale severance tax. That is a total of \$85 million in a \$935 million package. So 90 percent of this tax package in this bill is already agreed to. This is only a difference of about 10 percent, about 8 to 9 percent to be more specific is what we are talking about with these two new sources of revenue.

What is not in this bill is equally important. This bill does not have a broad-based tax increase; neither a personal income tax nor a sales tax are in this legislation. This legislation does not contain – and I am proud to say we heard that message – this amendment does not contain a tax on arts and cultural organizations; it does not contain a tax on our local charitable organizations; our firemen, our fraternal organizations, our veterans organizations – it does not tax their small games of

chance; and it does not, it does not require the exploitation and the selloff of our greatest natural asset in Pennsylvania, our State forest system. It does not include that.

So the question for us individually and collectively is this: Do we want to be part of the solution or do you want to continue the problem? That is what we have to decide both individually and collectively.

Now, I have heard some discussion— Let me talk just briefly about this natural gas severance tax, because I have heard so much discussion both here and outside the floor relative to the infancy. The statement I hear so much is this industry is in its infancy and we might hurt them because they are infancies. Well, Mr. Speaker, we have what the natural gas industry wants. The supply of natural gas is here in Pennsylvania. We do not have to do anything to encourage them to come here. We have what they want: natural gas. There is enough natural gas under Pennsylvania to power Pennsylvania and the entire northeast corridor of the United States for the next 30 years. It is here. The supply is here. The market is here. That is not going to change, and that is incentive enough for them to come here to Pennsylvania.

Now, in terms of infancy, just put this in perspective. Thus far in 2009 alone over 1300 permits have been issued, 350 wells have been drilled. Mr. Speaker, let me read a quote in their own words. I did not make this up. I am reading this from the shareholder reports of one of the two largest, largest drillers in Pennsylvania. Here is what they say, "As a result, our Marcellus acreage is generating an exceptional rate of return. Assuming reserves of 3-4 billion cubic feet per well at costs of \$3-4 million per well, prices" – listen to this – "could drop to \$3.25 per thousand cubic feet and these wells would still generate a 20% rate of return!"

They can drop it at the lowest level in the market that we have experienced in the last recent years and they still make a 20-percent rate of return. What other business and industry do you know that has experienced that kind of profit margin in this economy? They say, "As a result of the superior drilling results and the premium gas market in the Northeast, the returns are extremely attractive for this company and its shareholders." Mr. Speaker, they go on to say, "2008 was a remarkable year for our Company. We posted the..." biggest "...financial and operating results in our history," in our history, and I thought this was an industry in its infancy. In their history, they have realized their greatest profits because of their Marcellus well drilling here in Pennsylvania. "Production increased 20%, proved reserves rose 19%, cash flow from operations increased 30% and earnings per share..." went up "...50%," 50 percent. Mr. Speaker, it is very clear that this industry – if this is an infant, my 18 1/2-year-old son, who is taller and bigger than me and stronger than me, must be a toddler, and he is not. This is not an industry in its infancy.

Again, the supply is here. The market is here. Forty to 45 percent of the cost of natural gas that you buy is— Forty to 45 percent of the cost is transportation. Right now most of the gas that we use in Pennsylvania is piped here from Oklahoma, Texas, Louisiana – States, by the way, that already have a severance tax. So for Pennsylvanians, I want you to know, most of us Pennsylvanians are already paying the severance tax when we pay our gas bill every month except we are paying it to Texas, Oklahoma, and Louisiana. So given that fact, 40 to 45 percent of the cost is transportation. The transportation cost is shipped from Pennsylvania drilling sites to the market in

Pennsylvania, and the Northeast corridor is a fraction, a fraction of the cost that it takes to pipe it from the southwest all the way up to here.

Mr. Speaker, in my other life, I worked as an economist, and I used to do a lot of studies on factors that affect the business location decisions. You know, businesses decide when and where to invest based on several factors, chief amongst them is the location to the markets; secondly, the proximity to the supply; third, the labor market; fourth, the tax structure. Well, we got the advantage on the market. We are right next to it. The supply is under Pennsylvania. We have got a good skilled labor market in this State that can help develop and grow this industry and help it prosper here in Pennsylvania.

And, Mr. Speaker, just a few words about the tax structure, the tax structure. What we are proposing in this amendment relative to the severance tax, it is modest, it is modest. In fact, Pennsylvania ranks 15th of all States in the amount of natural gas that is produced. Every State except one, every one of those States that produced more than Pennsylvania other than one has a severance tax, has a severance tax, and every one of those States who produced more natural gas than Pennsylvania also has a higher corporate tax that these same companies pay corporate taxes to than Pennsylvania. As a matter of fact, nice, good States like Texas, New Mexico, Oklahoma, and Alaska, their States realize more than \$1 billion in revenue from the gas drilling that goes on in their States, \$1 billion, and all we want to get in our State is \$60 million this year, and that will grow in the out-years. We are putting a very modest, a very modest tax rate on Marcellus Shale under our proposal.

Mr. Speaker, let me also point out that in Pennsylvania, companies that form LLCs, limited liability corporation subsidiaries, pay corporate taxes not at the 9.9-percent rate that all too many companies in Pennsylvania do, they pay taxes at a rate of 3.07. These same companies whose parent headquarters are in Texas and Oklahoma have formed subsidiaries to drill in Pennsylvania, and the profits that they make are only taxed at 3.07. Mr. Speaker, they have a huge advantage in the corporate taxes that they hardly pay in Pennsylvania, a huge advantage in terms of the proximity of the market, an advantage in the labor force, and, Mr. Speaker, I would argue that the reasonable severance tax contained in this legislation will do nothing to discourage them, will do nothing. We have so much of an advantage over all these other States, over all these other States.

Mr. Speaker, this really boils down to a really simple choice. As I said, 92 percent of the language in this bill of the amount of revenue that is generated by this package is already agreed to. Our disagreement on this floor, while it may sound extreme, it is only over 8 percent of the revenue. If we could put these two revenue sources in – Marcellus gas severance tax and other tobacco products – we could solve this budget problem.

Do not tax working Pennsylvanians. Do not tax arts and charity and culture. Do not tax my local community charitable organizations. Tax the big oil and the big tobacco interests that have such a huge advantage in Pennsylvania. Make this tax structure more fair, and in so doing, if we do this, we can get this budget done, which is necessary for all Pennsylvanians. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Delaware County, Representative Adolph.

Mr. ADOLPH. Thank you, Mr. Speaker.

Mr. Speaker, I rise to oppose HB 1531, but I want to commend my Democratic colleagues for the effort that they are

trying to do to defend the \$1 billion tax increase that they are going to pass on to the residents of Pennsylvania. And they are very, very clever and my hat is off to them, because when their neighbors go into the store and purchase that cigar, that cigarette – they are also the working people of Pennsylvania – and when they find out that something that they enjoy costs 30 percent more, 25 cents more a pack, they will get the message loud and clear.

But, Mr. Speaker, this is not an agreed-to package by any means. There is not one person on this side of the aisle that has ever agreed to 85 percent of these tax proposals. There is not one person on this side of the aisle that has agreed to 85 percent of this tax proposal; very, very clever on their part. When you cannot defend a \$1 billion tax increase on its merits, try to bridge it to something else.

Mr. Speaker, the problem with this is their large appetite for spending, their large appetite for spending. Last year's budget brought in about 10 to 11 percent less than what was estimated. In the small business which I have operated for over 30 years, if my operation brings in 10 percent less than what we had estimated, the first thing I do is I cut my expenses by 10 to 11 percent.

Mr. Speaker, it is very difficult to approve a spending plan when we do not even have the spending side. We have heard over and over again about this \$300 million increase to public education. Well, I would be very, very surprised if the bulk of that \$300 million increase does not go into the Philadelphia School District. Mr. Speaker, I would be very surprised if the school districts that I represent receive much more than a 2- or 3-percent increase, not the proposal of a 40-percent increase that the Philadelphia School District is in line for. They are going to be receiving a \$215 million increase from Federal stimulus funds, \$1 billion in basic education.

We are not talking about a fair and balanced budget when it comes to educating the children across the Commonwealth of Pennsylvania. The bulk of this increase, the bulk of this tax increase is only because of this outlandish, unrealistic spending plan that is going to go to the Philadelphia School District. While our school property taxes are going up statewide, this increase is going to be paid by the working people of Pennsylvania, by the job creators of Pennsylvania. That is what is going to happen. Your school districts, it will be a day or so from now when you are going to see what increases your school districts are going to get as compared to the School District of Philadelphia. I want you to take that home and explain that to your residents, why this \$1 billion tax increase and the bulk of it is going to the School District of Philadelphia. That, to me, Mr. Speaker, is not a fair and balanced budget. This side of the aisle has offered a fair and balanced budget with a 10-percent increase to public education across the State, but I can guarantee you it does not include a 40-percent increase to the School District of Philadelphia.

Mr. Speaker, there are legislators in this House that worked hard and long on this budget. This education tax credit, when we got a hold of this last night at the Rules Committee, when we saw that – I guess it was \$75 million going down to \$50 million – 44,000 students statewide take advantage of that tax credit. How in the world, in the worst recession since the Great Depression, can you take money away from these poor families in Pennsylvania and at the same time increase spending to the School District of Philadelphia by 40 percent?

This is not a fair and balanced budget and by no means is this an agreed-to bill. Very clever. There is no one on this side of the aisle that ever agreed to this \$1 billion tax increase nor will they ever.

Thank you very much.

The SPEAKER. The Chair recognizes the gentleman from Westmoreland County, Representative Krieger.

Mr. KRIEGER. Thank you, Mr. Speaker.

I will be brief, as much has been said already, but I do want to point out that several of the gentlemen speaking before have set up a false choice, and I think they know that. They point out the choice between taxes on energy companies versus taxes on fire halls and the arts community. We know that is not the case. As was mentioned here many times this evening, there was a third option, and that is not to raise taxes.

The leadership of this House decided that we, the collective members of this body, did not have an opportunity to speak on that. To this day I still believe many of my colleagues on the other side of the aisle would have voted for that budget had they had the opportunity.

But just briefly, the problem with our economy and with government is we have been spending too much. We all know that. Pennsylvania State government certainly has done that. Under Governor Rendell, State spending has increased by \$8 billion. During that same time, State borrowing has almost doubled and our annual debt service has almost tripled.

Now, higher taxes will not bring us prosperity. If that were so, Pennsylvania would be one of the most prosperous States in the Union. Higher government spending will also not bring prosperity. If that were so, our nation would be booming with the recovery now instead of deep in recession.

One of the previous speakers tonight mentioned the Governor from Montana. And I do not know the Governor of Montana, no disrespect intended, but I would like to go back a little further in time to our third President. President Thomas Jefferson said in his first inaugural address that "...a wise and frugal government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government...."

This budget that we are looking at tonight, HB 1531, is a continuation of a process that has gone on for a very long time, where government continues to crush the working class, continues to crush the people that pay the taxes and do the work every day. These are hardworking people. They do not want a government handout; they want to take care of their own children, they want to save for their own retirement, and they want to stand on their own two feet. We need to be concerned about those people.

I would ask my colleagues on both sides of the aisle to vote "no" on concurrence in HB 1531. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Chester County, Representative Schroder.

Mr. SCHRODER. Thank you, Mr. Speaker.

Mr. Speaker, is there someone who could stand for brief interrogation on the bill?

The SPEAKER. The gentleman from Philadelphia, Representative Evans, indicates he will stand for interrogation. The gentleman, Mr. Schroder, is in order and may proceed.

Mr. SCHRODER. Thank you, Mr. Speaker.

Mr. Speaker, with regards to the Marcellus Shale severance tax portion of this legislation, my question for you is this. Now, as I understand it, the revenue stream of the Marcellus Shale severance tax will go to several places – a big portion of the General Fund, some to DEP (Department of Environmental Protection), and other places like that. Is there any portion of this severance tax set aside to compensate and make whole homeowners and businesses who have been the victims, who have been bullied by big pipeline companies that have traversed this Commonwealth and have taken away and trampled upon their property rights, all in the effort to get this Marcellus Shale natural gas to east coast markets? Is there anything to reimburse homeowners who have had their homes taken, who have had additional rights-of-way taken so that much of their property is now unusable, who have had to fight these companies in eminent domain proceedings, who have had legal bills, who have had to pay experts and engineers and gone broke all to defend their precious property rights? Is there anything in this bill that will compensate those folks?

Mr. D. EVANS. Mr. Speaker, the answer would be no to your question, but I would join with you tomorrow—

Mr. SCHRODER. Thank you.

Mr. D. EVANS. —to help do what you want to do. It would start by voting for HB 1531, and if you vote for it, we can work together and get this done.

Mr. SCHRODER. Well, Mr. Speaker, let me add this – and I am done with the interrogation – but we have already heard that there is nothing in here tonight that will solve any of the myriad of problems – and I am speaking on the bill now, Mr. Speaker—

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

Mr. SCHRODER. —that homeowners in Chester County, in particular, have experienced with the big pipeline companies. Mr. Speaker, they have had hundreds of thousands of dollars of legal bills. They have had to hire experts, engineers. They have had to band together, have fundraisers just to protect their property and just to protect their neighborhood, and the reason is this: The regulation over the expansion of these pipelines is under an entity called FERC, the Federal Energy Regulatory Commission, which from what I can tell embodies a process that is set up to pretty much approve carte blanche what the natural gas pipeline companies want. If they want expansion, they have got it. No homeowner has a chance under this scenario. There is only one entity that has provided a modicum of protection to the people of Chester County in this regard, and that is our own State DEP, the Department of Environmental Protection.

Mr. Speaker, my concern is twofold. First of all, there is no money coming in to help these people who have had their property rights and their homes trampled upon by the expansion of the natural gas pipelines. Yet if we enact this tax, DEP, in its regulatory function, is now going to be looking over its shoulder and wondering, well, gee, if we do not issue this permit or if we stop the companies from doing this or we take a hard line with them, we are going to impact revenues on the back end. So DEP will now be doing a balancing act, and instead of protecting property owners and the watersheds and the streams that these pipelines often cross, now they will be saying, what will the impact of our decision be if we provide the maximum amount of protection possible? Will we impact our revenue stream? And let me tell you, depending on who the Governor is, who the DEP Secretary is, and what the fiscal climate is at any

given moment, that type of thinking is very possible. So not only will we have no protection or no recompense for homeowners who have been victimized by this industry, now there will be a threat to DEP's enforcement and protection of these homeowners and our streams and our watersheds. So, Mr. Speaker, I think this is a bad deal all around for more than just the tax-raising implications of it.

Now, Mr. Speaker, sometime late last year I got up on the floor and warned the General Assembly that there was going to be a grab of the Mcare money, the money that our physicians and medical community have relied upon to deal with the cost of malpractice in this State. I predicted then that it would be a target in this year's budget to help fill what we knew back then was a looming, huge revenue gap. Well, Mr. Speaker, that theft of the Mcare Fund, that breach of faith with the medical community has now come to pass in this legislation tonight. This is a shameful, shameful breach of faith with our medical professionals, the ones we have left, the ones that are still struggling to practice here that is, and now we are going to take that money that was there for one purpose and one purpose only and grab it to accommodate the Governor's ravenous spending appetite.

Finally, Mr. Speaker, we have a real sense of misplaced priorities in this bill. We take and we cut some of our neediest students who need the earned income tax credit for their education to provide them with a good choice in school, yet making its grand reappearance coming down the red carpet once again is the tax credit for big Hollywood. So we now favor Hollywood movie moguls over the neediest students in Pennsylvania who rely on the earned income tax credit for their education.

Mr. Speaker, this is a shameful approach. This bill needs to be defeated, and I will be voting against it. Thank you.

The SPEAKER. The Chair recognizes the gentleman from York County, Representative Saylor.

Mr. SAYLOR. Thank you.

You know, it is interesting as we stand on the House floor today and we are looking at a \$1 billion tax bill, a tax bill that part of it increases taxes on 100,000 small businesses in Pennsylvania. The capital stock and franchise tax is paid by small businesses. It affects about 330,000 companies in Pennsylvania, but when you take out all the exceptions and everything else, you still have 100,000 companies with 2 to 50 employees who are going to pay additional taxes this year.

We in this Commonwealth and this nation are going through a recession. We are talking as politicians about creating jobs and making sure that more companies do not end up in bankruptcy but yet we stand here today increasing a tax on the small businesses of Pennsylvania, on the backs of the mom-and-pop shops, the grocery stores, the guy who sharpens saw blades, the beauticians – any number of people in this State who day in and day out you and I live next to – the guy that we know that we may play cards with or that we may attend some social benefit with somewhere in our district. Every day we are going to see that these business people, because of these kinds of things we are doing here today, are going to end up in bankruptcy.

You know, for the last 10 months we have heard the Governor and we have heard the Democratic leaders on your side of the aisle talk about how important it is to invest in education, but today you are going to vote for a bill that cuts funding to education. You are going to cut it to the poorest

children in this Commonwealth. You have no interest in protecting them. You only have an interest in raising revenue, when the Republicans offered you an alternative that would not have cut these tax benefits for education, funding that goes to libraries with the EITC tax, funding that goes to Catholic and Christian schools and goes to public schools. All those dollars are reserved for all of our children in this Commonwealth, and you are going to vote today to cut that benefit to them.

You are also going to vote to give Philadelphia more school funding, more than your district is going to receive or my district is going to receive. Since when are the Philadelphia School District and the poor children of Philadelphia any better than the poor children that are in your school districts right back home? Why not have equal funding for all of our children in this Commonwealth? Why does Philadelphia in this bill get a special preference?

Not only that, we are going to have a severance tax, and I have heard you talk on that side of the aisle about how this is going to affect big business and they have millions of dollars. Well, let me tell you something, the severance tax is not just a tax on big business; it is a tax on farmers and people who live in homes in these regions who will benefit from the job creation. Eighty thousand jobs will be created by the gas industry here in Pennsylvania. This is not Exxon, this is not BP, this is not Hess, this is not any of the big oil companies I could go on naming. These are the drilling companies, small and big. Not only that, it will be the businesspeople who are supplying them supplies, the workers who will be working for these companies, 80,000 strong. You name me the last time that this Commonwealth of Pennsylvania or any State in this nation could talk about economic development that created 80,000 jobs at one time – 80,000 with our unemployment well over 8 percent in Pennsylvania. It is time that we start realizing that we are killing jobs in this State. We are not growing them. They are going elsewhere.

And, no; I heard a gentleman talking on that side of the aisle about, oh, we have got this natural gas in Pennsylvania. But guess what? We are not the only State with it. There is natural gas all over this country including the big State of New York who borders to the north and the small State of West Virginia to the south. These guys have an opportunity to drill gas anywhere in this country. And by this tax, you are going to hurt mom and pop and you are going to draw those revenues out of Pennsylvania for good working jobs.

I heard somebody over there from Delaware County, the gentleman from the 161st District, talk about he has not seen any leadership. We are on the 94th day without a State budget – 94 days. This House Republican Caucus not only put up one but put up three different budgets that did not increase taxes. You have yet to put up a budget that does anything. This is the first time we have had even an opportunity to vote on any kind of revenue package. When it comes to leadership, it is not this side of the aisle that has failed; it is your own leaders that have failed. And when you criticize the lack of leadership, you need to look at your own leadership, who failed to let you vote on three different budget packages that would not have increased taxes on mom-and-pop shops and the people of Pennsylvania. You have failed in leadership and you are failing the people of Pennsylvania, and it is a shame that somewhere along the line, you are going to try and make this tax bill as something that is

going to be on big corporations, because that is not honest. This is on the mom-and-pop shops across this State, and you are going to see it and you are going to feel it eventually.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Berks County, Representative Kessler.

Mr. KESSLER. Thank you, Mr. Speaker.

I have heard today about businesses being hurt. Prior to being a State Representative, I owned a corporation for 21 years. The last time I filed corporate tax returns was in 2006 because I dissolved my company after I got elected. At that time the capital stock and franchise tax was 4.89 percent; today it is 2.89 percent. My wife has owned a retail store for 15 years. She collects sales tax on everything she sells. She is still in business and she still has a thriving business.

Back in my district and in the paper and on the television and here in Harrisburg, I have heard the State budget compared to the home budget. I have a home budget, and when I bring in less money, I have to cut, I have to tighten my belt and so do you, and I totally agree with that, but I think it is a little unfair to compare a home budget with a State budget. Your home budget and my home budget are not taking care of 12 million people. All of us in this chamber have a responsibility to take care of 12 million people.

We had a \$3.2 billion deficit. We will be spending less money than we did last year, but we cannot cut \$3.2 billion, and we need to generate new reoccurring revenues so we can take care of seniors and supply them with health insurance, so we can take care of seniors that physically, unfortunately, cannot stay in their homes and need financial help to go to a nursing home. We need to take care of benefits for veterans. We need to fund our schools. We need to fund our libraries. We need to offer health insurance for children that do not have health insurance.

HB 1531 I am in favor of because of three reasons: one, because it has a severance tax versus leasing State forests. The second reason is because it does not have the 20-percent tax on the small games of chance, which would hurt our volunteer fire companies significantly. If we were, as taxpayers, to have to pay for all the volunteer fire company employees out there, that would cost the taxpayers billions of dollars – that is a "b" – billions of dollars. We cannot jeopardize our volunteer fire companies.

Also, this bill does not include the 6-percent tax on our arts, on our museums, on our zoos. These types of things our young children can learn from, our young adults can learn from that. We can learn from those things, and we certainly do not want to tax those.

In my opinion, a "no" vote on this bill, we have to go back to talk about taxing the volunteer fire companies, our arts, our museums, our zoos. So I urge everyone in this House to vote "no."

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Allegheny County, Representative DeLuca.

Mr. DeLUCA. Thank you, Mr. Speaker.

Mr. Speaker, I have been hearing a lot of these speeches today on both sides of the aisle, and it sort of reminds me of 1991. I hope the gentleman from York County would listen to what I am going to say when he says failed leadership. So I would hope that he would pay attention.

I am going to read this statement here, "So now we are faced really with a moment of truth, I suppose. And as I look at it – and I have been here a long time, as you know – as I look at it, we have two or three alternatives, none of them pleasant. We can pound our chests and say no new taxes. That is what we are going to do; no new taxes. And then our own experts on this side, they tell us that no new taxes – and we have a printout that is in the hands of all our members – no new taxes means..." cuts.

I am not going to read this whole statement, but I am going to read something that I believe is just as pertinent today, "I never thought that I would stand here and urge anyone to vote for a tax bill of this size. I am going to vote for it, and I am going to do it not because I like it, because I do not like it. I am going to do it not because I want it to stay there because I do not. I am going to do it because the alternatives, what will happen to this Commonwealth I think is worse than what will happen if it passes. I think the destruction to the economy of this Commonwealth and to the people of this Commonwealth we have to take a look at, and it is on that basis that I am voting for it, and I am not too happy doing it. In fact, I probably could not be sadder about it, but I am going to do it. Thank you, Mr. Speaker." This is from one of the great leaders of this House, the Honorable Matthew J. Ryan, God rest his soul. And I would tell everyone on that side to get his whole speech of 1991 and take a look at it, when we had to vote for the biggest tax cut that year.

And let me say about what we are talking about here today. I commend Representative Civera for bringing out a budget, but what we have not said today and what Matt Ryan probably, God rest his soul, would say today is that we would have funded basic education. We would have flat funded it, and we would have sent those increases back to our local school districts. We would have cut the Pre-K Counts by half – and everybody knows how great the Pre-K Counts program is – and we would have cut the education assistance, the tutoring program, by 30-some percent – in half, not 30-some percent.

Now, these are only a few of the programs. You keep talking about we are interested and we talk about business and business; well, let us talk about people, people, and people. Because I am telling you what, Mr. Speaker, I do not know how any business survives without workers, and we have got to take care of workers. You do not operate a business without workers, and as we make it harder, and you are thinking about taking money off of them, well, let us talk about what happens when we cut those programs, and all of a sudden some of the people, the single parents, are not going to be able to get into those programs.

And when we cut the drug and alcohol programs, what happens then? Well, they go out and they might rob, they might harm somebody, or we put them in jail and it costs us \$36,000 to keep them there. There are consequences to these cuts. Nobody likes to vote for taxes. You would have to be out of your mind to vote for taxes, but you were sent here, you were sent here to do the people's business, and the people's business is not always easy to do. Sometimes you have to make hard decisions, and that is why I am supporting this here, because that is what the constituents want us to do. We should not be worried about the next election; we should be worried about what is best for the 12 million Pennsylvanians out there.

I ask you to vote for HB 1531. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Representative Boyle.

Mr. BOYLE. Thank you.

Mr. Speaker, at this point in the budget process, we are now presented with two options. The first option is the one the Senate Republican leadership is still advocating. They want to extend the sales tax on our arts and cultural institutions such as museums and nonprofits. Nonprofit organizations, arts organizations in Pennsylvania provide roughly 36,000 jobs and generate almost \$2 billion of economic activity each year. The Philadelphia Museum of Art alone generated \$242 million in economic activity in 2008.

Despite the economic activity that they produce, many nonprofit museums and zoos are struggling. The economic downturn has hit them hard with disposable income down for so many families, and yet the Senate Republican plan does not help them; it kicks them while they are down. Extending the sales tax to concerts and cultural events will increase the price of admission for the arts. This in turn has a good chance of reducing attendance and eroding the positive impact of the arts. For many families, the price of admission may simply become too high. This would be a personal loss for them but for society as well.

In addition to taxing the arts, the Senate Republican plan also institutes a 20-percent tax on small games of chance that raise money for volunteer fire departments and other community and civic organizations. Volunteer fire departments literally save the Commonwealth millions of dollars while protecting our homes, our families, and our lives. Pennsylvania barely returns the favor by providing modest grants for equipment, trucks, and training. Each year these fire departments rely on small games of chance to raise some extra funding to keep their nonprofit operations afloat since they do not receive enough in State or Federal funding. The Senate Republican plan would have us tax the very groups who volunteer to put their own safety at risk in order to protect ours.

Mr. Speaker, fortunately, there is a second option to the plan being advocated by the Senate Republican leadership. There is the House Democratic plan, which helps balance the budget in a more fair and reasonable manner. First, we extend the current tax on cigarettes to include other tobacco products. We are the only State in the nation that does not tax other tobacco products such as smokeless tobacco. We already levy a sin tax on regular cigarettes. These products – cigarettes, cigars, and smokeless tobacco – while slightly different in how they deliver tobacco and nicotine into the body, are one and the same, and they ought to be treated equally under Pennsylvania sales tax law.

Second, our plan institutes a severance tax on natural gas extraction. Of the 14 States that produce more natural gas than Pennsylvania, every single one has a severance tax except for California, which in its place has a conservation fee. Why would Pennsylvania want to be the only large natural gas-producing State that is handing over its natural resources to pad the pockets of big oil? Why protect big oil from what amounts to a measly percentage of their profits?

Mr. Speaker, in our jobs as legislators, we are often presented with tough decisions. This is not one of them. Do we want to tax the arts, our nonprofits, our volunteer firefighters, and our VFW halls, or should we finally fairly tax big tobacco and big oil?

Mr. Speaker, the answer is obvious. Let us stand up for our nonprofits, let us stand up for our arts, let us stand up for our volunteer fire departments, and let us pass this budget. Thank you.

The SPEAKER. The Chair thanks the gentleman.

Mr. S. SMITH. Mr. Speaker?

The SPEAKER. The Chair recognizes the minority leader, Representative Smith.

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

I just want to make a clarifying point. There have been three or four, maybe five speakers. The previous speaker just was making this point that is fundamentally inaccurate.

To suggest, Mr. Speaker, that taxing the volunteer fire companies or the legion halls or VFW halls, that taxing the arts was somehow a proposal that we were a part of is absolutely ridiculous. We were never a part of that deal. As a matter of fact, the only people that were a part of the deal were the Senate, the Governor's Office, and the Democrat leaders in this House. That is where that proposal came. It was never in this bill. Voting against this bill is voting against the taxes that are in this bill. The House Republicans did not propose that. It was not in the bill.

So these suggestions that somehow by voting for this you are voting to protect your fire companies or legions or the arts – that is not correct, Mr. Speaker. It was part of a proposed deal between three caucuses and the administration. It was never a part of any deal that the House Republicans were involved in, and if in fact it was in a piece of legislation, I can assure you that we would be voting against it.

So as we are debating HB 1531, Mr. Speaker, let us be very, very clear: It was part of a deal between the House Democrat leaders, the Senate leaders, and Governor Rendell. No one here on this side of the aisle was ever proposing to tax any of those people, and a vote for this bill is a vote for taxes in a broad way.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Luzerne County, the majority leader, Representative Eachus.

Mr. EACHUS. You know, I listened to the gentleman's editorial, and I understand he feels there are inaccuracies in what is being said tonight. But let me say this: There are components in this plan that were generated by Republican sponsorship – the delay of the capital stock and franchise, and true, the number is not the same as the one that was proposed by my Republican counterparts, but it was spawned by their pen. The tax amnesty plan, which we have adopted, which is a good idea from one of the Republican members, maybe save us – get some money into the Commonwealth. The Marcellus Shale leasing plan, another idea.

And let me say this: I know that the gentleman has abdicated leadership away from the table. He has not been at the table, true enough, so he cannot take any responsibility for anything in this package, but let me say this: This is a responsible measure, and once again let me repeat the facts. Our spending this year will be below – I will repeat – below 2008-2009 spending levels. Maybe the gentleman thinks that it should be lower. That is his opinion. We know that the spending plan will pass. We will focus on protecting children, making sure that we have day-care services that are provided, long-term care, and funding for public education that guarantees that there is no increase in school property taxes.

So I understand the gentleman wants to say no to everything and he has not been at the table on anything. I get all that. If you are not there, you do not have to take responsibility. But let me

tell you one thing: What we are doing tonight is taking responsibility for this Commonwealth, because we are 94 days over – 94 days over, Mr. Speaker.

And let me say this: There are people out there who are suffering, working families losing day-care services, our counties about to shut down. And I understand the gentleman wants to take no responsibility. He does not want to be for anything. I get it. And he has not generated any ideas to solve this impasse either. So he is not at the table, not part of the discussion, no solutions – just no; I get it, Mr. Speaker. I get the strategy, but we are going to take responsibility tonight to move this process forward to make sure that we find a solution to solving this budget problem.

And let me say, I am proud of the members of the Democratic Caucus for their courage and their willingness to make sure that we move this process forward.

Mr. S. SMITH. Mr. Speaker?

The SPEAKER. The Chair recognizes the gentleman from Jefferson County, the minority leader, Representative Smith.

Mr. S. SMITH. Thank you, Mr. Speaker. Two quick points.

Number one, the House Republicans put forth a budget proposal that would not have required a tax increase, and we were denied an opportunity to have a vote on that proposal not only on the floor of the House but also in the conference committee. That is a simple fact.

Number two, Mr. Speaker, the people that are out there that work in some of these institutions, the day-care centers or the drug and alcohol programs or some of the nonprofits, all of those people that are suffering at this very moment because of a lack of a State budget, they were being held hostage by design. It was by design, Mr. Speaker. This was something that was planned, and it was planned to put us in this very moment, to try to put pressure on the legislature to raise taxes in a year when we should not be raising taxes.

We had a budget, Mr. Speaker, last year of a little over \$28 billion. The Governor put \$500 million in budgetary reserve. In June we could have been passing this budget. At this point, I mean, we spent 4 or 5 months of just putting pain on the people of Pennsylvania to get back to where we were at the end of June. It does not make sense. We start off at \$28 billion. The Democrats propose a \$29 billion budget. We started with a \$3 billion-plus deficit, and we are back to where we started in June.

So to suggest that the responsible thing is to raise taxes because people in Pennsylvania are hurting and suffering, that was by design to put us in this pressure point. The fact is, these taxes will put pain on the people of Pennsylvania as well. And if we were looking at a budget document in a couple of days that actually reduced a little bit of spending and produced some savings to the taxpayers, we would not have to raise these taxes. We are not going to look at any reforms in welfare; we are just going to keep spending as fast and furious as we can. We are not going to be looking at maintaining just basic services; we are going to have to spend it all over the place.

The bottom line is, Mr. Speaker, we are in this position by design. This was something the administration was looking for, and if the administration wanted to have signed a few more line items, all of those people that are hurting today would not be hurting. They would have been funded. And many of those, many of those lines are not going to go up in the budget you are

going to see in a few days. They are going to be the same as they were in the budget bill that the Governor vetoed, line-item vetoed.

So we are not being irresponsible, Mr. Speaker. We put forth a plan that would work, and we are being responsible to the taxpayers of Pennsylvania by saying we are not raising taxes in this year. That was the responsible position to have. This economy is horrible, and taking more money out of people's pockets is not the right way to go.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Luzerne County, the majority leader, Representative Eachus.

Mr. EACHUS. Mr. Speaker, I just want to make sure that the members heard what the gentleman said, and I think I heard it right, that there is some calculation on someone's part to drive a process to guarantee the struggle and suffering of Pennsylvanians so somebody can raise taxes. That is preposterous.

And let me say this, let me say this: The gentleman is not at the table. He has abdicated responsibility. I understand. He is not for anything. And the gentleman from Punxsutawney pokes his head out of the gopher hole and we are going to have 6, 6 more weeks without a budget – 6 more weeks without a budget.

The SPEAKER. The gentleman will yield.

The House will come to order. The House will come to order.

Mr. EACHUS. Mr. Speaker, I was out of line. I was out of line. Let me say, my emotion got the best of me. I apologize to the gentleman, and I apologize for getting the species of mammal wrong too.

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Representative Kotik, on the question.

Mr. KOTIK. Thank you, Mr. Speaker.

The SPEAKER. The gentleman will yield.

The House will come to order.

Mr. KOTIK. Mr. Speaker—

The SPEAKER. The gentleman will yield.

Members will please take their seats.

Mr. S. SMITH. Mr. Speaker?

The SPEAKER. The gentleman, Mr. Smith. The gentleman, Mr. Kotik, yield.

The Chair recognizes the minority leader, Representative Smith.

Mr. S. SMITH. I will tell you what is offensive is he did not even know it was a groundhog.

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Representative Kotik.

Mr. KOTIK. Thank you, Mr. Speaker.

Mr. Speaker, the hour is late, figuratively and literally. I have received many calls from many of my constituents in my district. Things are really tough out there, and we have been doing this thing for 90 days now, and we have got to get something done.

We have responsibility on both sides of the aisle, and I wish we would get past this partisanship of Democrat and Republican. But we do a lot of great things for the people of this Commonwealth, and it all comes with a great cost. And there is no easy way to get out of this budget dilemma that we have

been faced with, and we have got to do something and we have got to do something quick, because we just cannot go on like this.

And I am very reluctant to sign on to this deal that we are proposing tonight because I have my doubts about how the Senate is going to react to this, but I am going to give my leadership the benefit of the doubt on this. And I am going to say to the leadership, I am going to speak out and I am going to give you one more shot at the apple, but I am going to give you a challenge: You better get this thing done in the next couple of days, because the people of Pennsylvania want action. They are tired of the posturing. They are tired of the politics. They are tired of everything. So let us get this thing done once and for all and work out some kind of compromise with the Senate and with everybody, and let us do the right thing for this Commonwealth.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Montgomery County, Representative Murt.

Mr. MURT. Thank you, Mr. Speaker. Mr. Speaker, I will be brief.

Mr. Speaker, I rise to voice my grave concerns about the reduction of the educational improvement tax credit in HB 1531 as amended.

Mr. Speaker, the educational improvement tax credit has helped thousands of families across the Commonwealth of Pennsylvania send their children to schools that have proven to be successful in preparing students for the future. Mr. Speaker, the EITC provides educational opportunity to Pennsylvania families who otherwise would not be able to send their children to safe schools that work.

Many families in my own legislative district, Mr. Speaker, particularly within the city of Philadelphia, use the educational improvement tax credit to help educate their children. If the allocation for the EITC is reduced, this action will snatch away the only lifeline available to many of those families to obtain the best possible education for their children.

Mr. Speaker, we have heard a great deal of talk from various officials about the importance of providing high-quality education to ensure that Pennsylvania's children are prepared for the future. Mr. Speaker, there comes a time when that talk must be backed up with action. This is one of those times. If we are truly serious about educating our children and if all the talk we have heard is sincere, we cannot possibly reduce the educational improvement tax credit. Reducing the EITC will deny educational opportunity to thousands of Pennsylvania's poorest children who live in some of the most desperate neighborhoods. It is the wrong move for Pennsylvania's poorest families, and I will not support it.

Mr. Speaker, this will hurt Pennsylvania in many ways. It will hurt education. It will hurt the working class and the poor families who strive to educate their children, and I strongly urge my colleagues to join me in opposing the amended version of HB 1531. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentlelady from Luzerne County, Representative Mundy.

Ms. MUNDY. Thank you, Mr. Speaker.

So many times this evening we have heard from the Republicans that the educational improvement tax credit is being cut at the same time that they decry all of the spending

that we on this side of the aisle want to do. I think that redefines the word "hypocrisy." Let us spend more money for programs but let us not raise any taxes.

I am tired of always being the party who is asked to put up the votes to pay the bills when this side has all the great ideas about how we can spend more. No one on our side of the aisle enjoys having to raise taxes. Taxes should always be a last resort.

And I sincerely apologize to my constituents for the lateness of this budget, but what we have here is a clash of ideologies and quite a lot of partisan politics. If we as House Democrats had just caved in to the deep and painful cuts that House and Senate Republicans wanted to inflict on the citizens of Pennsylvania, we would have had a budget on July 1. But we Democrats see the people behind the line items in this budget. We see the frail elderly in nursing homes. We see the children in need of health care and in need of help in order to be ready to learn in school. We see the low-income working families who rely on subsidized child care in order to go to work. We see the mentally ill and the veterans and the volunteer firefighters in our communities. These are real people who rely on government services and funding.

A previous speaker insisted that the people of Pennsylvania want us to just say no to new taxes, that if we are truly representing the interests of our constituents, we will vote "no" on any new taxes. But I can tell you, I can tell you that for every letter, e-mail, or phone call I received asking me to resist a tax increase, I received 200 requests to preserve funding for libraries, public television, education, child care, nursing homes, MH/MR (mental health/mental retardation), autism services. I could go on and on down every single line in this budget and tell you of the support that my constituents have for government services that they need. I guess many of the previous speakers' constituents have no need for any of these services.

We have a structural deficit in Pennsylvania not of our making. It took us 73 days to convince the Senate Republicans that we needed new and recurring revenues in order to get us past this global financial crisis, to convince them that without this new revenue, we would be right back here next summer with an even more massive deficit and even fewer options.

When we finally convinced them of the necessity for these new revenues, they insisted that we not tax cigars and smokeless tobacco, that we not tax natural gas extraction. Instead, they wanted to tax our arts and cultural institutions, our small nonprofits trying to raise money to support the services they provide. Well, I say that is not acceptable. We are only one of two States that does not tax cigars, and we are the only State in the nation that does not tax smokeless tobacco. It is inconceivable that we would not tax these tobacco products when we so desperately need the revenue.

The large gas companies now working in Pennsylvania are here because that is where the gas is, not because of market advantages. Why should we allow these companies to take our natural resources, export them all over the east coast, and receive nothing toward the environmental damage they cause? Did we learn nothing from the legacy of the coal barons?

We as House Democrats stand with the most vulnerable citizens of Pennsylvania. We stand with college students, with those who use our libraries, who watch and listen to public television and radio. We stand with working families and the

disabled. We need the revenue in this bill to prevent the draconian cuts that House and Senate Republicans would have us enact in these areas.

This plan raises the sustainable revenue necessary to fund our priorities while still spending less than we spent last year. Please vote "yes" on HB 1531.

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Representative Maher.

Mr. MAHER. Thank you, Mr. Speaker.

Would the chairman of the Appropriations Committee rise for interrogation?

If it is not convenient for him, perhaps there is someone else on that side of the aisle who is able to help clarify some of the points in this legislation?

The SPEAKER. The majority leader, Representative Eachus, indicates he will stand for interrogation. The gentleman, Representative Maher, is in order and may proceed.

Mr. MAHER. Thank you, Mr. Speaker.

On page 52 of this bill, beginning on line 12, and if you need a moment to get to that point, I will pause— Thank you.

There is a definition of "TOBACCO PRODUCTS" that is a pretty good laundry list of ways that you might imagine people selling tobacco, and then continues to say "...AND OTHER KINDS AND FORMS OF TOBACCO, PREPARED IN SUCH MANNER AS TO BE SUITABLE FOR CHEWING OR INGESTING..." Is that intended so that basically any tobacco product and tobacco extract, regardless of its form or appearance, in the event it is not on that list, is subject to this 30-percent tax? That is, that is for ingesting or chewing.

Mr. EACHUS. That is correct.

Mr. MAHER. So things like hemp rope would not be considered or those sorts of agricultural residues that are being used for an agricultural purpose would not be subject to the tax, but if a human being can chew it or ingest it, it would be subject to the tax if it comes from tobacco?

Mr. EACHUS. If it is not tobacco, it is not tobacco.

Mr. MAHER. Oh, so there might be some tobacco products that will not be subject to the tax? Is that what you are suggesting?

Mr. EACHUS. Sir, it is not tobacco, what you described.

Mr. MAHER. Well, what did you have in mind then with this "OTHER KINDS AND FORMS...PREPARED IN SUCH MANNER AS TO BE SUITABLE FOR CHEWING OR INGESTING"? What do you have in mind there that is not on that list?

Mr. EACHUS. We are just describing the entire category of tobacco products in a broad way to make sure that we do not miss any.

Mr. MAHER. So if somebody were to repackage chewing tobacco as some sort of a confection, that would be included?

Mr. EACHUS. Can you repeat that, sir?

Mr. MAHER. If a producer were to reformulate, let us say, chewing tobacco and turn it into a confection, a candy, would that be subject to the tax?

Mr. EACHUS. Sir, I am no expert in this, but my guess is the FDA, the Federal— I am sorry. The Food and Drug Administration in Washington, the FDA, would come into play under that category that you are describing.

Mr. MAHER. Well, but just so we do not have to guess, if such a product were being sold, would you intend for the tax to be subject to it?

Mr. EACHUS. Yes.

Mr. MAHER. Thank you.

On page 103 of the bill, it talks about the educational improvement tax credits, and specifically, beginning on line 16 it talks about the educational improvement organization and defines that and says that "A BUSINESS FIRM MUST APPLY TO THE DEPARTMENT FOR A CREDIT UNDER SECTION 1705-F. A BUSINESS FIRM SHALL RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF THE DEPARTMENT HAS APPROVED THE PROGRAM..." blah, blah, blah. And then it continues in section (C) talking about the availability of tax credits. It says "TAX CREDITS UNDER THIS ARTICLE SHALL BE MADE AVAILABLE BY THE DEPARTMENT ON A FIRST-COME, FIRST-SERVED BASIS WITHIN THE LIMITATION ESTABLISHED UNDER..." another section. Is that language the same as the current law?

Mr. EACHUS. Yes, it is.

Mr. MAHER. Thank you.

And on page 43, this is the subject of the taxes on managed-care organizations, which people at home might know as HMOs (health maintenance organizations) or something like that. Beginning on line 27, this provides that "IF THE CENTERS FOR MEDICARE AND MEDICAID SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ISSUES A WRITTEN DETERMINATION..." on something, "A DEFERRAL, DISALLOWANCE OR DISAPPROVAL OF FEDERAL FINANCIAL PARTICIPATION ON THE GROUNDS THAT THE TAX IMPOSED UNDER THIS SUBSECTION CONSTITUTES AN IMPERMISSIBLE HEALTH CARE-RELATED TAX..." under Federal law. Are you aware, has there been any correspondence with the Department of Human Services to ascertain their view as to whether or not this is an illegal tax?

Mr. EACHUS. No, sir; I am not aware.

Mr. MAHER. So what is being proposed here, this 5-percent tax on health insurance premiums, we do not know – there have been no conversations with Uncle Sam as to whether or not it would violate the Federal rules?

Mr. EACHUS. Sir, this model mirrors the model used in Michigan and Ohio. The difference is that we use the gross receipts tax here.

Mr. MAHER. Well, why are you anticipating then that Uncle Sam would find this to be violating, impermissible under Federal law?

Mr. EACHUS. Mr. Speaker, we have had previous situations where the Federal government, we put a process in place and the Federal government approves it and then disapproves it. So they do have discretion to approve or disapprove this model.

Mr. MAHER. But was it important enough to determine in advance of levying this onerous tax whether or not Uncle Sam would deem it to be impermissible, that minor detail?

Mr. EACHUS. Well, Mr. Speaker—

Mr. MAHER. I withdraw the question. I will withdraw the question, Mr. Speaker. I am sorry; that is argumentative, that is not ascertaining fact.

Let me ask you another fact question. On page 44, beginning on line 8, it provides that if Uncle Sam determines that this tax is impermissible under Federal law, that unless legislation is enacted to provide a new tax within 60 days, the Department of Welfare may exercise any rights under its contract to cease payment or terminate the contract with the managed-care provider. My question to you is, what does this language

actually accomplish? What is the statutory need for this language? Is this creating a right for the Commonwealth that does not already exist, that is not already in place pursuant to those contracts?

Mr. EACHUS. Mr. Speaker, all this does is stabilize the funding source for our managed-care organizations in Pennsylvania.

Mr. MAHER. Excuse me; this is saying that you would eliminate the managed-care organizations.

Mr. EACHUS. Well, sir, if we have no resources through this mechanism, then we will be forced to shut down our managed-care organizations, because there will not be either the State resources or the Federal match to pay for it.

Mr. MAHER. And how many people would you leave without health care who are depending on these now?

Mr. EACHUS. They would fall back on the traditional medical assistance system.

Mr. MAHER. I see.

Mr. EACHUS. Managed care saves millions of dollars—

Mr. MAHER. So this is really an avenue to put the managed care—

Mr. EACHUS. Pardon me, Mr. Speaker. I just wanted to be clear. Let me finish.

This managed-care system is constructed to save dollars for taxpayers through medical assistance. It guarantees protocols are in place that manage the care and keep the costs down. It creates networks of physicians who care for people in the Pittsburgh area and across the Commonwealth. So this mechanism helps stabilize and lower the cost of health care for literally millions of Pennsylvanians.

Mr. MAHER. Thank you, Mr. Speaker. It is nonresponsive, but I thank you for concluding.

On the 129 pages of this bill, which has been available for little more than 24 hours, I have attempted to discern whether or not, among all these revenue items, is there anything in this legislation that would seek to recover the \$100 million in casino tax relief that you have advocated for in the past, with assurances that it would be recovered from casinos, the money that was taken from the Property Tax Relief Reserve Fund? Is there anything here to recover that \$100 million that is taken out of property tax relief funds and given to a casino's benefit?

Mr. EACHUS. I do not understand the nature of your question.

Mr. MAHER. You may remember that one of your legislative achievements as a leader was to reach into the Property Tax Relief Reserve Fund and take \$100 million to fund the Gaming Board that otherwise was due to be paid by the casinos to support the Gaming Board, but instead of the casinos paying it, it came out of the Property Tax Relief Reserve Fund. So basically, it is money that could have been available to Pennsylvania homeowners but instead went to the benefit of the casinos.

With your search far and wide for revenues, is there anything in this bill that would recover that \$100 million from the casinos that has come from the Property Tax Relief Reserve Fund?

Mr. EACHUS. Now I get it, Mr. Speaker. The answer is no.

Mr. MAHER. Thank you.

Now, I have heard a lot of figures today, and again, we have had just a little more than 24 hours to digest this bill that came in out of the darkness yesterday. But we have heard a lot of figures talked about today, and I have one analysis here that you may have seen that says that this legislation would result in just

shy of \$2 billion in new taxes. I know you do not like the "taxes" word, so I will say \$2 billion in new revenue. Is that a number you subscribe to, or what is your number for what you think this is going to raise?

Mr. EACHUS. Could you repeat the question, sir? It is a little bit loud in this chamber. I am having a hard time hearing you.

Mr. MAHER. Well, maybe the Speaker can assist.

The SPEAKER. Thank you.

The gentleman is in order and may proceed.

Mr. MAHER. Thank you, Mr. Speaker.

There have been a lot of numbers tossed around today as to what the total take of HB 1531 will be, and I have an analysis that indicates that the additional taxes will be just shy of \$2 billion a year. And I know you do not like the "tax" word so I will ask it this way: I have an analysis that indicates it will be \$2 billion of new revenue. I have heard other figures thrown around. What is the figure you come up with?

Mr. EACHUS. Well, what you are referring to is nonrecurring revenue as well as recurring revenue, but I think, if I understand your question, the number would be \$2.3 billion.

Mr. MAHER. \$2.3 billion? Okay.

Mr. EACHUS. I think, if I understand your question right, Mr. Speaker. But I think you are adding recurring and nonrecurring revenue together.

Mr. MAHER. I think that is right. That is right. Thank you.

Now, I have not had the chance to do all the research, but my question is, does this make this bill the largest tax increase in the history of Pennsylvania or is it only the second largest ever?

Mr. EACHUS. Sir, once again, the number that you describe is recurring and nonrecurring revenue. So I understand what you are trying to get to, but I think you are mixing your metaphors.

Mr. MAHER. Thank you, Mr. Speaker.

That concludes my interrogation. If I would be in order to speak on the bill, Mr. Speaker?

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

Mr. MAHER. In this chamber, people may make a distinction between so-called recurring and nonrecurring revenues. But if you are a taxpayer who has got to pay a tax, if it is coming out of your pocket, if it is coming out of your checkbook, it feels exactly the same. It is a tax.

The gentleman has just summed it up nicely: A \$2.3 billion tax increase is what is in front of you – a \$2.3 billion tax increase. Now, apparently they need a \$2.3 billion tax increase to spend less than we spent last year, or so we are being told, but we cannot really ascertain that because of course whatever it is that the spending plan is for the Democrats is guarded so secretly that the public of Pennsylvania has no ability to gauge it.

There is a lot wrong with this bill, and I am going to avoid, I am going to do my best to avoid covering ground that has already been talked about. But let me just point out a few things.

Based upon the gentleman's answers, this so-called tobacco tax will tax Nicorette, it will tax nicotine gum. It will tax lozenges that people use to try to kick the habit, that the way this bill is drafted, there will now be a 30-percent tax on those tobacco products, and we are going to punish Pennsylvanians who are trying to cease smoking with a 30-percent tax.

Now, maybe that was not the intent, but that is what is before us, what was confirmed through interrogation of your leader. With the earned income tax credit, the leader confirmed that the language here, which is that the department "shall" grant tax

credits to those who qualify, is the same language which exists under existing law. That means that the tax credits that Pennsylvanians are entitled to beginning July 1 of this year have already been earned, and by law, Pennsylvania "shall" issue those credits.

The taxpayers have kept their end of the bargain. The law is crystal clear. This is written in an unconstitutional fashion because it is an ex post facto taking. It is a taking from those people who have earned these tax credits for being kind enough to pony up charitable support for scholarships for children to attend schools, for supporting initiatives, community-based initiatives, in the public schools, but the way this bill is drafted is unconstitutional because it is an ex post facto taking. The statute is clear. These taxpayers have already earned their entitlement. We cannot and you cannot magically wave your hands and take away what was already guaranteed to them under the law.

When we look at this tax on the managed-care organizations, this tax is millions and millions of dollars. But apparently, although it has apparently never been approved anywhere else in the country, it apparently was not worth the leader's time to determine if Medicare would approve it. And rather than finding out if Medicare would approve it or not, they anticipate that Medicare will determine this to be an impermissible health care-related tax.

Understand that. This bill is drafted with a significant component in anticipation that the tax that would be levied would be illegal under Federal law. Well, I see that as a bit of a problem. I also see it as a bit of a problem what continues then to say that if Uncle Sam says that this new tax is illegal under Federal law, that unless legislation is enacted within 60 days, the Department of Welfare will have the statutory authority to renege on existing contracts.

Now, of course, that violates Federal and State Constitutions. If you are familiar with the *Dartmouth* case, a very famous Federal constitutional case, you cannot author legislation that impairs existing contracts. And if this was not intended to impair an existing contract, it would not need to be in this bill at all, because any rights that exist under that existing contract are spelled out in that existing contract. The only reason it is in this bill at all is because it would be unlawful – violate the Pennsylvania Constitution, violate the Federal Constitution – by interfering in existing contracts. So that will not stand this test of time. That will be unconstitutional.

Now, I had a conversation with the good Speaker of this Assembly to alert him that I might be raising a number of constitutionality questions, but I have decided not to cause us to do a whole series of votes, and I will tell you why: because the way this is written right now, while it is unconstitutional, everybody in this chamber knows it will never become law to begin with. Sadly, after all this delay, this is still not a serious proposal. If it were a serious proposal, it would not outlaw nicotine gum, it would not outlaw nicotine lozenges, it would not violate the Federal Constitution in a number of ways. It would not violate Pennsylvania's Constitution in a number of ways, because I would assume if it was a serious proposal, it would have been written in a way that people would expect to be durable and enforceable, and this is not, and that is very sad. Regardless of the content, I would hope that we have serious proposals that come before this body and not ones that people expect will never become law.

The gentleman from Allegheny County who chairs the Finance Committee offered a bit of an education about Marcellus Shale and how he believed that this is the most profitable industry you could imagine, and he read some analyst's report. And I am sure, knowing the gentleman to be a man who does his homework rather thoroughly, I am sure that he researched and found a good example to bring before us. And what he quoted was that if the wellhead price of natural gas fell as low as \$3.25 per Mcf (thousand cubic feet), there would still be enough for this particular company that he was citing to have a 20-percent profit margin.

And I am not going to— I will accept at face value that whoever the analyst was was correct in this case and that the gentleman offered this up believing it to be correct. Here is the rub. The rub is that Marcellus Shale, the price of natural gas is not a question of it going as low as 3 1/4. If you look on your computers and go to the NYMEX (New York Mercantile Exchange), you will find that the wellhead price of natural gas is now at \$2.92.

The wellhead price of natural gas is already just shy of 10 percent below what he had quoted us. So you have got that 20-percent profit margin – let us accept that for the sake of conversation – minus 10 percent, because that has been wiped out with the price of the gas, and that would leave you 10 percent. But guess what? The combination of the 4.7 cents per Mcf and the 5-percent severance tax adds up to 11 percent.

So now this example of this incredibly profitable company, if this were to become law, you suddenly have a company that for every time they pumped gas, every time they drilled for gas, they would be guaranteed to lose money. How many jobs do you think will be created in a line in the field where the arithmetic says you are guaranteed to lose money even under the most favorable assumptions? None. How many jobs will be lost? Plenty.

Now, back when the price of gas was \$8, \$9 an Mcf, I got to tell you, I gave some thought to this subject, but right now when gas is \$2.92 an Mcf, to put on a tax that would amount to 11 percent will eliminate the ability for most firms to earn anything, and if they cannot earn anything, you have guaranteed they are not going to be hiring our neighbors to work.

This bill also anticipates lots of revenue from table games, and I say lots, but I am not sure it is really so much. It is anticipating a \$20 million ticket to play, \$20 million to get your license. I ask today what I asked when Act 71 was adopted: Why not put these out for bid? Let the market decide what they are really worth.

When Act 71 was under consideration, we were advised that, gee whiz, \$50 million is a lot of money, and to you and me it certainly is. But to the gaming industry, apparently it attaches far greater value. We have all seen what were once horse tracks in Pennsylvania, that after Act 71 came into being, the value of these properties that are the same dirt and the same grandstands went from being in the millions to being in the billions. These licenses are worth plenty, a lot more than \$20 million.

If, if this is such an important revenue avenue, why do we not maximize it? If you are going to head in the direction of table games, at least get fair market value. How do we know what that is? Well, we do not. Let the market tell us. There are plenty of people who would be interested in having those table games licenses. Put them out for bid – with all the strictures, but put them out for bid.

With what may be the largest tax increase in Pennsylvania history that theoretically is necessary to spend less money than last year, but of course, we do not really know that because there is no spreadsheet. The Democrats have no plan to put before us. Three weeks ago the Democratic leader stood in a press conference and announced an agreement, which has been reneged on. Two weeks ago the same Democratic leader stood with the same people—

Mr. EACHUS. Mr. Speaker?

The SPEAKER. The gentleman, Mr. Eachus.

Mr. EACHUS. Mr. Speaker, the gentleman's characterization of reneging is inaccurate, and I think he is using it in an inappropriate way. So I just wanted to stop, I just wanted to stop him because he does not know the reasons. If he wants to know the reasons, he is welcome to interrogate me on those reasons, but calling someone out on this House floor is not what we do.

Mr. MAHER. Mr. Speaker, I will try to find a way to address my point that is less sensitive.

The SPEAKER. The gentleman will yield.

The gentleman will keep his remarks to the question before the House.

Mr. MAHER. Thank you, Mr. Speaker.

Three weeks ago there was an announcement of an agreement. The Democratic leader has not brought that agreement to us for a vote. Two weeks ago there was another announcement of an agreement, this time with the Governor. The Democratic leader has not brought that agreement to us for a vote. Instead, what we have today is something which was hatched in darkness, revealed 6 p.m. last evening, is chock-full of constitutional problems, chock-full of drafting that will have unintended consequences, and I am sure once we all have a chance to read this 129 pages for more than 24 hours that we will discover considerable more concerns.

But here, here is the real prize for those who vote for this: If you vote for this bill, you are actually voting to increase property taxes. Now, you might say, well, nobody has told you that before. But understand this: Currently all the revenues that go to property tax relief from slots, they will be diminished to the extent that individuals choose to play table games instead of slots. The tax that comes from slots, to an extent, is dedicated for property tax relief. To the extent the people go to table games and not slots, there is less money for property tax relief, because the money, under this proposal, the tax goes to the General Fund.

So you are being asked to divert funds from property tax relief to the General Fund. And I have heard an awful lot of people say that they are concerned about property taxes. Well, you ought to be really concerned about voting for this, because a vote for this is a vote to increase your neighbor's property taxes.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Northampton County, Representative Dally.

Mr. DALLY. Thank you, Mr. Speaker.

And I will be brief. I know it has been a long evening.

But I rise to oppose HB 1531. We have heard a lot of interesting comments tonight, and I am going to focus just on the tax on cigars, because that is what impacts my district the most as far as business is concerned.

We heard the lady from Luzerne say that it is inconceivable not to tax cigars. We heard the gentleman from Allegheny say,

what is wrong with that; all other States tax cigars, why should not we? The majority leader said we are the only State in the nation that does not tax cigars and moist tobacco. We heard the gentleman from Delaware County saying we have to get big tobacco, tax big tobacco. And then we heard from the gentleman from Allegheny comparing the 1991 tax increase to what is going on tonight.

But, Mr. Speaker, 2009 is not 1991. Just today it was released that the unemployment rate in the United States of America is the highest since 1983. In September alone, nonfarm payrolls plunged more than 263,000 jobs. That is a sobering figure, Mr. Speaker.

And let me tell you how this cigar tax affects the Lehigh Valley and affects my district. We have a company in Northampton County, in East Allen Township, by the name of Cigars International, and it is located in Pennsylvania for the sole reason of the favorable taxes on cigars. And we have heard tonight, well, 49 other States tax cigars; why do we not? Well, rather than being number 50, why do we not be number one and not tax cigars, because that is why these companies are here.

One of the owners of this company informed me that four of the eight largest cigar distributors in the country are located in Pennsylvania for that reason. This company in particular, Cigars International, ships 5500 shipments daily from their warehouse in East Allen Township. In fact, they ship so much from their warehouse in East Allen Township, they are the largest single customer of the United Postal Service station in the Lehigh Valley – the largest customer. They have nearly 170 full-time jobs, and you know what? They provide full benefits and good wages. Those are 170 real people, real workers, men and women that are working every day that we want to throw out of Pennsylvania by enacting this tax when our unemployment rate is approaching 10 percent.

They are also in the process of planning a \$9 million expansion, my colleague from Bethlehem, in his district – a \$9 million, 120,000-square-foot distribution center on a brownfield in Bethlehem. They pay in excess of \$1 million annually in taxes, and all this is gone for a cigar tax. As this gentleman tells me, he can and in many ways should be located in Florida in close proximity to other suppliers and manufacturers, and the fact that there is no cigar tax in Pennsylvania tips the scales.

He finishes his e-mail, and I will quote: In a world where many are seeking bailouts and businesses are laying off employees, just leave us alone, and "...if left alone, we'll expand our tax base" – heaven forbid we do that – "we'll remain significant customers for countless local businesses..." So they generate a lot in their local economy. That is not a good thing either. Or better yet, they are going to employ more people. They have 170 jobs now, and they want to employ more people in Pennsylvania. Well, what are we going to do? We are going to tax them. This is big tobacco, 170 employees. Big tobacco, and you want to punish these people, 170 people that have a job to go to every single day with benefits.

You know, I listen to the debate on this House floor and I often think, you know, maybe one of the requirements for being a House member should be that you have to sign the front of a paycheck instead of just signing the back of one, because then you will know, when actions are taken on this House floor, how it impacts the people that pay the bills and employ people in this Commonwealth. And I have heard a whole lot of

speakers tonight, and I know a lot of them have never signed the front of a paycheck, but yet they are ready to tax these people – 170 jobs in the Lehigh Valley, right here. A growing business in the Lehigh Valley, and we want to tax them out of existence, send them to Florida, take their 170 jobs. And Mack Trucks just went south, too, because the Governor did not help them.

So let us just continue to tax these small businesses, tax them out of existence because we have to meet the insatiable spending of this Governor and the Democratic Appropriations chairman from Philadelphia. Because we have not heard, we have not heard yet, we have not heard yet, where is this \$1.2 billion going? We are voting on a bill to raise taxes, and no one knows where it goes.

So, Mr. Speaker, I just want to give that example of a small businessman in the Lehigh Valley and how this cigar tax affects him. It is not big tobacco. That is great for headlines. This is the small businessman that is putting people to work, investing in our local economy, and the ancillary economic benefits to companies that surround them. That is what this is about.

I urge my colleagues to vote "no" on HB 1531. Thank you.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Lackawanna County, Representative Staback.

Mr. STABACK. Thank you, Mr. Speaker.

Mr. Speaker, I rise in full support of HB 1531, and I want to draw special attention to the gas extraction fees that are included in this funding package.

Mr. Speaker, with the creation of this revenue source, our State stands to recover hundreds, hundreds of millions of dollars through the next 5 years. Pennsylvania will be like 48 other States who insist that when natural resources are taken out of the land, public investments are put back in to the surrounding communities.

Also and importantly, with the passage of HB 1531, much less drilling on public lands will be needed. Sportsmen's groups and dozens of conservation groups that have contacted me agree that the less disruption to our State forests, the better. With more and more land becoming suburban homesites and retail centers, our State forests are more vital than ever with the Commonwealth's wildlife, plant population, as a source for quality water supplies, and as a site for outdoor recreation.

Mr. Speaker, I live in the northeast, and every day I see the remnants of the rush to get natural resources out of the ground. Some of the very same dangers exist for drilling for natural gas as do for coal mining, especially relating to clean water and reclaiming land after the work is done. With revenues coming in from the wells, there will be no need for a total selloff of State forest lands to the drillers. More land will be spared, leaving them wild and with no need to be reclaimed.

Mr. Speaker, given this bill's balanced approach to new revenues, and especially its use of extraction fees to offset the need for increased drilling and to bring in much-needed dollars to the Commonwealth, I support the bill and urge an affirmative vote on the measure. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Montgomery County, Representative Quigley.

Mr. QUIGLEY. Thank you, Mr. Speaker.

Would someone on the other side be able to stand for brief interrogation regarding the tax credit situation in this bill?

The SPEAKER. The gentleman, Mr. Eachus, indicates he will stand for interrogation. The gentleman is in order and may proceed.

Mr. QUIGLEY. Thank you, Mr. Speaker.

Mr. Speaker, in this bill, we are taking away a 33-percent reduction in the tax credit programs of the film production research and development and the educational improvement tax credit program, the EITC, which we have heard quite a bit about today. And although the 33-percent reduction applies to all three categories, I was wondering if you could comment on the impact to the General Fund, the revenue gain to the General Fund, as a result of this reduction, and is that equal in each of the 3 years?

Mr. EACHUS. Mr. Speaker, the first-year savings is \$39 million, the second year is \$75 million.

Mr. QUIGLEY. All right. Now, would I divide that by all three categories, or is one category paying more than the other?

Mr. EACHUS. They are proportionately the same.

Mr. QUIGLEY. So in other words, the educational improvement tax credit program would be paying a little more than \$10 million, film production would be \$10 million, and research and development would be \$10 million?

Mr. EACHUS. Let me be clear; you may be mischaracterizing it.

What you have got, we would be giving out 67 percent this year of what we would have.

Mr. QUIGLEY. But I am saying from a dollar amount, how much could we expect all three of these to pay into the General Fund in the '09-'10 budget?

Mr. EACHUS. Mr. Speaker, first of all, there are about nine of these tax credit programs that are proportionately impacted. I am happy, if you would like, to provide you information on that. I do not have the information for all nine here.

Mr. QUIGLEY. Okay.

Mr. EACHUS. But once again, it is 33 percent, equally proportional among the nine.

Mr. QUIGLEY. And the 33 percent is over the 3 years?

Mr. EACHUS. 2 years.

Mr. QUIGLEY. 2 years; okay.

Mr. Speaker, if I could speak on the bill.

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

Mr. QUIGLEY. Mr. Speaker, as has been said here, we have been concerned about the education improvement tax credit being part of this mix altogether. Last year I was proud to stand in the back of the House as we celebrated the birth of the EITC program and proud to stand there with the majority Appropriations chair and a number of my colleagues from around the State to congratulate the success and look at the success stories of the individuals who partake in this EITC program.

What we are talking about is providing educational opportunities to those who want to help themselves. We hear a lot about the distressed school districts throughout this Commonwealth and a lot of individuals who were concerned about the quality of education that they are getting, the caliber of education that they are getting, and the safety that they have in some of these school districts. So what we are doing with this EITC program is helping people who want to be helped, and it is unfortunate that this budget plan takes away from that program.

And from the information that I have seen, it seems to take a lot more in the first year from the EITC program. The numbers that I have seen, it takes about \$20 million out of the program.

And I should say, the revenue gain to the General Fund will be \$20 million from that particular source in the first program. That means \$20 million less to be awarded to scholarship funds and to go down to our children in these opportunities, these educational opportunities.

As a member of the Education Committee and having sat through a number of meetings where the administration and the other side of the aisle talked about the importance of education – this Governor has billed himself as an education Governor, and yet they are going to sign off on taking this money away from the most needy of our children, and again, the families who again want to help themselves. They are not asking for a handout; they are asking for a handup, and this is an opportunity that we are shutting down on them.

HB 1943, the Republican plan, an alternative plan, contrary to what we have heard here tonight, that was in balance, no new taxes, no impact to this credit program. And no impact, of course, also to the much ballyhooed film tax credit program, which is going to revolutionize Pennsylvania and make it a Hollywood East, no doubt.

Mr. Speaker, I urge you to reject this House bill tonight because, again, of the impact on a number of other topics that have been talked about, but particularly, if you are concerned about education, if you are concerned about our children, as we have heard numerous times from the other side of the aisle, this is your opportunity now to say no to this misguided reduction in the EITC program.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Centre County, Representative Conklin.

Mr. CONKLIN. Thank you, Mr. Speaker.

When I was walking back in the hall not long ago, a friend came up to me and reminded me of something, that an effective leader sometimes has to make that tough vote. I am going to repeat that again: An effective leader sometimes has to make that tough vote. When I look out across this room, I know a lot of folks like to get maybe politically motivated or talk about Republican/Democrat, but I can tell the folks back home sitting, out of all 203 members, there is not a bad person on this floor. Sometimes we have to make that tough decision, and Mr. Speaker, we talked about Matt Ryan in 1991, had to make a tough decision as he comes back through. Mr. Speaker, as someone who has had to make tough decisions as a county commissioner, I did not have a cloak to hide behind sometimes when I had to make that tough decision. I have voted for budgets, many budgets, not one in the history of a budget that I ever voted for I have liked. There are parts of this budget I do not like as well. There are parts of this budget that if I had my say would be taken out and things would be changed, but sometimes you have to make that tough decision.

Recently a fine gentleman, who is going to be or is a Senator and is going to do a wonderful job over there, he said something – what I am about to say is not to twist his words, because what he said, he said very articulately and how he wanted it, but he said a "yes" vote for this budget was a "no" vote for Pennsylvania. The only reason I remember that and I am using that is because the way I am going to use "no" is not to disrespect him, but it is to be spelled "k-n-o-w." A "yes" vote is a "know" vote for someone like myself who is a county

commissioner, who sat, was very pleased and honored to have that position. I was also honored to be elected by my statewide peers to sit on the executive board for the County Commissioners Association as well as other folks in this hall who have sat on those boards.

I remember back in 2002, for those who may not realize it, Pennsylvania taxed gas in the State of Pennsylvania, but a very intelligent lawyer, maybe not as smart as many of the ones that have gotten up and spoken here today, figured out a way that it did not necessarily talk about gas, and he said gas was a movable entity, so it was removed. School districts who were depending on those revenues had to raise taxes. Municipalities who were able to use those revenues, Mr. Speaker, had to raise taxes. As someone who knows exactly what the effects are, I can tell you that if we do not do a responsible budget – and we can stand up and folks after me can criticize what I say – but if we do not do that responsible budget, Mr. Speaker, local districts are going to raise taxes, and we know that going into it. We know the fact that school districts, and we can talk about parts of the country, parts of our State, and we can criticize the way they do business, but many times we just have to look into the mirror and we can criticize ourselves for how we do business.

I am sure by the time I am done speaking here today, everybody in this hall is going to agree with me and vote for this budget because I know the open-mindedness that is in this place today. But, Mr. Speaker, as we go down through this debate, I want the folks back home to remember that sometimes they may hear folks get a little passionate about what they say, and sometimes they want to talk about a certain portion of the State and try to bring up something that may not be totally factual. In their hearts, they are doing what they believe to be an effective job in this hall.

I just want to close on, Mr. Speaker, and remind you one more time that many times, to be that effective leader, we have to make that tough vote. On both sides of the aisle here today, many folks have had to make that tough vote and it is a vote we are going to have to make again today. It is not a perfect budget, and I can nitpick it and we can all nitpick it and we can say we did not vote for it for that reason or this reason, but at the end of the day, we need to get this budget passed. It has been almost 100 days, and we are embarrassed by it. As someone that has voted for, in Appropriations, the Governor's budget; as someone that has voted for SB 850, a budget that slashed everything; as someone that knows that States that did slash everything – Arizona, if you have read the paper, is reopening their budgets because they did a slash budget. They could not fund everything. They are reopening it because the taxpayers of that State are furious over what happened. Ohio legislators passed one of those budgets, and if you read in the newspaper yesterday, Ohio has to go back and reopen or cut services. Many States who have decided to go that route are coming back, and we could have gone that route. Many folks in this hall suggested, let us go that route and let them see exactly what happens when you cut, how when you go home and services are not supplied, how you will have to come back. But we are going to do a budget that I hope not only sustains us through this year but through next year. We are going to do something I think that maybe has not happened in quite a few cycles: When the next Governor comes in, he is not going to be straddled with a budget that is broke and the money is gone. We may be doing a favor for the Republican side, that they can look good when

they come in, or we may be doing it for the Democrat, but it is a budget that is not perfect. But it is a system that has worked for hundreds of years, and we are going to have to make that vote. It is going to be a tough decision, Mr. Speaker.

I want to thank you for giving me this time, and most of all, I want to thank my colleagues for doing this dialogue, giving the debate for folks of Pennsylvania to enjoy what we do on this floor and that we really do talk about the issues, and we really do engage.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Butler County, Representative Metcalfe.

Mr. METCALFE. Thank you, Mr. Speaker.

Just to be clear as I rise, in case you did not know, I am rising in opposition to this \$1 billion tax increase, Mr. Speaker. Mr. Speaker, what really motivated me to add a few things to what I wanted to say tonight was the gentleman from Delaware, who served in the military as I have. He was talking about the Governor from Montana. He said that our responsibilities as a State are to educate, medicate, incarcerate, and balance the budget. Mr. Speaker, I am really sad to have to inform the gentleman and anybody else that might be lead to that false conclusion because of the uninformed Governor of Montana, but every elected official's main responsibility occurs on their swearing-in day. It happened here on January 6. You raised your hand, swore to uphold and defend the Constitutions of our State and nation. That is our main responsibility. Upholding and defending that Constitution means that we protect the liberties that are affirmed in those Constitutions, Mr. Speaker.

Mr. Speaker, economic liberty is certainly not the least of those that are affirmed in our Constitutions, and that is both the U.S. and the Pennsylvania. Economic liberty is being violated by this \$1 billion tax increase. While I realize that your policy chairman on the Democratic side was quoted in 2007 as saying, "I don't care if we stand people on their heads and shake pennies from their pockets." That is your policy chairman, for all of you on the Democratic side of the aisle. Well, you are not shaking the pennies from people's pockets through this legislation; you are shaking over \$1 billion from their pockets, Mr. Speaker. Over \$1 billion tax increase, a violation of the economic liberty of the people of this great Commonwealth. You are doing that to be redistributors of wealth, Mr. Speaker. So unlike the educating, medicating, and incarcerating, I would say that what you are working to do is to force individuals to subsidize their neighbors' health care, welfare, and bus fare, Mr. Speaker. Forcing the subsidization of your neighbors' health care, welfare, and bus fare is certainly a violation of the precepts of our Constitution, Mr. Speaker. Let us not forget that as you are taking that \$1 billion-plus from the taxpayers, you are also doing it to ensure that you have plenty of WAMs (walking-around money) to hand out, especially in the great city of Philadelphia, so the defiant Appropriations chairman from the Democratic side can throw it around town. It does sound like a legislative bonus, throwing WAMs around, WAMs to gain political favor in next year's election, Mr. Speaker, WAMs that should be terminated in this year's budget, Mr. Speaker.

The SPEAKER. The gentleman will yield.

Mr. METCALFE. WAMs that should not be facilitat—

The SPEAKER. The gentleman will yield.

The question before the House is HB 1531. Stay on the question.

Mr. METCALFE. Thank you, Mr. Speaker.

Back to HB 1531, Mr. Speaker, and this \$1 billion tax increase to facilitate hundreds of millions of dollars of WAMs, Mr. Speaker. Mr. Speaker, the gentleman from Berks County went through a bunch of "we needs." Well, I have a few "we needs" that the taxpayers would like you to hear, Mr. Speaker. Mr. Speaker, we need to cut WAMs. Mr. Speaker, we need to cut the welfare fraud. Mr. Speaker, we need to protect taxpayers. Mr. Speaker, this tax increase – I know many on my side of the aisle have been very, very stringent in their advocacy on behalf of taxpayers to not vote for a \$1 billion tax increase, and I know some of my friends, the Blue Dogs on your side of the aisle, have done the same. I know the gentleman from the 46th will understand. He even had a float in a parade on the Fourth of July saying he would not vote for a tax increase. Well, I hope that the gentleman from the 46th will stand with us tonight, Mr. Speaker, and be true to that promise he made to the fine citizens of his district on the Fourth of July.

Mr. Speaker, I think it is really a travesty that there is so much partisanship that has been played here. The gentleman from Beaver County, who has been leading the charge for the Blue Dogs, that stood up and gave a stern warning to his leadership that this better be the time. Well, Mr. Speaker, I think the folks that have been watching the deals being made about these types of tax increases over the last month realize it was a deal made 2 weeks ago that our caucus did not support. The Republicans in the House support a no-tax, no-fee-increase budget, which this is not, does not facilitate that. But the Senate is on record in the press tonight saying, if this passes, the deal is done. You are back to square one. They are saying it is going to put it back another 3 weeks, Mr. Speaker. So do not fool yourselves by buying into your leadership's false claims that this is to move the process along, Mr. Speaker, because your leadership decided to break the deal they made with the Senate and run this huge \$1 billion tax increase. Now you are going to vote for it. This is not going to be the end to the budget debate or to the budget stalemate; this is just another beginning for another standoff.

We can stay here all weekend and play your games and you can make your voices heard again, but real bipartisanship would be a few of you good Blue Dogs crossing the aisle and working with us who have had several plans to pass a budget with no tax increase and no fee increase. We welcome you with open arms. You do not have to switch your registration, just come across the aisle and vote with us to give the people of Pennsylvania what they have been asking for: a budget that does not balance on their backs.

Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Philadelphia County, Representative Thomas.

Mr. THOMAS. Mr. Speaker, I know you have always cared about me. Going after this last speaker is going to be kind of rough, but we will go with it.

Mr. Speaker, I rise to support HB 1531. We must concur in the passage of HB 1531. Mr. Speaker, the question for both Democrats and Republicans tonight is not what would happen to the people of Pennsylvania if you support HB 1531; the question is really what will happen if you do not support HB 1531. What will happen to the people of Pennsylvania? Mr. Speaker, the people of Pennsylvania, especially for those

who are watching us this evening, they know that there will always be circumstances where your income will not be able to pay your bills, and there are certain things that must be maintained. When faced with those situations, Mr. Speaker, you need additional revenues. Either the adult children have to bring in additional revenues, family members have to contribute sometimes, but additional revenues become imperative when faced with that situation of diminishing income and maintaining basic necessities.

Now, Mr. Speaker, Democrats have said all along that there will be no retreat with education – with public education, special education, and with the underfunding of public education in Pennsylvania. We have said that once we went down that road of the costing-out study and we accepted the results of the costing-out study, we have said that we have a responsibility to stand up and to remain strong in providing Pennsylvania children with a real choice for going to Yale rather than going to jail, because if you do not pay for it on the front end, you are truly going to pay for it on the back end.

Now, Mr. Speaker, we held out. We held out 90 days and will hold out – I cannot speak for everybody, but I am prepared to hold out another 90 days rather than retreat on that commitment to the children of Pennsylvania. Mr. Speaker, do not get caught up in the hype. There has been a lot of conversation about all of this money going into Philadelphia County. Well, Mr. Speaker, somebody should talk to the children of Northumberland County. The children of Northumberland County have been left out for years in getting the kind of support that they need. I know because I have had an opportunity to go into the courts in Northumberland County to represent the interests of children in that county. I know that there are other counties across Pennsylvania where children, young people, need the support of this General Assembly. So the question is not what would happen to you if you support 1531; the question is what will happen to the children of Pennsylvania if we do not support HB 1531.

Pennsylvania Housing Finance Agency has indicated that this year we could see 13,000 mortgage foreclosures. Let me remind you that all 13,000 will not be in Philadelphia County; they will be across the Commonwealth of Pennsylvania. Now, Mr. Speaker, the best minds, the best minds of this august body could not have predicted that we would be looking at possibly 13,000 mortgage foreclosures this year. The best minds of this body could not have predicted that when we appropriated \$11 million last year to deal with this mortgage foreclosure crisis, that that money went just like water. It went just like water and saved the homes of some people in Punxsutawney just like it saved the homes of some people in Philadelphia. Assistance was not driven by title; it was driven by testimony, folks who were clearly facing mortgage foreclosure and being thrown on the street.

So, Mr. Speaker, there will be no retreat on whether or not we need to raise the necessary revenues to help those potential 13,000 families that will be facing mortgage foreclosure. Mr. Speaker, we all know that the cap comes off electric rates and that the people of Pennsylvania could be facing utility costs unlike anything that they have faced before. Now we know that. We do not need a crystal ball. We do not need a scientist to tell us that utility costs are skyrocketing in 2009, unlike they were in 2005. You need additional revenues. You cannot go home

and tell your children that because gas rates went up this year that they have to go without heat. You have to find additional revenues to deal with that situation, and it is not something that is endemic just to this great State, the Keystone State; it is something that is affecting people all across the country.

Mr. Speaker, health care. While Congress is debating this whole issue, I do not think that there is a Republican or Democrat who believes that Pennsylvanians should not have a right to quality, affordable health care. I do not believe that that is a Democrat or Republican issue. I have not met a Republican who believes that we should have uninsured children in the Commonwealth of Pennsylvania. I have not met a Democrat who believes that. So, Mr. Speaker, this is an issue, and we know that health-care costs today are different than they were a decade ago. We know that health-care costs today are skyrocketing as compared to what they were a year or 2 years ago. So, Mr. Speaker, we cannot stand here and say, you have to live within your means, you cannot raise taxes, you cannot raise fees, because, Mr. Speaker, I want you to go back home and tell that family that is facing a terminal illness, who is dealing with circumstances today that they did not face last year, I want you to tell them, I want you to tell them that they have to hang in there, we cannot provide them with any help. Mr. Speaker, we have to provide them with help. So the question is not what will happen to those families that are struggling with health-care costs today unlike last year. The question is not what will happen to them if we support HB 1531. The question is what will happen if we do not support HB 1531?

Last but not least, Mr. Speaker, there are many communities across Pennsylvania today in 2009 where unemployment is well over 10 percent, well over 10 percent. There are communities where young people between 16 and 24, unemployment is well over 50 percent. Let me just share a little data with you, Mr. Speaker. Mr. Speaker, 72 percent of young Americans between 17 and 24 years of age do not meet the basic educational, physical, and moral standards required to enter the military service in America because of inadequate education. Fifty-seven percent of high school graduates—

The SPEAKER. The gentleman will yield. The gentleman, Mr. Thomas, will stay on the subject, HB 1531 and its final passage.

Mr. THOMAS. Thank you, Mr. Speaker. As you know, I was getting ready to go off.

But last but not least, we have too many people in Pennsylvania who are unemployed, underemployed, displaced, been locked out, left out, and locked in. They need help. They need help. We cannot address the employment and training situation in Pennsylvania with the same money that we used in 2008 or that we used in 2007. The world has changed. Mr. Speaker, I still use a landline phone; my son uses text messages all day and all night. Mr. Speaker, the world has changed. You cannot deal with circumstances today with the same moola that you had last year or 3 years ago.

So at the end of the day, Mr. Speaker, it comes down to, if we want to protect that basic lifeline that Pennsylvanians need, we need more money. We do not want to raise, sustain, and I guess as some people have said, long-term taxes. We rejected that. We do not want to raise PIT. We do not want to raise sales on all of these different items. We do not want to do that. We as Democrats have said, and I know there are some Republicans who have also said it, that Pennsylvanians, because we are doing bad, we are not going to put our feet on your back.

Because we are facing a global economic tragedy, we are not going to increase the burden that you have to deal with from day to day. We are going to think outside of the box and identify sources of revenue to help us meet our debt and maintain that basic lifeline for all Pennsylvanians.

So, Mr. Speaker, let me just close with, how far you go in life depends on you being tender with the young, compassionate with the aged, sympathetic with the striving, and tolerant of the weak and strong, because someday in life you and I will have been all of those things. So, Mr. Speaker, the question is not what will happen to you if you support HB 1531; the question is what will happen to Pennsylvanians if we do not concur on HB 1531.

Vote "yes" on HB 1531. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Clearfield County, Representative Gabler.

Mr. GABLER. This evening's discussion amazes me, Mr. Speaker. Here we are in the middle of a recession. Good, hardworking citizens of Pennsylvania are struggling to put food on the table. They are hoping it does not get too cold this winter because they are concerned about how expensive their heating bills are going to be. Now we are actually considering placing an additional \$1 billion burden on these citizens, because collectively, the elected officials here in the State Capitol do not have the courage to make a responsible decision and set honest priorities when it comes to government spending.

Yesterday we began the second quarter of the 2009-2010 fiscal year. State government is over 90 days late in deciding what direction it will follow this year. I am not here to stand in the way of this process. I am here to get it done. We all know that there is a better way that would enable us to finish this now. If the majority leadership was serious about getting this done now, today, then they would be calling up HB 1943, a budget bill that does not need a tax-increase bill to go along with it, but they are not doing that. Instead, now we are discussing HB 1531, a \$1 billion tax-increase bill that will damage our economy and make our State's problems worse. My colleagues across the aisle have put their blinders on. They say, no matter what, as long as they are in charge, someone is going to get taxed. If it is not the evil, terrible gas companies then it is going to be the American Legions and the VFWs and the volunteer fire companies. With all due respect, we have shown a willingness to lead and we would lead in a way that does not increase taxes on anyone. Make no mistake about it, a "yes" vote on this bill is for higher taxes and nothing more. A "no" vote on this bill sends a clear message to the citizens of Pennsylvania that we get it. A "no" vote means we know how to get this process done without doing harm to our community organizations or our employers in this State.

Mr. Speaker, as I have mentioned numerous times in previous remarks, I represent a district with an alarmingly high unemployment rate. The unemployment rate in Elk County remains near 15 percent. Unfortunately, this is because for too long our job market has had nearly all our eggs in one basket. We are dependent on the auto industry for most of our manufacturing jobs. The prospects from Marcellus Shale natural gas drilling present a great opportunity to broaden our horizons and create new jobs for our citizens. A gas well is only worth drilling if the sale price of the gas is higher than the total cost of drilling it and then getting it to the consumer. The proposed tax in this bill makes that threshold more difficult to reach. In fact,

this tax raises the possibility that the gas in the ground will not be worth the effort to pump it out at all. That would be a severe missed opportunity for our job market and for our families who want the opportunity to make a go of it in this economy.

In addition to increasing taxes, this bill also reduces the availability of a very important tax credit, the educational improvement tax credit, or EITC. The EITC helps private schools by enabling more Pennsylvanians to decide which school their children will attend. It recognizes that education is an individual choice, not a one-size-fits-all proposition. At my own alma mater, DuBois Central Catholic, 38 percent of the students currently receive scholarships through EITC programs. These students and their families need these scholarships, and I am here today to say, I stand with them. But the EITC also helps public schools by allowing for the investment of private dollars into their programs. There has been a lot of rhetoric this year about education. I think there is wide bipartisan agreement that education is a priority of State government. Why then would we be considering taking an action that would be detrimental to a program that has been one of the biggest success stories in the history of Pennsylvania's education system? It just does not make sense. Let us get back to the agenda our constituents elected us to pursue. Let us put this historic tax-increase proposal to rest.

Please vote "no" to save our economy, to spare our hardworking families in this State, to help students in public and private schools, and to move forward with a positive agenda that will enable State government to live within its means.

Thank you very much, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Armstrong County, Representative Pyle.

Mr. PYLE. Thank you, Mr. Speaker.

The hour is late and many people's attention has waned, but just a couple of observations from the discussion we have had today. It is clearly apparent that here in a few moments one side of that board is going to light up red, that would probably be those who sit on my side of the aisle. The other side is going to light up green. And we know this is going to happen, but I have a few problems with this idea, Mr. Speaker.

You know, in looking at this tax plan, and that is what it is, we are going to tax an industry that does not even exist yet. We are counting on large sums of money coming from that industry – I am speaking of table games. Just a missing link in here, Mr. Speaker, is this going to prevent them from wanting to locate here? I have had discussions with some of these guys and they said, that is fine, we will just stay in West Virginia, it is close. Maryland is accommodating us, and Ohio is making the effort now as well. I cannot really speak for the eastern half of the State. We are also going to tax an industry that exists in its infancy here but has not even come close to fulfilling its potential. Mr. Speaker, there is so much shale down there, we could be Saudi Arabia. We could energize and heat the entire country for the next 200 years, but we do not want that prosperity, we want to tax that. It does not make sense.

Mr. Speaker, there have been many eloquent words expressed from each side of the aisle, and I have appreciated each and every one of them, but let us call it what it is. Our job is to alleviate human suffering. That is what we do. There are people amongst us, fellow Pennsylvanians, who need it, I understand that. But what I do not understand, Mr. Speaker, is why we are blatantly ignoring the findings of the Auditor

General, who found \$300 million in fraudulent payments in the direct cash assistance program – that is just in the city of the first class. And nothing against them because many of them are my friends, but when you have fraud identified overtly and blatantly, should that not be eliminated before we go tax people to cover that same fraudulent expenditure again? I would say no.

Mr. Speaker, again, I am a realist. I know my side is all going to vote "no" and their side is all going to vote "yes." But I wanted to share with you, Mr. Speaker, a couple of things I have learned. Being a former teacher, most of my life has been devoted to learning. That is what it is, it is a big process of constantly learning. Never before did I know the word progress really meant we should spend more money on something, but now I do. Never before had I heard the phrase recurring revenues; we always just called them taxes. But I am confused. I heard taxes come back today. What happened to recurring revenues, Mr. Speaker? I do not get it. Let us stop the jargon. I will take anybody in this chamber back to my office and show you my computer, the spread of e-mails I have received from people saying, yes, we want you to tax us more, versus those who say, get your act together and spend less, is staggering. I cannot even begin to estimate the ratio. Mr. Speaker, we all want an ending to this, hopefully a happy ending, but I do not know it is going to go that way. We have already had communications with the Senate. They are going to gut this thing and send it right back; count on it. Now, a gentleman earlier had made a comment that when you make a deal, you stick to the terms of the deal. That was countered with need for flexibility – I get it, that is very good. But why are we going to cut into a program that everybody here can agree works?

Mr. Speaker, earlier this week Farmers and Merchants Bank on Market Street in Kittanning put \$50,000 into Lenape Vo-Tech School. It purchased a computer-aided milling machine so they can teach their kids how to walk into good-paying jobs as machinists, and by good-paying, I mean jobs that let them get married, settle down, buy a house, raise their kids, by the pair of shoes when their kids need it. We are going to eliminate or greatly diminish that program, Mr. Speaker. It makes no sense. Now, just for the converse, Mr. Speaker, no film company has ever dropped fifty grand on my tech school, so I do not know why we are funding one and not the other. Another thing that perplexes me, Mr. Speaker, why are we not taxing tickets? Somebody told me there was great opposition out of our urban cores, that it would ruin our cultural districts. A cultural district, Mr. Speaker, from a historical perspective, emerges only when the basic human necessities have been addressed and the society has disposable income to establish a cultural district.

Now, I refer to history a lot. I love speaking to the majority whip because he, too, is a student of history, but I will tell you this, Mr. Speaker: I taught history for 14 years. Five thousand years of recorded human history, civilization on seven continents, never, not a single time has any successful culture ever taxed themselves to prosperity. Oh, I am sorry, recur revenues themselves to prosperity. No; Rome did not. Rome's fall was hiring mercenaries, if you want to look it up.

Mr. Speaker, this is bad. The Senate is going to gut it. There are a lot of people that are going to put up votes for dreams and aspirations that are not realistic. We will see you back here Saturday, Mr. Speaker, maybe Sunday. Whenever they kick it back, we are going to do this again. We will gratuitously beat on

each other for hours. People will start looking at their watches and wondering if the kids are in bed yet. Me, Mr. Speaker, I came out here a few days ago because you called me, and I respect what you say. My problem is, you made me miss a funeral to sit here and vote on rule 35 resolutions naming bridges, and that is not valid.

Mr. Speaker, the people want this done and they want it done right. Taxing them and telling them it is for their own good is not right. Vote "no" on HB 1531. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Monroe County, Representative Scavello.

Mr. SCAVELLO. Thank you, Mr. Speaker.

Mr. Speaker, I do not rise in opposition to 1531, but if possible, I have some questions, and some of the prior members made some comments and I want to try to – because there are certain things I do like in HB 1531. Is it possible, Mr. Speaker, that I may interrogate some of the prior members, one being the member from Cambria County, who knew so much about the ins of the taxing in his comments? Is that possible?

The SPEAKER. The majority leader, the gentleman from Luzerne County, indicates he will stand for interrogation. The gentleman, Mr. Scavello, is in order and may proceed.

Mr. SCAVELLO. Mr. Speaker, the gentleman from Cambria County, and I was with the gentleman at a couple of press conferences in support of the Scotland School, and the last couple of weeks I have seen those families and their hurt, and they really want to hold on to the school. My question is, in this \$1 billion tax increase, are we saving the Scotland School?

Mr. EACHUS. We are not.

Mr. SCAVELLO. We are not going to save the Scotland School? That is very disappointing. How about the Scranton School for the Deaf? It is about \$5 or \$6 million. In this bill, are we going to save that school?

Mr. EACHUS. Sir, that is not in the budget.

Mr. SCAVELLO. That is not in the budget as well. Mr. Speaker, I have in front of me the Governor's budget, all line by line and itemized. I have in front of me the SB 850 and the comparisons of the Civera amendment and the amendment that came afterwards. Line by line, I see every expense in front of me and exactly where those dollars are being spent. Now, earlier I heard a member saying that he did not like parts of this budget, and I am really taken back because I spoke to about 22, 23 members, and not one of them, not one of the Democratic members has seen a line-by-line expense of the budget, not one of them that I spoke to.

Now, we are putting down a \$1 billion tax increase. You have 138 pages or 128 pages, whatever it is, and we do not know where the line items, where that money is going. We do not even know if there is a need, we do not even know if there is a need for that increase. Does anyone here have a line-by-line item that you have looked at? Because the members that I spoke to did not see one, and I think that is pretty odd. How could you not like something if you never saw the budget? The school funding— Yes, sir.

Mr. EACHUS. Let me also be clear, because I know, I understand the rhetoric and I appreciate the courtesy, I appreciate the courtesy, but in the version that was developed by the Republican Party, Mr. Civera from Delaware County – sorry to mention his name – but in that version, sir, that you cosponsored, those two priorities were not funded either. So let us just be clear. Is that true?

Mr. SCAVELLO. I am very satisfied with that comment, sir, but at the same time—

Mr. EACHUS. Is that true?

Mr. SCAVELLO. We did not raise taxes \$1 billion. Because if we did—

Mr. EACHUS. But is it true or is it not?

Mr. SCAVELLO. I did not stand for interrogation. I was asking, I was asking— But if you want to, but, sir, if the majority leader wants to interrogate me, go right ahead. The difference between those two budgets was \$1 billion in spending. Now, if we are going to spend \$1 billion more money, we should be able to find \$11 million to take care of those two items.

Here is my problem, and I guess this is the problem that I am really confused about. The difference between the Civera amendment and the agreed-to amendment between the three caucuses is approximately \$500 million? Am I correct? Am I correct? The spend number is about \$500 million, close to it?

Mr. EACHUS. Yes, sir, it is in the range of \$450 to \$500 million.

Mr. SCAVELLO. \$450 to \$500 million, okay. First, I just want to clarify that the Scotland School was included in the Civera budget; the Scranton School was not. The Scotland School was in that Civera budget. Okay. But let us continue on. I just recently saw an audit from the Auditor General of your party, sir, that made an audit of the \$400 million welfare fraud in the Commonwealth. If we could correct that \$400 million fraud, we are only about \$50 million out, are we not? And we could spend that number without having to raise any taxes. Has anyone thought about possibly looking at that as a possibility?

Mr. EACHUS. Yes, sir, we looked at those and we have some significant problems with the way the methodology was developed.

Mr. SCAVELLO. He is the Auditor General of Pennsylvania. With all due respect, he was a Senator as well of your party and comes up with a number like that, I think that he should be given the opportunity. We should look at that to try to save that \$400 million. I look at this and there is a \$400 million difference, like you just said, but the difference is \$1 billion in more spending. If there is a \$450 million difference, why do we need to raise taxes by \$1 billion? Can someone answer me that question, because I am really confused.

Again, I did not rise in opposition, because there are parts of this bill that I do like, okay? But why do we need a \$1 billion tax increase if the difference between the two is approximately \$450 million? Let us say that the Auditor General might not be correct, and let us say maybe it is not \$400 million, but let us give him \$200 million. Maybe there are parts of it that he is accurate on. But we are not going to look for zero in this budget, not zero. I have not seen it anywhere. Why not look at part of it, sir?

Mr. EACHUS. Let me say, we are going to be doing the Public Welfare Code bill tomorrow, and I think you are referring to, really, Public Welfare Code issues. What we are dealing with tonight, just as a substantive matter – let me finish – is the Tax Reform Code bill. Now, I think some of the questioning— If you have a direct question for me, I am happy to be interrogated, but I do believe some of your questioning is rhetorical.

Mr. SCAVELLO. No, sir.

Mr. EACHUS. So I just want to, I just want to be clear: I am happy to answer your questions, but there seems to be a rhetorical nature in your questions.

Mr. SCAVELLO. No, no, not at all, not at all. I am just looking for some answers so that I can make my decision on this bill.

You mentioned the welfare bill tomorrow. Are you going to leave that up for amendments tomorrow? Will we be able to look at it and amend it? Because from what I understand, that is not possible. I did not bring it up, sir. I know we have gone to another— We are not talking about the bill, but I did not mention it, so since he did, I would like, if possible, to get that answer.

The SPEAKER. Is the gentleman speaking on final passage?

Mr. SCAVELLO. I understand that, sir, but I did not bring up the welfare bill, he did, and I just want to know if he would answer that. Can we amend that tomorrow? Maybe we could look for some of those dollars. The Auditor General has said there is a tremendous amount of fraud in that department and we might be able to correct it without having to raise taxes.

Mr. EACHUS. Mr. Speaker, if it is appropriate for me to comment on the Public Welfare Code? I realize we are not on the Public Welfare Code, but if you would give me a moment of latitude, I am happy to do that, Mr. Speaker.

The SPEAKER. The majority leader has the latitude.

Mr. EACHUS. Thank you. I appreciate that, because I am happy to talk about anything.

Mr. SCAVELLO. Excuse me, Mr. Speaker? I cannot hear him. Is it possible that we can get order? Thank you.

The SPEAKER. The gentleman is correct. The House will come to order. The House will come to order.

The gentleman, Mr. Eachus, is in order and may proceed.

Mr. EACHUS. Mr. Speaker, let me talk about the Public Welfare Code bill for a minute. Tomorrow we plan to – if we can get to it tonight, I would love to be able to get to the Public Welfare Code bill tonight, but it is getting late, so tomorrow the Public Welfare Code bill is on third consideration. As the gentleman knows, under House rules, substantive amendments are not appropriate unless there is a suspension vote on those amendments. My understanding from Republican leadership is that the amendments to the Public Welfare Code bill have been withdrawn. That is my understanding. So you might want to check with your leadership.

Mr. SCAVELLO. I thought I was under the impression that the bill went in and it pretty much wiped out all the amendments and we could not put them back in or something. If that is not the case, then I need to be corrected, but—

Mr. EACHUS. Mr. Speaker, this is kind of way off the subject.

The SPEAKER. The gentleman will yield.

Mr. SCAVELLO. I understand. I will speak to the bill.

Mr. Speaker, there is a \$450 million difference between the two bills, between the Civera bill and the bill that the three caucuses came up with. Why are we raising taxes \$1 billion, especially knowing that the Auditor General, his findings have found a tremendous amount of welfare fraud? Even if we wanted to spend that number, and frankly, I think it is a little too high. My personal feelings – and I am very good with numbers, Mr. Speaker, very good with numbers – I projected the shortfall last October. We are going to look at at least another \$700 to \$800 million shortfall in this budget if it goes the way it is, even with this tax increase. If we do not look at those spend numbers,

the spend number is way too high and we are going to pay for it next year. The citizens of Pennsylvania want us to live within our means. I am as confused as all when I see us raising taxes by \$1 billion, and none of us, none of us who are going to be voting for this has seen a breakdown of each individual line item, each individual line item. Do you know what your school districts are getting? Do you know what the libraries are getting? Do you know what DEP is getting? Does anyone have those figures? No one has looked at this.

Again, I spoke to about 25 or 26 members on your side, sir, and not one of them looked at a budget printout. I have never heard that before. How could you not like something— I heard somebody say, I did not like parts of this bill, this budget bill – he never saw it. How do you stand up here and say, I do not like part of this bill, when you have never seen it, you have never seen a breakdown? This has never happened before, but yet we are going to vote for \$1 billion in taxes. Maybe we do not need this tax. Let the folks see the differences. Compare the two bills and see where this money is, and please, please do not put WAMs in this bill. Do not put WAMs in this bill when the citizens of Pennsylvania are hurting. You know, do not have them hidden in this bill because it is the wrong thing at the wrong time.

Again, I want to support something, but I want to see the need, and unfortunately, in front of me I do not see the need because I do not know where the distributions are. I do not know where public education— I have heard the Governor, by the way, on the radio say Philadelphia is going to get a 47-percent increase in public education.

The SPEAKER. The gentleman will yield. The gentleman, Mr. Scavello, the question before the House is the Tax Code, not the spending plan.

Mr. SCAVELLO. I understand that, sir, but really, when we look at the Tax Code and we are looking to raise it \$1 billion, you would like to hopefully see why you need to do that and compare line items. But I think we are putting the cart before the horse in this particular case, not knowing where you are spending the money, but we are looking to raise this revenue, but we have not see a breakdown. How could someone vote for a tax increase – and that is what we are looking at here, a tax increase of \$1 billion – and not look at a revenue breakdown?

Look, Mr. Speaker, there is no way that I could support this without seeing a revenue breakdown of exactly where the money, expenditures, where the dollars are going to be spent. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Crawford County, Representative Roae.

Mr. ROAE. Thank you, Mr. Speaker.

Would the gentleman from Luzerne County, the chair of the Rules Committee, be available for brief interrogation?

The SPEAKER. The majority leader, the gentleman, Mr. Eachus— The gentleman from Crawford, Representative Roae, would like to interrogate the majority leader.

The gentleman indicates he will stand for interrogation. The gentleman, Mr. Roae, is in order and may proceed.

Mr. ROAE. Thank you, Mr. Speaker.

"...no bill shall be so altered or amended, on its passage through either House, as to change its original purpose." Mr. Speaker, that clause is from Article III in the Pennsylvania Constitution.

HB 1531 started out as a two-page bill that extended the checkoff for the Military Family Relief Assistance Program on the Pennsylvania tax form. Mr. Speaker, yesterday at your Rules Committee meeting, the bill was amended with a 129-page amendment. The bill now addresses the payment of sales tax, payments of personal income tax, the corporate net income tax, the capital stock and franchise tax, the gross receipts tax, cigarette taxes, tobacco products tax, gas severance tax, research and development tax credits, education improvement tax credits, tax amnesty, and table games.

Mr. Speaker, do you feel that your 129-page amendment that addresses about a dozen other topics changed the original purpose of the bill?

Mr. EACHUS. Mr. Speaker, let me be clear: Number one, the original content of HB 1531 as drafted originally is in here, and yes, there are 129 pages, which around here is not all that much. I have read a book bigger than that, believe it or not. It meets the standards of constitutionality.

Mr. ROAE. So, Mr. Speaker, you feel that if you take a two-page bill that covers one topic and you amend it with 129 pages of amendments that cover a dozen different taxes and increase taxes by \$1 billion, you feel that that does not change the original purpose of the bill?

Mr. EACHUS. Mr. Speaker, this is a Tax Code bill; it is still a Tax Code bill.

Mr. ROAE. Mr. Speaker, a few months ago we had a transportation bill. Somebody wanted to run an amendment about tolling I-80 and your side of the aisle decided that even though it was a transportation amendment, it was not germane to the bill. Well, this would be the same thing. This amendment was not germane to the original bill. You cannot have it both ways, Mr. Speaker.

The SPEAKER. The gentleman will yield. The question is not an appropriate question to the majority leader. It is completely off the subject. You will refine or keep your comments to HB 1531 and the contents of HB 1531. If you have a question of a point of order, you direct that to the Chair.

Mr. ROAE. Okay. Thank you, Mr. Speaker.

Mr. Speaker, that ends my interrogation. I would like to speak briefly on the bill.

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

Mr. ROAE. Thank you, Mr. Speaker.

I disagree, respectfully, with the chairman of the Rules Committee. I feel that the amendment does change the original purpose of the bill. Back in January I swore that I would obey and defend the Constitution of Pennsylvania. So, Mr. Speaker, I will be voting "no" on this bill because the amendment they had yesterday at the Rules Committee, that changed the original purpose of the bill and it would not be constitutional to vote "yes" on it, so I will be voting "no."

Furthermore, Mr. Speaker, this bill is bad policy for Pennsylvania. This bill would increase taxes, which would destroy job creation. This bill would cause a hardship on smokers, who are generally more of a lower income constituency. They cannot afford the cigarette taxes. This would cripple the natural gas industry. This would cripple businesses with the capital stock and franchise tax. This is a very bad piece of policy, Mr. Speaker, so I will be voting "no." Thank you.

The SPEAKER. The Chair thanks the gentleman. The Chair recognizes the gentleman from Mercer County, Representative Stevenson.

Mr. STEVENSON. Thank you, Mr. Speaker.

You know, as I listened to the debate tonight, something struck me. While there has been a lot of difference of opinion, there are three areas where there is broad bipartisan agreement: We all agree it is time to move the process forward, we all agree it is time to pass a budget, we all agree we are in a period of serious economic decline. Where we disagree is on the solution. What do we do in Pennsylvania when revenues decline as they have this past year and as they are projected to do in the year ahead? We have a projected revenue decline of about \$3 billion in the coming year as we experienced last year. That is why as Republicans we introduced HB 1943, a balanced budget which funds core Pennsylvania services and does not require a tax increase.

We have heard tonight that the proposed budget spends less than the budget we passed last year by \$400 million. However, what is not mentioned in that comment is that we ended last year with a \$3.2 billion deficit. This is not the time to increase spending and pass a projected tax increase of \$1 billion. We do not need new taxes. What we should do is not spend more than we can afford in the coming year.

Vote "no" on HB 1531. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Chester County, Representative Hennessey.

Mr. HENNESSEY. Thank you, Mr. Speaker.

I rise to oppose HB 1531, to oppose the total drain on Pennsylvania's Rainy Day Fund. There is no indication that next year's economy is going to be substantially better than what we have right now. All indications actually indicate that the recovery, when it comes, will be a slow one. It seems to me very foolish to take \$750 million, to drain all of the money in that fund and use it this year and leave us no cushion for the following year when we will certainly need it.

I oppose the total drain of the physicians retention fund. That \$708 million was collected to help retain doctors and to keep them in Pennsylvania. That helps doctors, but it also helps, primarily, our citizens in Pennsylvania so they have primary and other medical care for themselves. That is not for the doctors; it is more for the citizens. It seems to me that this bill grabs that whole \$700 million and ignores why it was collected, and instead, we use it to solve the problem we face today with our General Fund. I am reminded of the line in "The Godfather" movie that says you can steal more money with a briefcase than you can with a gun. It seems to me we have no right to that money in the physicians retention fund; we should use it for the purpose for which it was collected.

I am going to vote against HB 1531 to oppose reducing the EITC, the education improvement tax credit. That is a good and successful program. It is important to many parents and children in public, parochial, and private schools across the State, primarily the public and parochial schools. Most importantly, it works. It is having a wonderful effect for our families. We should not reduce that credit.

By opposing HB 1531, I will vote against a new tax on our managed-care organizations, especially what has been called the trigger mechanism, where a decision by the Federal government will force either new Pennsylvania taxes or force a cancellation of the contracts our State has signed with managed-care organizations who deliver medical care for our seniors. We should not and cannot put our seniors in that position.

I will vote against HB 1531 to vote against the retroactive rollback of the capital stock and franchise tax – \$373 million in taxes that Pennsylvania businesses did not know they owed. In fact, they did not owe them. But we are going, if this bill passes, we would be imposing those taxes retroactively. Those companies paid their taxes each quarter, and here we are in the fourth quarter of 2009 telling them they owe collectively \$373 million in more taxes, backdated to the beginning of the year. It is wrong. It is another example of why Pennsylvania is seen as not particularly business-friendly.

Now, we are told by a number of speakers that we should support HB 1531 because the bad taxes in this bill are better than other bad taxes in other proposals. Well, those other bad taxes have already died a death of their own. We can vote against the ones that remain, this myriad of taxes in HB 1531, and send the same message. We have a myriad of reasons to vote against concurrence, and I urge you to do so. Let us kill these taxes. Let us get back and get a budget that Pennsylvania citizens deserve and need.

Thank you very much, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Schuylkill County, Representative Seip.

Mr. SEIP. Thank you, Mr. Speaker.

Mr. Speaker, I refuse to punch my volunteer firefighters and EMS (emergency medical services) responders in the mouth with a 20-percent tax. Mr. Speaker, I refuse to welcome home our military personnel, including our own National Guard soldiers and airmen from Iraq and Afghanistan, with a 20-percent slap in the face when they go to their AMVETS, their VFWs, and their Legions to serve their fellow veterans. Mr. Speaker, I refuse to pass on the opportunity to save \$17 for every \$1 that we invest in early childhood education. I would much rather invest that funding in our children and our families instead of incarcerating our citizens whom we are not giving opportunities to succeed.

Mr. Speaker, not only are our child-care providers, the Keystone STARS (Standards, Training/Professional Development, Assistance, Resources, Support) programs, and the Child Care Works programs in need of a fair budget, but also our parents, the ones who rely on these providers, the ones that go to these providers and say, I trust you to care for my child like I would, with the same love and attention that I would give them, while I am at work. Mr. Speaker, I refuse to decimate our State forests and put them at risk for the sake of semantics, by overstressing some of our most precious resources and forever changing what we have worked so hard to preserve with the designation "State forest."

Mr. Speaker, I urge an affirmative vote on HB 1531. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Lehigh County, Representative Reichley.

Mr. REICHLEY. Thank you, Mr. Speaker.

This has been a long evening. I appreciate the patience of all of the members. This is not an easy conversation at all, but I think it is reflective that our constituents should understand the distinction between the positions on each side. I had a town hall meeting last night, this morning as well we had a second one. We have another one planned for tomorrow morning. I can tell the members that the clear message coming from those constituents to Harrisburg: Get your stinking hands out of my

wallet, do not take any more tax dollars. The people have had it. They cannot take any more spending, and the time has come when we need to be honest with them that this is appropriate to be taking place in October, because this is Harrisburg's Halloween version of tax reform. This is not the simple kind of children's routine we are going to be seeing later this month. This is trick or tax; there is no treat for the residents here in Pennsylvania. The tricks are comprised of draining the entire amount out of the Rainy Day Fund, not one-half of that source of funding as HB 1943 had tried to accomplish.

This bill also, and the effort by the members on the other side of the aisle seeks to take all the dollars, every last cent, from the Health Care Provider Retention Account to fill in a budget deficit; again, something that HB 1943 did not try to accomplish. I heard from some of the members on the other side of the aisle how concerned they were about those who are most vulnerable. The gentleman from Allegheny, Mr. Maher, referred to this trigger mechanism, which is currently within the legislation that if in fact a tax proposal being offered to address the managed-care organization assessment is not approved by the Federal government and this legislature does not act within 60 days to address that rejected tax treatment, then the Secretary from the Department of Public Welfare will be empowered to take any actions deemed to be within her powers to cancel contracts providing medical care and medical services to those who are most vulnerable.

So this is really the most ultimate in tricks being played upon the general public here in Pennsylvania, that you would empower the Secretary of the Department of Public Welfare to single-handedly deny medical coverage to those people who are, in many districts, in need of that assistance to the greatest degree possible. It is remarkable that we would encounter this kind of trickery and deception being perpetrated upon our residents, but it is only surmounted by the degree of the new taxes. We have heard a lot of comparisons made to the taxes on the social halls, the VFW halls, through the small games of chance tax, and also on the arts community through the museum tax, the zoos, the performing arts series that would be taxed with 6-percent sales tax. It does need to be clarified for our residents that that was never a proposal that came from this side of the aisle. This caucus did not appear at that three-caucus agreement 2 weeks ago. This caucus never had a single signatory on that proposal, and this caucus was never involved in crafting that very odious tax proposal that has come about.

So I would urge the members to think very carefully. I think we all are very confident as to what this vote is going to be, but Halloween is coming, it is time the masks are taken off to reveal who is truly on the side of taxpayers here in Pennsylvania. Vote "no" on HB 1531.

Thank you, Mr. Speaker.

GUESTS INTRODUCED

The SPEAKER. I am going to digress for a moment.

In the balcony, the Chair welcomes the PSEA (Pennsylvania State Education Association) Legislative Committee. It is comprised of their support staff and educators from all over the Commonwealth of Pennsylvania. They are the guests of Representative Eddie Day Pashinski. Will the guests please rise. Welcome to the hall of the House – at 9:30 on a Friday evening.

LEAVE OF ABSENCE CANCELED

The SPEAKER. The Chair notes the presence of the gentleman from Allegheny County, Representative Deasy, on the floor of the House. His name will be added to the master roll.

STATEMENT BY MR. GERGELY

The SPEAKER. For what purpose does the gentleman, Mr. Gergely, rise?

Mr. GERGELY. Personal privilege, Mr. Speaker.

The SPEAKER. Unanimous consent, without objection.

Mr. GERGELY. Mr. Speaker, we would like to just thank Representative Deasy for driving all the way from Pittsburgh tonight. We all recognize he has had a major family issue. Dan, thanks for your contribution to the Commonwealth.

The SPEAKER. The Chair thanks the gentleman.

CONSIDERATION OF HB 1531 CONTINUED

The SPEAKER. The Chair recognizes the gentleman from Washington County, Representative Daley, who waives off. The Chair thanks the gentleman.

The gentleman from Allegheny County, Representative Readshaw, who waives off. The Chair thanks the gentleman.

The gentleman from Northumberland County, Representative Belfanti.

Mr. BELFANTI. Thank you, Mr. Speaker. I will make it brief.

I rise to support the bill that is in front of us and did not plan on speaking on the issue as I said my peace yesterday in the Rules Committee. However, I have heard several allegations that I need to respond to. One of which is that this has been planned, that the reason we are here was a plan. Well, that is poppycock. That is ridiculous. I think the House Republican leadership is the reason we are here at this late date.

Mr. Speaker, could I have a bit of order?

The SPEAKER. The gentleman has a right to be heard. The House will come to order.

On the question before the House, HB 1531, the Chair recognizes the gentleman, Mr. Belfanti.

Mr. BELFANTI. Thank you, Mr. Speaker.

I said what I said. I mean it, except I did not mean Representative Phillips. He is a leader that I do not think was in on the plan, but the plan was no matter what bill would be on the scoreboard tonight, the plan was, by the House Republicans, who refused the invitation to participate in the budget negotiations, their plan was no matter what bill we would have before us, they would accuse the other three caucuses in an effort to pick up a couple of seats here and there.

The SPEAKER. The gentleman will yield. The gentleman will yield.

Mr. BELFANTI. Okay, I will be good.

The SPEAKER. On the question.

Mr. BELFANTI. Mr. Speaker, again, one caucus of four did not participate in the deal that led to the handshake, and we are talking about a bill that contains about 90 percent of that handshake, and I would like to say, on behalf of my caucus leadership, that they came to the caucus and asked us to concur with the legislation before us, and it was the rank and file of our

caucus who told the leaders to go back to the Senate and tell them no deal. We were not going to sit by, and our leadership did not want to either, but in order to get a budget here, we were not going to sit by and let the so-called mom-and-pop shale drillers, who are going to dig holes all over the northeast, to extract gas without having a royalty fee. We would be the only State in the country where shale is drilled for natural gas and no royalty is paid locally. So that is a no-brainer in my opinion. You want to refer to it as a tax; we want to refer to it as something every other State does. And the same thing goes with many of the other provisions in the legislation before us.

Now, we realize that our core values in our caucus are different from yours on the other side of the aisle, and I respect you all for having your core values of protecting business so that they can create jobs. Our core values on this side of the aisle are certainly the same thing. We have lowered the capital stock and franchise tax in years of surplus. It was our caucus and our leadership under Jim Manderino who created the Rainy Day Fund that some members have used in their remarks this evening. Governor Schweiker, in his 1-year term as Governor of this State, he wiped out the entire Rainy Day Fund of over \$1 billion and left that hole for the incoming Governor.

Now, Mr. Speaker, we cannot all have our cake and eat it too. I reiterate, I share the values that all 203 of us members in this chamber have. We all want to do what is right, but we all have differences in our philosophical rationale. Mr. Speaker, I could see this debate occurring 150 years ago, when the debate was probably on whether or not to tax coal or put a severance fee on coal or a tax on coal so that after the coal miners left, the mom-and-pop coal mine owners left and moved to a different spot or just went back to their mansions and counted their money in that magnificent mansion in the Speaker's district, where I stayed at a bed and breakfast. But what did they do to the northeast? They left us with hundreds of tons – millions of tons, I should say – of culm and slag and waste and deep air holes and places in our district where entire houses have been swallowed up and a mine fire in my district in Centralia, and no money to fund it, because the debate that is taking place right now on HB 1531 on the shale extraction is very similar to what must have occurred in this chamber so many years ago when it came to coal.

The argument is, we need to make sure that we extract coal to create jobs. I do not know where the jobs went to; they are all gone. The garment shops that were flourishing in the northeast are all gone. The trickle-down theory that was supposed to work, to be able to import entire communities from Italy and Poland and the Ukraine; they are here now, thank God. That is why I am here and not in— My mother was from central Italy and my dad from northern Italy. That is why I am here. But, Mr. Speaker, we need to move a budget bill. We negotiated in good faith with the Senate, but in the final analysis, it was the rank and file of the Democratic Caucus – whom I am so proud of – who let our leaders know that there were a few things that we could not live with – the table games, the tax being so low. It was just not part of our core values. We are not for big gas, and we are not for big business in general who make promises that they do not keep. We needed in our caucus to let our leaders know, and I think they did and they notified the Senate that they did, that we can go along with about 90 percent. But as some of the Representatives on our side of the aisle mentioned, if we do not do what is right tonight, we may end up starting from square one, and God help us if that happens. We cannot afford to do

that. It is not our fault that one caucus did not participate in the entire negotiation, discussion, and battles, but our leaders did. Our Governor has been far removed from much of the negotiations as well, and he has spent much time criticizing the 203 of us and the 50 Senators, while his office was somewhat disengaged.

And I hope that if for some reason the Senate does not agree with this bill that we are going to send to them, that all four caucuses and the Governor will sit down and do the right thing. I hope it does not get to that, because we will be here singing "Jingle Bells" if we lose this battle tonight.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The gentleman from Tioga County, Representative Baker.

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

Mr. Speaker, I rise to also oppose this \$1 billion tax increase. But I really wanted to talk a little bit more specifically about how there is particularly egregious language in this legislation that could actually result in a broad-based tax increase, and that is the triggering mechanism that is in the bill on page 43, lines 27 to 30, and page 44, lines 1 to 14. This is a very serious concern of our MCOs (managed-care organizations), all seven of our MCOs that treat nearly 62 percent of the Medicaid population throughout the Commonwealth of Pennsylvania. The Chamber of Business and Industry, the NFIB (National Federation of Independent Business), Highmark, Blue Cross, so many of our groups and organizations are very, very concerned about this language, because it could result in a broad-based tax increase upon every insurance premium in Pennsylvania upon these MCOs and upon the health-care delivery system.

Mr. Speaker, while this bill does not include DPW's (Department of Public Welfare) original proposal to make a 2-percent broad-based tax on individuals and small employers for buying health insurance, it extends the gross receipts tax to Medicaid managed-care organizations to replace the revenues from the current 5.5-percent assessment on those MCOs, thus allowing DPW to draw down the Federal share.

However, the bill contains this trigger language that is very, very troublesome in that it states that if the Federal government should reject DPW's application for matching funds under this bill, DPW can then terminate its contracts with the MCOs unless a new tax is promptly enacted, and therein lies the problem. This leaves an out for DPW to enact the broad-based 2-percent tax that they have been espousing for some time on all health-insurance policies, and this, again, would impact individuals and small businesses, which was part of their original budget proposal.

Terminating contracts with MA (medical assistance) MCOs would be devastating not only to the MCOs but to the thousands of MA recipients and those who rely on the MCOs to coordinate their care. Medicaid MCOs in the Commonwealth should not be put at this risk for actions of a Federal health and human service agency determination. Michigan and Ohio have imposed a similar tax on their MCOs and not heard any negative feedback yet. In fact, Michigan has already received its Federal matching funds. DPW, questioning the use of such a tax, would not only put Pennsylvania at a disadvantage but also Michigan and Ohio should CMS (Centers for Medicare & Medicaid Services) decide to revisit the issue and disallow it. This consequence could result in hundreds of millions of dollars. Highmark alone

has estimated that the impact to them alone would be in excess of \$100 million. Start to multiply that against everything and it really adds up to huge dollars.

So why the current Medicaid MCO trigger mechanism language should be removed: The current MCO contract provides for the department to terminate MCO contracts; that would be catastrophic. We just cannot do that for 62 percent of the Medicaid population throughout the Commonwealth of Pennsylvania. It is very precipitous, very, very troublesome, and I really would like to have someone in the majority say unequivocally that should that trigger mechanism be implemented, that they have no intention of implementing a broad-based 2-percent tax increase as the administration has espoused earlier.

This is a very serious broad-based potential tax increase in addition to everything else that is in this budget, and I just thought it needed further elaboration and explanation as to yet another reason why this should be significantly rejected, and at the very least, this language extricated and removed from this bill.

Thank you very much, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Delaware County, Representative Civera.

Mr. CIVERA. Thank you, Mr. Speaker.

Mr. Speaker, I am going to be very brief, but I have to comment on the gentleman from Northumberland in one of the remarks about holding the Republican leadership responsible and being negative on any legislation or any bill that has gone up on that board tonight.

Mr. Speaker, let me set the record straight, and as I said before in my previous remarks – and I realize the gentleman has had a difficult summer and my heart feelings go out to him, but the truth of the matter is, this Republican leadership would not balk at any and just pick it because it is a Democratic proposal and we would be opposed to it, not on the 95th day of a budget that was due back in June or the end of June.

The truth of the matter is that when we prepared the Civera amendment, we were willing to share that with the other side of the aisle, took it to the different legislators, let them look at it, and let them be part of it in a bipartisan way. In no way, in no way would this leadership ever, ever put themselves in a position that we did not want to be part of it. The reason why we did not sit at the negotiation table the last 2 weeks was because we were not going to settle for a \$28 billion spend number, because that instigated a tax increase, and we made that very clear.

Remember in my beginning remarks, from May until now we have been consistent in exactly what we were thinking. When the Governor vetoed, not vetoed but overrode SB 850 and cut different programs out of that bill is when this crisis started to begin. So for us to stand here and say that we would be opposed to anything that the Democrats put up is false. We were the ones that asked for HB 1416 to come out on the floor so we could debate HB 1416. We were the ones that asked for SB 850 to come out on the floor back in the middle of July so we could debate that, so we would have a budget that was in a timely fashion.

This leadership team on this side of the aisle was willing to work with the Democrats in a bipartisan way, and, Mr. Speaker,

that is exactly what the Civera amendment and Civera proposal would have done to this chamber. We would not be here tonight. We would be home watching another program other than watching us on the House floor.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Allegheny County, the minority whip, Representative Turzai, for the second time.

Mr. TURZAI. Thank you, Mr. Speaker.

Mr. Speaker, just in conclusion, our caucus would just like to correct some misconceptions that we think have been set forth on the record this evening in the debate.

In the first instance, I know that the gentlelady from Luzerne County indicated that somehow she and some of her colleagues had the corner on caring about children and the elderly and the disadvantaged in this State, and I must, if I can, take issue with that. The proposal that the House Republicans are for and that we think many of our colleagues on the House Democratic side would have been for if an opportunity would have been there to vote for that proposal absolutely focuses on core government services. We are for prioritized responsible spending. We wanted to do increases on education for our kids, on law enforcement, on hospitals.

However, I would agree that it is true that those types of imbedded WAMs, like the nonprofit in Philadelphia or the jazz festivals in Philadelphia or the money out in Beaver County, we would like to have those types of things eliminated including a reduction in spending on government operations. We want to bring efficiencies or to follow Democratic Auditor General Jack Wagner's recommendations on improving welfare and the welfare system. We think that there is a real balance. We are absolutely for prioritizing responsible spending on government core functions.

I understand that up in that particular county, up in her neck of the woods, there has to be a concern, given the judges actions with respect to kids and detention centers. Those types of things must be in check, and I am sure she is leading the way on that particular front.

We all know that over the last 6 years under this particular Governor, spending has increased from \$20 billion to \$30 billion almost. That is an increase of \$10 billion in just 6 years' time, an increase of almost 50 percent in spending. What we are saying is that if we could have controlled that spending to at or about the rate of inflation, there would be no need for any taxes because we would be in a surplus. And I think that it is important to note that, unfortunately, this Governor has had a cardboard-check mentality to governing: increasing spending, increasing the personal income tax, increasing borrowing that our kids and grandkids have to pay. We think that it is time to change that mentality.

With respect to the gentleman from the 38th District from Allegheny County, the good man that he is, I think it is clear that we must make it known that HB 1531, the bill we are voting on, this simple bill was never a bill that increased taxes until yesterday when Democratic leadership included those tax increases without one Republican vote, without one Republican vote, that \$1 billion tax increase.

May I have some order, sir?

The SPEAKER. The House will come to order.

The gentleman has a right to be heard. We are down to one speaker. Members will please take their seats.

Mr. TURZAI. HB 15—

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

Mr. TURZAI. Yes, sir.

The SPEAKER. The House will come to order.

The gentleman, Mr. Turzai, may proceed.

Mr. TURZAI. Thank you, Mr. Speaker.

HB 1531, as many of you may know, was a simple bill that allowed Pennsylvania citizens who were entitled to a refund because of overpayment of taxes to check off on their tax return that they might donate some portion of that refund to the Military Family Relief Assistance Program. That is what the simple bill was. The \$1 billion tax increase was placed into it in committee by Democratic leadership without any Republican votes.

Now, I must tell you that this notion that somehow a vote for this \$1 billion tax increase somehow eliminated the tax on small games of chance that was proposed and agreed to by the Democratic leadership or the tax on arts organizations, museums, zoos, concert facilities; it is just disingenuous. I must tell you that our caucus, the House Republican Caucus, opposed, opposed the tax on small games of chance that hurt our volunteer fire departments and other nonprofits from the moment of its conception.

Secondly, we opposed the Democratic agreed-to and the Democratic-proposed tax on arts organizations, museums, zoos, concert facilities from the moment of that proposal's conception. In fact, we have opposed the Governor's proposed personal income tax increase. We opposed the Governor's proposed sales tax increase. We did oppose the tax on natural gas that is in this bill. We opposed the taxes on businesses that are going to increase by 35 percent. We opposed the taxes on cigarettes and the taxes on smokeless tobacco. We opposed the taxes on health-care insurance policies, and why? Why? Because we do not think in a recession that you should take more money from Pennsylvania citizens or small businesses, and we believe, given Mario Civera's proposal, that you can focus on core government services, on core government services without increasing taxes. That is where we are and that is what we stand for.

I must tell you, there is a real opportunity, a real opportunity to change the way Pennsylvania has been doing government, and that is by voting "no" on this and ultimately allowing a vote on Chairman Civera's bill.

I reach out to my good friends on the other side of the aisle, of whom there are many, who are fiscally responsible folks, who are good-government folks who do not want to see the same business as usual with the back deals, taking care of people's pockets in their districts without anybody knowing it through the light of day. I would ask those individuals, look into your hearts and let us do the right thing. Let us vote this down and let us take a bill that has been on the table for 3 months that so many of you know that you would like to have supported and have actually said in private conversations that you would like to support, let us vote this down and let us ultimately get a vote on Mario Civera's bill that puts forth prioritized spending without any tax increases. That is where we need to go.

Thank you very, very much, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman from Berks County, Representative Kessler.

Mr. KESSLER. Thank you, Mr. Speaker.

I would like to correct the record. When I spoke earlier, at the end of my talk I said to encourage my colleagues to vote "no" for HB 1531. I meant to say "yes." Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Greene County, the majority whip, Representative DeWeese.

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

The SPEAKER. Will the gentleman yield.

The House will come to order.

The gentleman may proceed.

Mr. DeWEESE. Thank you again, Mr. Speaker.

I found it to be very helpful in these kinds of debates, especially after a long session, to hone in with the proverbial rhetorical carbine rather than the speechifying shotgun.

So I want to make two points, Mr. Speaker, only two points, and the first one of my points is to all of us, because I like to hear myself make this point also, that live in rural townships, in rural Pennsylvania, especially that wide, capacious swath of our Commonwealth that stretches from Elmira to Morgantown, that big Marcellus Shale swath of our State from Mirabito's district to DeWeese's district, with many Republicans around Hollidaysburg and Juniata County, and my honorable and esteemed friends from Armstrong and Somerset Counties, where we have that munificent resource of Marcellus Shale.

If you live in a rural area like ours, this is a seminal moment in the history of the legislature. When I came here in the middle to late seventies, I tried to put a severance tax on coal, and I failed. I think that somebody should have put a severance tax on coal in 1890 or 1900 or 1910 or 1920, even a nickel a ton, something very small and reasonable, because, Mr. Speaker, if that had taken place, the scarified hills of Lackawanna and Luzerne, the metal excretia of industry that dominates Bobtown, Pennsylvania, or Vestaburg or Nemaocolin, where the big corporations like Bethlehem Steel or LTV go bankrupt and corrugated steel buildings and the detritus of their brick dressing areas and mining facilities and maintenance sheds are still there today, rat-infested, with acid mine drainage water sluicing into our streams, and now in the age of Marcellus, brine water vitiating the wonderful verdant streamsidings and riverine areas of the west and center of our State.

This is a chance tonight, tonight, and you are going to have a chance to have a very small severance tax on a superabundant mineral resource. You are going to have a chance, Mr. Speaker, to join my good friend in Alaska, Sarah Palin, who believes in taxing mineral resources. You are going to have a chance to join that cowboy from Wyoming, Dick Cheney, because they tax natural resources in Wyoming. You are going to have a chance to join our brothers and sisters in West Virginia and Louisiana and Arkansas, and speaking of cowboys, in Texas.

I cannot for the life of me figure out why you do not agree with Mr. Vitali, Mr. Levdansky, and the rest of us who believe that we have to have a very substantive, palpable financial investment in preserving our natural parks and forests and game lands. We are talking about a very, very slender amount of money. Thirty-one out of 32 States where natural gas resources are extant take a small amount of money from the corporations. We are going to have to have some money to cover up that footprint, and that footprint might just be mostly water and brine water. That is going to be a very, very tangible problem in Pennsylvania as the years go forth.

And if you live, if you live in Armstrong or Juniata or Fayette or Greene or Washington or Butler, or if you live in an area in rural townships where Marcellus Shale is located, Mr. Speaker, this proposal tonight allows for 9 percent of the total gross of revenue to come back into your townships and your counties. Now, that is 9 percent of a lot of money. This, Mr. Speaker, is potentially a \$1 trillion operation in this State. When is the last time that your townships and your boroughs in these rural settings had a guaranteed financial resource coming in from the Commonwealth? This is a very, very solid proposal.

And the second and final point I want to make – and Tony DeLuca made it very proficiently a while ago – in 1991 Matthew Ryan was at that microphone, and we had 92 votes on the Democratic side because we had a recession and we were in desperate need of State revenues. Ten Republican votes marched into the fray and we passed a budget, and if it were not for audacious and farsighted Republican leadership at that time in 1991, we would not have had a budget. I would only ask that, as Mr. DeLuca read from the record, people contemplate the dynamics of audacious leadership. The fact is, you have to admit you would be bereft of common sense if you did not think that Bear Stearns and Merrill Lynch and Goldman Sachs and the Bank of America and every government from Beijing to Blair County has had a serious financial challenge over the past many, many months; Pennsylvania does too.

And tonight without a broad-based personal income tax that I personally would have supported, I personally would have supported – I think we made a mistake. I think the Governor made a mistake. He should have asked for nine-tenths of 1 percent. We should have come out at four-and-one-half-tenths of 1 percent right now, tonight, solved our problems, made it temporary like we did in the Thornburgh years in 1981, and 3 years to the day, the tax went away. In 1991 under Casey, 3 years to the day, the tax went away. We should have done it, and we did not do it. So here we are in October. And if you do not, from rural Pennsylvania, take a page out of Matt Ryan's book – do the responsible thing, bring money back into your rural townships – then I think you will have missed a golden opportunity to be responsible and to have an iridescent moment of courage. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House concur in Senate amendments as amended by the Rules Committee?

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

The following roll call was recorded:

YEAS—103

Barbin	Eachus	Lentz	Samuelson
Belfanti	Evans, D.	Levdansky	Santarsiero
Bishop	Fabrizio	Longiotti	Santoni
Boyle	Frankel	Mahoney	Seip
Bradford	Freeman	Manderino	Shapiro
Brennan	Galloway	Mann	Sipthoth
Briggs	George	Markosek	Smith, K.
Brown	Gerber	Matzie	Smith, M.
Burns	Gergely	McGeehan	Solobay
Buxton	Gibbons	McI. Smith	Staback
Caltagirone	Goodman	Melio	Sturla
Carroll	Grucela	Mirabito	Taylor, R.

Casorio	Haluska	Mundy	Thomas
Cohen	Hanna	Murphy	Vitali
Conklin	Harhai	Myers	Wagner
Costa, D.	Harkins	O'Brien, D.	Walko
Costa, P.	Hornaman	O'Brien, M.	Wansacz
Cruz	Houghton	Oliver	Waters
Curry	Johnson	Parker	Wheatley
Daley	Josephs	Pashinski	White
Deasy	Keller, W.	Payton	Williams
DeLuca	Kessler	Preston	Youngblood
DePasquale	Kirkland	Readshaw	Yudichak
Dermody	Kortz	Roebuck	
DeWeese	Kotik	Sabatina	McCall,
Donatucci	Kula	Sainato	Speaker
Drucker			

NAYS-98

Adolph	Farry	Marshall	Quinn
Baker	Fleck	Marsico	Rapp
Barrar	Gabig	Mensch	Reed
Bear	Gabler	Metcalfe	Reese
Benninghoff	Geist	Metzgar	Reichley
Beyer	Gillespie	Micozzie	Roae
Boback	Gingrich	Millard	Rock
Boyd	Godshall	Miller	Rohrer
Brooks	Grell	Milne	Ross
Causar	Grove	Moul	Saylor
Christiana	Harhart	Murt	Scavello
Civera	Harper	Mustio	Schroder
Clymer	Harris	O'Neill	Smith, S.
Cox	Helm	Oberlander	Sonney
Creighton	Hennessey	Pallone	Stern
Cutler	Hess	Payne	Stevenson
Dally	Hickernell	Peifer	Swanger
Day	Hutchinson	Perzel	Tallman
Delozier	Kauffman	Petrarca	Taylor, J.
Denlinger	Keller, M.K.	Petri	True
DiGirolamo	Killion	Phillips	Turzai
Ellis	Knowles	Pickett	Vereb
Evans, J.	Krieger	Pyle	Vulakovich
Everett	Maher	Quigley	Watson
Fairchild	Major		

NOT VOTING-0

EXCUSED-2

Miccarelli Perry

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the amendments as amended by the Rules Committee were concurred in.

Ordered, That the clerk return the same to the Senate for concurrence.

BILL REMOVED FROM TABLE

The SPEAKER. The Chair recognizes the majority leader, who moves that SB 711 be removed from the tabled calendar.

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

BILL RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader, who moves that SB 711 be recommitted to the Committee on Appropriations.

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

The SPEAKER. There will be no more votes this evening.

PARLIAMENTARY INQUIRY

The SPEAKER. For what purpose does the gentleman, Representative Clymer, rise?

Mr. CLYMER. Mr. Speaker, I rise for a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. CLYMER. Thank you.

Mr. Speaker, recently under House rule 45, I filed a letter signed by the required majority of the House Education Committee members. The purpose is to advance HR 456. Under this parliamentary procedure, under House rule 45, the majority chair of the House Education Committee is required to call for a meeting of the Education Committee. The purpose is to call up HR 456; no other business is to be involved. My question is this: Is the Education chairman going to call for a committee meeting?

The SPEAKER. What is your point of parliamentary inquiry?

The letter that you presented to the Chair has been voided by the fact that six or seven of the members – six members who signed your letter removed the majority requirement to hold the committee meeting. So therefore, it was voided by virtue of those members removing their names from the letter.

Mr. CLYMER. Yes. Mr. Speaker, where in the rules does it allow them to withdraw their names? Where in the rules does it allow them to withdraw their names?

The SPEAKER. There is nothing in the rules that prevents it. The members decided that they did not want their names affixed to the letter; therefore, it voided the letter.

Are there any other announcements?

Mr. EACHUS. Mr. Speaker, we are working on tomorrow's schedule with the minority leader, if you can give us a couple of minutes, please. I will be happy to announce that when we conclude our discussion.

The SPEAKER. The House will be at ease.

The House will come to order.

ANNOUNCEMENT BY MAJORITY LEADER

The SPEAKER. The Chair recognizes the gentleman from Luzerne County, the majority leader, Representative Eachus.

Mr. EACHUS. Mr. Speaker, while we still deliberate on the schedule for tomorrow morning, for the information of the

Democratic members, we are going to have a discussion with the press in the majority caucus room. I invite you all to come. It will be right after we are done with this scheduling announcement. So if you can go right to the majority caucus room, I look forward to seeing you there.

The SPEAKER. The House will come to order.

HOUSE SCHEDULE

The SPEAKER. The Chair recognizes the gentleman from Luzerne County, the majority leader, Representative Eachus.

Mr. EACHUS. For the information of the members, we have concluded that we are going to start at 10 tomorrow morning. We will be working on Sunday at a time to be determined tomorrow, but my guess is it will be after church. So I have not quite fixed in a time on that yet, but I will let you know tomorrow. Thank you.

The SPEAKER. The Chair thanks the gentleman.

For what purpose does the gentleman from Venango, Representative Hutchinson, rise?

Mr. HUTCHINSON. A question on schedule, Mr. Speaker.

The SPEAKER. The gentleman will state his question.

Mr. HUTCHINSON. Mr. Speaker, will we be voting on the gambling bill before or after church on Sunday?

The SPEAKER. Are there any further announcements?

BILLS AND RESOLUTIONS PASSED OVER

The SPEAKER. Without objection, any remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

RECESS

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