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# LEGISLATIVE ACTION ALERT

## PA Senate-passes tax bill

The Senate voted 26-24 - Now it's up to the Republican-controlled House



By [John L. Micek](#)

[jmicek@pennlive.com](mailto:jmicek@pennlive.com) July 27, 2017

To read and view entire article go to: [http://www.pennlive.com/opinion/2017/07/the\\_senate-passed\\_revenue\\_bill.html](http://www.pennlive.com/opinion/2017/07/the_senate-passed_revenue_bill.html)

So full credit to Senate Majority Leader Jake Corman to come with \$2.2 billion in revenue to pay for the \$32 billion state budget -

### New Taxes and Borrowing

- severance tax on natural gas drillers
- \$1.3 billion in borrowing
- higher taxes on your utility bills
- a new tax on firecrackers (which would be legal for Pennsylvanians to purchase for the first time)

"This is a day most of us have been trying to avoid for a long time," said Corman, describing the willingness of past Legislatures and governors (Republican and Democratic, alike) to embrace a tax increase after every major economic downturn.

After the Great Recession of 2008, Corman argued that Pennsylvania lawmakers took a different tack. That downturn "hurt so much that it was up to us to govern without asking for more money."

Corman pointed to efforts to contain costs and wring savings from across state government. That push, he said, resulted in the state spending \$270 million less than it did in 2010.

Yes, the General Assembly managed to get through the nine years since Great Recession without passing any broad-based tax increases (ie: hiking the 3.07 percent personal income tax and the 6 percent sales tax).

Last December, Pennsylvania drivers faced the third and last installment of a higher gas tax stemming from a laudable, [bipartisan effort to address a large backlog of highway and bridge repair needs in the state.](#)

That increase was the equivalent of about eight cents per gallon, which was expected to generate \$299 million more to [fix roads and bridges and pay for state police protection on the highways.](#)

[Tolls on the Pennsylvania Turnpike have risen and will go up 6 percent](#) next year for both E-ZPass and cash customers. Some of that cash goes to PennDOT. And let's not forget that cigarette tax hike, resulting in [the nation's 10th highest](#) levy. That one was a direct budget balancer. In his floor speech, Corman also described some of the seismic forces have driven budget increases across state government for the last decade or so. They include ballooning public pension costs; spending on prisons and the increased demand for human service programs, each of which have risen by hundreds of millions of dollars between 2010 and 2017, he said.

And it's also true that the General Assembly has taken some concrete steps to try to tame costs in each of those areas.

Gov. Tom Wolf, meanwhile, "commends the Senate for taking a responsible step toward balancing the budget and for their willingness to include a tax on Marcellus Shale," his spokesman J.J. Abbott said. "Governor Wolf believes all parties must quickly come together to bring this process to a close"

Breaking down the Senate proposal, it calls for applying a new 5.7 percent gross receipts tax to natural gas consumption. That means if your bill is \$100, you would pay \$5.70 for this new tax.

Republicans who voted along with Democrats to pass revenue for the state budget are in **bold-**  
Democrats voting against funding are in *italic and underlined*

ALLOWAY-N  
ARGALL-N  
AUMENT-N  
BAKER-N  
BARTOLOTTA-N  
BLAKE-Y  
BOSCOLA-N  
BREWSTER-Y  
BROOKS-N  
**BROWNE-Y**  
**CORMAN-Y**  
COSTA-Y  
DINNIMAN-N  
DISANTO-N  
EICHELBERGER-N  
FARNESE-Y  
FOLMER-Y

FONTANA-Y  
**GORDNER-Y**  
GREENLEAF-Y  
*HAYWOOD-N*  
HUGHES-Y  
HUTCHINSON-N  
**KILLION-Y**  
LANGERHOLC-N  
LAUGHLIN-N  
LEACH-Y  
MARTIN-N  
**MCGARRIGLE-Y**  
**MCILHINNEY-Y**  
**MENSCH-Y**  
**RAFFERTY-Y**  
REGAN-N  
RESCHENTHALER-N

*SABATINA-N*  
**SCARNATI-Y**  
**SCAVELLO-Y**  
SCHWANK-Y  
STEFANO-N  
STREET-Y  
TARTAGLIONE-Y  
TOMLINSON-Y  
VOGEL-N  
**VULAKOVICH-Y**  
WAGNER-N  
WARD-N  
**WHITE-Y**  
WILLIAMS-Y  
**YAW-N**  
YUDICHAK-Y

They include the [pension overhaul bill that Gov. Tom Wolf signed into law in mid-June](#), as well as the ["justice reinvestment initiative"](#) that produced smaller-than-expected corrections savings, but some savings nonetheless.

Still, it's worth pointing out that, in at least two of those areas (pensions and prisons), increases in spending were the direct product of the disastrous policy choices made by previous Legislatures and governors.

While economic misadventure did cut into retirement returns, the state wouldn't be in as big a pension pickle as it is without the greed of the 2001 pension grab under GOP Gov. Tom Ridge and the under funding that went on during the Democratic Rendell years.