

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

TUESDAY, JANUARY 31, 1995

SESSION OF 1995

179TH OF THE GENERAL ASSEMBLY

No. 10

### HOUSE OF REPRESENTATIVES

The House convened at 11:05 a.m., e.s.t.

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

#### PRAYER

The SPEAKER. Without objection, the prayer from today's special session will be printed in today's regular session Journal.

REV. CLYDE W. ROACH, pastor of Riverside United Methodist Church, Harrisburg, Pennsylvania, offered the following prayer:

Let us pray:

Gracious Lord, we are thankful for Your goodness and mercy. You have brought us a long way through dangers seen and unseen. You have opened doors that no man could open and closed doors that no man could close. You have been a constant friend in time of trouble, and great is Your faithfulness.

And we confess: "We are often troubled, but not crushed; sometimes in doubt, but never in despair; there are many enemies, but we are never without a friend; and though badly hurt at times, we are not destroyed."

Precious Lord, Your grace has been sufficient for all of life's problems and perplexities. We now pray for a closer walk with You, the author and finisher of our faith.

For it is in Your name we pray. Amen.

#### PLEDGE OF ALLEGIANCE DISPENSED WITH

The SPEAKER. Without objection, the Pledge of Allegiance will be dispensed with.

#### JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, the approval of the Journal of Monday, January 30, 1995, will be postponed until printed. The Chair hears no objection.

#### LEAVES OF ABSENCE

The SPEAKER. The Chair recognizes the majority whip for the purpose of taking leaves of absence.

The gentleman has no leaves of absence.

The Chair recognizes, for leaves of absence, the gentleman, Mr. Lescovitz.

Mr. LESCOVITZ. Thank you, Mr. Speaker.

The gentleman from Washington, Mr. COLAIZZO, for today, and the gentleman from Allegheny, Mr. GAMBLE, for today.

The SPEAKER. Without objection, the leaves will be granted. The Chair hears none.

#### VOTE CORRECTION

The SPEAKER. The Chair recognizes the gentleman, Mr. Surra. Mr. SURRA. Thank you, Mr. Speaker.

Mr. Speaker, I would just like to correct the record, quickly.

On the original taking of the vote on amendment A0353 to HB 3, Representative Belfanti's amendment, I was failed to be recorded, and I wish to be recorded in the affirmative. Thank you, Mr. Speaker.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

Are there any other corrections to yesterday's proceedings? The Chair hears none.

#### MASTER ROLL CALL

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

The following roll call was recorded:

PRESENT-201

Adolph	Evans	Maitland	Saylor
Allen	Fairchild	Major	Schroder
Argall	Fajt	Manderino	Schuler
Armstrong	Fargo	Markosek	Scrimenti
Baker	Farmer	Marsico	Sermel
Bard	Feese	Masland	Serafini
Barley	Fichter	Mayernik	Shaner
Battisto	Fleagle	McCall	Sheehan
Bebko-Jones	Flick	McGeehan	Smith, B.
Belardi	Gannon	McGill	Smith, S. H.
Belfanti	Geist	Melio	Snyder, D. W.
Birmelin	George	Merry	Staback
Bishop	Gigliotti	Michlovic	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boscola	Godshall	Mihalich	Steil
Boyes	Gordner	Miller	Stern
Brown	Gruitza	Mundy	Stetler
Browne	Gruppo	Nailor	Stish
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	Nyce	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhart	Olasz	Tangretti

Cappabianca	Hasay	Oliver	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Carone	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsey	Petit	Trello
Clark	Hutchinson	Phillips	Trich
Clymer	Itkin	Piccola	True
Cohen, L. I.	Jadlowiec	Pistella	Tulli
Cohen, M.	James	Pitts	Vance
Colafella	Jarolin	Platts	Van Horne
Conti	Josephs	Preston	Yeon
Cornell	Kaiser	Ramos	Vitali
Corpora	Keller	Raymond	Walko
Corrigan	Kenney	Readshaw	Washington
Cowell	King	Reber	Waugh
Coy	Kirkland	Reinard	Williams
Curry	Krebs	Richardson	Wogan
Daley	Kukovich	Rieger	Wozniak
DeLuca	LaGrotta	Roberts	Wright, D. R.
Dempsey	Laughlin	Robinson	Wright, M. N.
Dent	Lawless	Roebuck	Yewcic
Dermody	Lederer	Rohrer	Youngblood
DeWeese	Leh	Rooney	Zimmerman
DiGirolamo	Lescovitz	Rublely	Zug
Donatucci	Levdansky	Rudy	
Druce	Lloyd	Sainato	Ryan,
Durham	Lucyk	Santoni	Speaker
Egolf	Lynch	Sather	

ADDITIONS-0

NOT VOTING-0

EXCUSED-2

Colaizzo                      Gamble

LEAVES ADDED-1

Preston

**ANNOUNCEMENT BY SPEAKER**

The SPEAKER. The lady from Lehigh, Mrs. Harhart, has asked the Chair to announce that the Whitehall High School choir from her district will be singing in the rotunda from 12 noon to 12:45 p.m. today.

**GUESTS INTRODUCED**

The SPEAKER. The Chair is pleased to welcome to the hall of the House, as guests of Representative Tom Druce of Bucks County, Dr. Robert Benner, chairman of the New Britain Township Supervisors, and with him, Dmitry Kulin, an exchange student from Russia. Would the guests please rise. They are here to the left of the Speaker.

The Chair also welcomes, as the guests of the gentleman, Mr. McCall, Grace Navin Kneas and Jan Kneas, Robin McArdle and Tom McArdle. These folks here are also to the left of the Speaker. Would they please rise.

**BILLS REPORTED FROM COMMITTEE,  
CONSIDERED FIRST TIME, AND Tabled**

**HB 293, PN 410** (Amended)                      By Rep. MERRY

An Act amending the act of May 25, 1945 (P.L.1050, No.394), known as the Local Tax Collection Law, further providing for the mailing of tax notices.

LOCAL GOVERNMENT.

**HB 294, PN 287**                                      By Rep. MERRY

An Act amending the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, further providing for expenses of county officers for attending certain meetings.

LOCAL GOVERNMENT.

**HB 368, PN 371**                                      By Rep. MERRY

An Act repealing the act of May 16, 1951 (P.L.300, No.60), entitled, as amended, "An act authorizing certain counties to establish fire training schools for the paid and volunteer firemen of municipalities within the county."

LOCAL GOVERNMENT.

**RULES COMMITTEE MEETING**

The SPEAKER. The Chair recognizes the majority leader, who asks for an immediate meeting of the Rules Committee at the majority leader's desk.

The House will stand at ease.

**RESOLUTION REPORTED  
FROM COMMITTEE**

**HR 25, PN 306**                                      By Rep. PERZEL

A Resolution directing the Legislative Budget and Finance Committee to audit the Pennsylvania Minority Business Development Authority and the Minority Business Development Fund.

RULES.

**BILL REMOVED FROM TABLE**

The SPEAKER. The Chair recognizes the majority leader. Mr. PERZEL. Mr. Speaker, I move that HB 293 be removed from the table.

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

## CALENDAR

## BILLS ON SECOND CONSIDERATION

The following bills, having been called up, were considered for the second time and agreed to, and ordered transcribed for third consideration:

**HB 8, PN 407; HB 4, PN 148; and HB 7, PN 149.**

## BILLS ON THIRD CONSIDERATION

## BILL PASSED OVER TEMPORARILY

The SPEAKER. On page 2 of today's calendar, without objection, HB 38 will be temporarily passed over.

\* \* \*

The House proceeded to third consideration of **HB 39, PN 150**, entitled:

An Act providing for a limited tax amnesty program.

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

Mr. **STETLER** offered the following amendment No. **A0310**:

Amend Sec. 2, page 2, by inserting between lines 1 and 2 "Communication." The term includes, but is not limited to, mail from the Department of Revenue or its agents, assessments, activity questionnaires and any other correspondence from the department or its agents. The department shall consider an individual, person or entity the subject of a communication from the department if such individual, person or entity is the subject of any civil, criminal or administrative proceedings.

Amend Sec. 3, page 2, lines 21 through 27, by striking out "The amnesty program shall apply to a" in line 21, all of lines 22 through 27 and inserting

The amnesty program shall apply to any liability for an eligible tax resulting from a tax return filed or required to be filed prior to January 1, 1993, and any liability resulting from a tax return filed or required to be filed on or after January 1, 1993, through December 31, 1994, which has not been the subject of any communication between the Commonwealth and the taxpayer.

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

The SPEAKER. The Chair recognizes the gentleman, Mr. Stetler.  
Mr. STETLER. Thank you, Mr. Speaker.  
Mr. Speaker, I would request that instead of amendment A0310, that we do amendment A0407.

The SPEAKER. The gentleman has some seven or eight amendments. Does he have a preference as to all of the amendments? If so, I think it would be easier if you would come up here to the desk and give us your order.

Mr. STETLER. Okay. Thank you, Mr. Speaker.

## PARLIAMENTARY INQUIRY

The SPEAKER. The Chair recognizes the gentleman, Mr. Kukovich. For what purpose does the gentleman rise?

Mr. KUKOVICH. I think it might be classified a point of parliamentary inquiry.

I would like to—

The SPEAKER. Well, let us try that.

Mr. KUKOVICH. We will try that.

I would like to make a motion, but since I do not think there is an amendment up there right now, I would like to make the motion prior to Mr. Stetler offering an amendment, if that would be all right at this time.

The SPEAKER. Unless this would be some privileged motion, the gentleman, Mr. Stetler, has the floor, and you have not told us what the motion is.

Mr. KUKOVICH. Since Mr. Stetler is up there now, I would respectfully request him to yield temporarily.

The SPEAKER. Well, that is up to Mr. Stetler.

At the moment, I am going to ask Mr. Stetler to give us his priority of amendments, if you do not mind, and we will get back to you in a moment.

(Conference held at Speaker's podium.)

## AMENDMENT WITHDRAWN

The SPEAKER. The House will come to order.  
Mr. Stetler is withdrawing amendment A0310.

## MOTION TO RECOMMIT

The SPEAKER. The gentleman, Mr. Stetler, has yielded to the gentleman, Mr. Kukovich of Westmoreland County.

The gentleman, Mr. Kukovich, is recognized for the purpose of making a motion.

Mr. KUKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, I rise to make a motion to recommit HB 39 back to the Finance Committee. I do so for several reasons.

I understand, if the majority party intends to streamline government, this process that we have encountered would dictate that maybe we simply streamline even more by doing away with the committee system. It is my understanding that this bill was not even in print whenever the committee considered it, and I am also sure that there are some other States that have moved in this direction.

I would like to support a tax amnesty bill that is a well-structured, limited piece of legislation that has adequate enforcement provisions, that has auditing and penalty provisions that about 35 other States have in their tax amnesty bill which are glaringly absent from this bill. But this bill came through both those committees, Finance and Appropriations, with no amendments whatsoever. If that is going to be our process, why do we not just put everything in Rules and not even have committee membership or bother having committees anymore.

What we are faced with right now in our quick glance at this bill is another bill that is poorly drafted. It is sloppy. We have, what, a dozen amendments here, another five or six here, some working at cross-purposes. Those are the kinds of things that are normally done in committee. That is part of what the committee process is for. For

those new members out here, this is not the way typically, historically, the legislative process works.

Also for new members, I want you to keep in mind that this chamber is not supposed to be just an assembly of PR people who are only worried about certain agendas and getting out press releases. The legislative process is meant to be a thoughtful one where the committee process works out these problems and sends to us legislation where many of these things have already been dealt with adequately so we do not have to make stupid votes on the House floor. That has not been done again on this occasion.

I would also point out that though many of us here, probably a majority, support tax amnesty, we do not want to be in a position where we have to vote for a bad bill, and so far we have been forced on a number of occasions to vote for bills which are nothing more than an image. They are labeled "welfare reform" or "tax amnesty" and everybody assumes, well, we should vote for it. Well, it is becoming embarrassing. The media is starting to pick up on it. We are starting to notice errors in legislation, unintended consequences after they have left this chamber. I do not want to be embarrassed that way anymore, and I know most of you do not want to be embarrassed that way anymore because of an agenda to get something out within a limited amount of time. That makes no sense. It is not the thoughtful process that this chamber has developed in the past, and all of a sudden we are breaking with that precedent.

I do know that even though we have talked about this issue in the past, for the last 10, 12 years, not just with the Casey administration but the Thornburgh administration, the Departments of Revenue have had problems with certain aspects of this kind of legislation.

I am here today to speak on behalf of Governor Ridge.

Mr. RICHARDSON. Mr. Speaker?

Mr. KUKOVICH. I know that during his campaign he—

The SPEAKER. Will the gentleman, Mr. Kukovich, kindly yield.

The Chair recognizes the gentleman from Philadelphia, Mr. Richardson. For what purpose does the gentleman rise?

Mr. RICHARDSON. Mr. Speaker, if we are going to have an intelligent debate on this matter, I think we should have some order in the House, and I do not think anyone can hear the gentleman and what he is saying.

The SPEAKER. The gentleman is correct.

Will the conferences on the floor please break up. The gentleman, Mr. Richardson, is absolutely right. The noise level is unacceptably high.

The conference in the vicinity of the speaker, Mr. Kukovich, please break up.

The gentleman may proceed.

Mr. KUKOVICH. Thank you, Mr. Speaker.

I would ask you to take a look at these, at least take a quick glance at these amendments before you vote on this motion. There are a number of errors in this bill. Let me point out just one, and then I will wrap up here.

I mentioned there were about 35 other States that have enacted tax amnesty of some sort, and in virtually all of those States I would support that kind of legislation. But in almost all of those States, there have been built-in enforcement provisions that are much stronger than this bill. There are auditing provisions. There are stricter penalties after the amnesty window closes. There is no provision of that sort at all in HB 39, and without that language, there is absolutely no incentive for delinquent taxpayers to utilize the amnesty window. So if they are caught, they will be no worse off than before the window opened. That is not going to save any money for the

Commonwealth. It is possible, if Governor Ridge and his Department of Revenue get a chance to look at this, they may see that money could even be lost.

What I am suggesting is, let us give Governor Ridge and his people, at least give the Secretary a chance to be confirmed, have the Department of Revenue folks put in place, because the revenue people from the Thornburgh era and the Casey era had problems with tax amnesty unless it was fine-tuned. Poor Governor Ridge has not even had a chance to look at anything, let alone fine-tune it.

If we can recommit this, we can put it back into committee. These kinds of things can be dealt with by the Finance Committee, which is a good committee with excellent chairs on both sides of the aisle, and they can adequately deal with this from input from the new Secretary of Revenue and from Governor Ridge.

I think we need a well-structured tax amnesty bill. HB 39 is not that legislation, and I am asking you to prevent further embarrassment to this chamber by once again passing something that is sloppily drafted, that will have unintended consequences, and will not help the taxpayers or the revenues of this Commonwealth.

I would ask for a "yes" vote on the motion.

The SPEAKER. The Chair thanks the gentleman.

On the question,

Will the House agree to the motion?

The SPEAKER. The Chair recognizes the majority leader, Mr. Perzel.

Mr. PERZEL. Thank you, Mr. Speaker.

Mr. Speaker, I thought I would bring to the attention of the membership here that our committee chairman, Karl Boyes, hand-delivered a copy of this bill to Fred Trello, the committee chairman on the Democrat side. Every member of the committee was given a copy of this bill. This bill came out of that committee unanimously, Mr. Speaker - unanimously.

I want to bring up a second point about someone mentioned, I think it was Representative Kukovich said it was bad public policy. On August 4, 1991, SB 1059, which this is an exact copy of, passed out of this chamber 197 to 5, Mr. Speaker, with Mr. Kukovich voting "yes," incidentally.

Now, there were motions to recommit welfare reform, there were motions to recommit hearing loss, and now there is a motion to recommit tax amnesty. Mr. Speaker, someone said yesterday that there was a freight train in here. This is not a freight train; it is a metro liner, and this is the express. All right?

We intend to run this piece of legislation. I would urge a "no" vote.

The SPEAKER. On the question, the Chair recognizes the gentleman from Luzerne, Mr. Blaum.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I rise to agree to recommit this bill, and if this motion fails, to urge all members to vote against it.

I would like the attention of all the members of the House to talk about the fact that very soon we will be entering, if we have not already, a special session on crime. We are going to tackle crime in Pennsylvania, and I cannot believe that one of the first things we will do is consider HB 39, which allows people who evade their taxes amnesty to pay up.

Now, I do not know what bill the majority leader is talking about, but if it is drafted exactly like the Senate bill of 1991, that Senate bill of 1991 did not give amnesty to anyone, and he ought to read the bill

and the way it was drafted, and I think a lot of people understood that. In 1991 the Governor vetoed SB 1059, or whatever the Senate bill number was, because of the fact that it allowed evaders to escape their duty to pay their taxes.

Now, this bill does not affect you and me. This bill does not affect the average working Pennsylvanians who have their State income taxes withheld from their paycheck. They are the ones who pay up. This bill is going to allow and give amnesty, give amnesty, to those who would knowingly evade their taxes over the years, knowingly evade their sales taxes over the years, and give them a window to pay up and not be prosecuted.

I do not think that is the kind of legislation that the people of Pennsylvania want. I do not think that is the kind of legislation that people expect from this General Assembly in the 1995— Mr. Speaker, could I have some quiet, please?

The SPEAKER. Conferences on the side aisle will please break up. Will the members take their seats— On both side aisles.

Staff personnel who are not engaged in these matters before the House today, I would appreciate it, if they are not needed, that they not occupy the floor, that they remain in their offices doing their work there and make arrangements to meet with their members elsewhere, or in the back offices or in the room to the rear.

Mr. BLAUM. Thank you, Mr. Speaker.

I feel very strongly about this issue. I think it is the wrong time. I do not think there is any good time to pass this kind of legislation into law, and I think especially us embarking on a special session on crime, one of the first things we should not do is pass a law which allows people, usually white collar, who have intentionally evaded their taxes a free ride. That is not, that is not what the people of Pennsylvania expect from us here in January, February, of 1995.

So I think we should recommit this bill. Let the Finance Committee have hearings. There is no time when I am going to vote for it.

The bill in 1991, which was part of a budget deal sent to the Governor, and again, if the majority leader reads it carefully he will find that that gave tax amnesty to absolutely no one, but I assume that this bill does not do that, that this bill actually does give amnesty to Pennsylvanians who have evaded their taxes. This idea, born in Massachusetts in the 1980's, is something that we do not need in Pennsylvania in 1995.

Let us recommit this bill. I think that is the smart thing for this House to do. Let them deal with it, and if they have hearings and still believe that it is something worthwhile, let them bring it back to us. But as we embark on this special session on crime, let us not begin it by letting white-collar tax evaders off the hook. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question, the Chair recognizes the gentleman, Mr. Olasz.

Mr. OLASZ. Mr. Speaker, I rise to support the Kukovich amendment, and I am certain that you, as one of the younger seniors—

The SPEAKER. The question before the House is a motion by the gentleman to recommit.

Mr. OLASZ. Yes, sir.

The SPEAKER. Not an amendment.

Mr. OLASZ. Well, I am sorry. Thank you for correcting me.

But I am sure, as one of the younger seniors in the House, you, Mr. Speaker, can recall when the then-Governor Lawrence removed the machinery tax in Pennsylvania to aid business, and the intent was to keep manufacturing business in Pennsylvania by giving them tax benefits.

Now, we have been deluged here in the last week or so with benefits for business, which all of us recognize business creates the jobs. But how about the poor working man that labors and pays his taxes, because he cannot control them; they are taken out of his paycheck.

And what are we doing with this legislation? Bailing out the businesses that refuse to pay their taxes and, rather, invest it in the peso in Mexico so they can make 60-, 80-, 100-percent benefits from their investments.

The same issue that we are debating here in this House is taking place in Washington, DC, and some of our best Senators and Representatives, like Jesse Helms, are saying no way should we bail— Thank you very kindly. Someone recognized how great the man is.

The SPEAKER. The gentleman will yield.

The question before the House is recommitment to a committee.

Mr. OLASZ. That is right.

The SPEAKER. We are not debating the merits of the bill right now.

Mr. OLASZ. Well, I am just saying why this should be recommitted, to let the Finance Committee take a good close look why this bill should be amended.

Once again, there is nothing that I have seen in that bill, and if the maker can stand up and show me where it benefits that poor property owner, that homeowner, that somewhere along the line failed to pay his taxes, and then when he is dead, they find out that the taxes were not paid for 1 year 30-some years ago, and this man has to pay huge penalties in interest, his heirs do. I think that is something that the Finance Committee should definitely take a look into, because any of us from municipalities know that this does occur, and that bill does not contain that provision.

So I would appreciate that it be recommitted so that the Finance Committee can take a long, hard look about it, and I think you should think about some of the arguments I made for recommitment when you vote on it. Thank you.

The SPEAKER. The Chair recognizes the gentleman, Mr. Rooney, from Northampton.

Mr. ROONEY. Thank you, Mr. Speaker.

I, too, rise in support of the motion to recommit this bill to the Finance Committee.

If the legislative process has any meaning, if we have any meaning, we will allow that to run its course, and the only other thing I would like to say before we get on with this vote is, we spent the better part of last week talking about the virtues of personal responsibility, asking people to be responsible, and the message we are going to send this week, if this motion fails, is that it is okay to be a tax deadbeat. I do not think that is what we should be all about in this chamber, and I do not think that is what the members are all about on either side of this aisle.

I ask for support of the motion to recommit.

The SPEAKER. On the question of recommitment, the Chair recognizes the gentleman, Mr. Trello.

Mr. TRELLO. Mr. Speaker, the majority leader indicated the 24-to-nothing vote to get this bill out of committee, and he is 100 percent right, and I have to admit that Chairman Boyes did deliver a copy of that bill about 24 hours before the meeting. I have the greatest respect for Karl Boyes and every member of the Finance Committee from the other side of the aisle.

During my tenure as majority chairman, I honored every request from Chairman Boyes and any other member that was on the

committee from that side of the aisle. As a matter of fact, anybody from that side of the aisle that made a request to me, I honored every single one of them, to the extent I even had hearings in their hometown, so they looked like a hero when I got done with them.

But the request that they have today—And all the angels are in heaven. There are no perfect saints down here on earth. They are all in heaven, so none of us are perfect. We did support the move to report the bill out of committee. After looking over it and talking it over with my staff, I do find some very, very serious problems, through no fault of anybody - Chairman Boyes or members of his committee - no fault of anybody, but the longer we look at that bill, the more problems we come up with.

I really believe sincerely—and this is not this side of the aisle talking bad about that side of the aisle—this is a very sincere request on a major piece of legislation that is going to affect an awful lot of people. It is my wish that we do report this back to the Finance Committee so that all 24 of us can sit down with the problems that we found and bring it back here as an almost perfect bill, so that this bill can really appreciate the feelings of everybody that it concerns. I sincerely request to support this motion to refer it back—in the interest of justice—report this back to the committee for us to do some work. Thank you.

One thing for sure I learned is, I know how to count. A lot of people do not know how to count, but I know how to count. So whether my request involves a good count or not, I want everybody to know, I know how to count, and you can figure that out for yourself, what that means. Thank you.

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

Mr. DeWEESE. Very quickly, Mr. Speaker, I would support the gentleman's motion to recommit. I think that this proposal, if left unamended or at least allowed to go to the State Senate and to the Governor without serious work in committee, will be called the tax cheater loophole law of 1995, and since, as has been averred by my colleagues, we are on the cusp of a special session dealing with crime, I think it sends a wrong message to the people of our Commonwealth when we allow white-collar crime to be treated so casually.

I think that the gentleman from Coraopolis, Mr. Trello, in his pursuit of justice, would be better served if all of us allowed this bill to at least get a week or two in committee. I think that what we are doing right now is emblematic of what we have been doing for the past several days, and that is, we are a part of a legislative rush to judgment. I think that between now and June 30 midnight, we have plenty of time for serious deliberation and debate and committee work, but to ravage, to ravage the committee system once again, to disallow Mr. Boyes and his colleagues on both sides of the aisle to take a strenuous look at a proposal that Governor Ridge said would save \$115 million, your analysts say will save \$167 million - a chasm of \$50 million - and at the same time allow white-collar deadbeats to be able to avoid punishment and coming into direct contact with our law enforcement authorities, is, I think, an abomination.

So I would request that we all support the gentleman from Westmoreland County's motion to recommit. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, as a member of the Finance Committee for the last 2 years, I have witnessed many opportunities to vote on bills. It is my

understanding—and I participated in the meeting when the bill was considered—that there were no amendments offered at that meeting, even though the bill had been presented in an appropriate fashion to the minority members as well as the majority members.

The issue here today is some technical amendments which I am going to be offering to the bill. There is nothing comprehensive in any of my amendments. The other side has chosen, I believe, through what I have seen in amendments, to offer comprehensive changes to the bill. That is not the intent of the bill, and we can speak to that when we debate the bill.

We are here today to debate the merits of tax amnesty, not to debate the merits of enforcement and everything else. Let us proceed with the issue. Thank you very much.

The SPEAKER. The Chair thanks the gentleman.

Those in favor of recommitment will vote "aye"; those against recommitment will vote "no."

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

(Members proceeded to vote.)

Mr. DeWEESE. Mr. Speaker, may I request only members in their seat be recorded.

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

The following roll call was recorded:

YEAS-97

Battisto	Fajt	Markosek	Sainato
Bebko-Jones	George	Mayernik	Santoni
Belardi	Gigliotti	McCall	Scrimenti
Belfanti	Gordner	McGeehan	Shaner
Bishop	Gruitza	Melio	Staback
Blaum	Haluska	Michlovic	Steelman
Boscola	Hanna	Mihalich	Stetler
Butkovitz	Horsey	Mundy	Sturla
Buxton	Itkin	Olasz	Surra
Caltagirone	James	Oliver	Tangretti
Cappabianca	Jarolin	Pesci	Thomas
Carn	Josephs	Petrarca	Tigue
Cawley	Kaiser	Petrone	Travaglio
Cohen, M.	Keller	Pistella	Trello
Colafella	Kirkland	Preston	Trich
Corpora	Kukovich	Ramos	Van Home
Corrigan	LaGrotta	Readshaw	Vitali
Cowell	Laughlin	Richardson	Walko
Coy	Lederer	Rieger	Washington
Curry	Lescovitz	Roberts	Williams
DeLuca	Levdansky	Robinson	Wozniak
Dermody	Lloyd	Roebuck	Wright, D. R.
DeWeese	Lucyk	Rooney	Yewcic
Donatucci	Manderino	Rudy	Youngblood
Evans			

NAYS-102

Adolph	Fairchild	Lynch	Schroder
Allen	Fargo	Maitland	Schuler
Argall	Farmer	Major	Semmel
Armstrong	Feese	Marsico	Serafini
Baker	Fichter	Masland	Sheehan

Bard	Fleagle	McGill	Smith, B.
Barley	Flick	Merry	Smith, S. H.
Birmelin	Gannon	Micozzie	Snyder, D. W.
Boyes	Geist	Miller	Stairs
Brown	Gladeck	Nailor	Steil
Browne	Godshall	Nickol	Stern
Bunt	Gruppo	Nyce	Stish
Carone	Habay	O'Brien	Strittmatter
Chadwick	Harhart	Perzel	Taylor, E. Z.
Civera	Hasay	Pettit	Taylor, J.
Clark	Hennessey	Phillips	True
Clymer	Herman	Piccola	Tulli
Cohen, L. I.	Hershey	Pitts	Vance
Conti	Hess	Platts	Waugh
Cornell	Hutchinson	Raymond	Wogan
Dempsey	Jadlowiec	Reber	Wright, M. N.
Dent	Kenney	Reinard	Zimmerman
DiGirolamo	King	Rohrer	Zug
Druce	Krebs	Rubley	
Durham	Lawless	Sather	Ryan,
Egolf	Leh	Saylor	Speaker

NOT VOTING-2

Daley Veon

EXCUSED-2

Colaizzo Gamble

The question was determined in the negative, and the motion was not agreed to.

**VOTE CORRECTION**

The SPEAKER. The Chair recognizes the gentleman, Mr. Daley. For what purpose does the gentleman rise?

Mr. DALEY. Mr. Speaker, I voted in the affirmative, and my switch failed to function. I would like to be recorded accordingly or have someone check my switch so this does not happen again.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

**GUESTS INTRODUCED**

The SPEAKER. The Chair is pleased to welcome to the hall of the House today, as the guests of the gentleman, Mr. Geist, Mr. John C. Hare and Mr. Frank Guzzo of the Siemens company, here to the left of the rostrum. Will the guests please rise.

As guests of the gentleman, Mr. Roebuck, and the Philadelphia delegation, the Chair welcomes, in the gallery, students from the Evelyn Graves Christian Academy. Will the students please rise.

**FILMING PERMISSION**

The SPEAKER. The Chair gives notice to the members that the Democratic Caucus videotaping crew will be videotaping with audio; two members of their crew will be taping with audio.

**CONDOLENCE RESOLUTION**

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

I have asked a former member of this House, Mr. Kenneth Brandt, a former longtime member of this House, to read the resolution as it concerns a member, June Honaman, from the Lancaster County delegation, with whom he served for many years.

Mr. Brandt, will you come to the lower rostrum.

Mr. BRANDT. Thank you, Mr. Speaker, and ladies and gentlemen of the House.

It is with great honor and I consider a distinct privilege to join with you in adopting this condolence resolution as a further celebration of the life of a former member of this body, colleague, and friend. During the tenure of June Honaman, I had the distinct privilege and pleasure to sit next to her. The ability she had to grasp the concept of thoughts and mostly her wit were extraordinary.

I could relate to you many stories of June, but the one and my favorite that I shared with many members of this House, on the comments that we shared, was the one I remember the most. During a time such as this, when a condolence resolution was offered and would be read and adopted by the House, June would turn to me and say, "Kenny, I'll make sure that we do this for you," and I return that today.

Mr. Speaker, I thank you and the House for allowing me the privilege to present to you this resolution to celebrate the life of Representative June Honaman.

The following resolution was read by Mr. Brandt:

COMMONWEALTH OF PENNSYLVANIA  
THE HOUSE OF REPRESENTATIVES

RESOLUTION

WHEREAS, June N. Honaman, a former member of the Pennsylvania Legislature, passed away December 3, 1994 at the age of seventy-four, and

WHEREAS, Mrs. Honaman first became active in the Republican party in 1949 when she became cochairman of the newly formed junior group of the Women's Republican Club of Lancaster County. After several decades of work with the local, state and national Republican party, she ran for the Pennsylvania House of Representatives in 1976, winning election to the first of her six terms representing the 97th Legislative District. She retired in 1988. One of her greatest achievements was convincing the General Assembly to adopt the 911 emergency phone number statewide; and

WHEREAS, While in the legislature, Mrs. Honaman served on the State Government, Federal and State Affairs, Agriculture, Ethics, and Republican Policy committees and chaired the Military and Veterans Affairs Committee. In 1987 she received the Distinguished Woman of the Year award from the Capitol Hill Council of Republican Women and she was given the Chairman's Award for outstanding service by the county GOP in 1988. A graduate of Beaver College and former teacher, she was a member of Saint Edward's Episcopal Church; now therefore be it

RESOLVED, That the House of Representatives of the Commonwealth of Pennsylvania note with great sadness the passing of June N. Honaman, beloved family member and esteemed governmental servant, whose noble actions manifested the highest traditions of public service; extend heartfelt condolences to her husband, Peter K. Honaman; and be it further

RESOLVED, That a copy of this resolution be transmitted to Mr. Peter K. Honaman.

We hereby certify that the foregoing is an exact copy of a resolution introduced in the House of Representatives by Representatives Thomas E. Armstrong, John E. Barley, Arthur D. Hershey, Jere W. Schuler, P. Michael Sturla, Katie True, Leroy M. Zimmerman and Jere L. Strittmatter and unanimously adopted by the House of Representatives.

Matthew Ryan  
Speaker of the House

Thank you, Mr. Speaker.

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 please 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 June N. Honaman.)

The SPEAKER. The resolution has been unanimously adopted. The Sergeants at Arms will open the doors of the House.

## CONSIDERATION OF HB 39 CONTINUED

### BILL PASSED OVER TEMPORARILY

The SPEAKER. Without objection, HB 39 will be temporarily passed over, withdrawn and temporarily passed over.

## RESOLUTION PURSUANT TO RULE 35

Mr. WAUGH called up **HR 23, PN 307**, entitled:

A Resolution memorializing Congress to pass Senate Bill No. 131, which reverses the extension of Regulation E to electronic benefit transfer programs.

On the question,  
Will the House adopt the resolution?

Mr. RICHARDSON. Mr. Speaker, I am at the microphone.

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

Mr. RICHARDSON. Mr. Speaker, this is the same resolution as yesterday that I asked that we have an explanation because I have some questions, and I would like to interrogate the prime sponsor of the resolution so we can have a better understanding of what HR 23 is.

The SPEAKER. Will the gentleman, Mr. Waugh, explain HR 23.

Mr. WAUGH. Thank you, Mr. Speaker.

First, if I could, I would like to ask the interrogator if he understands Regulation E as far as being a Federal mandate and that sort of thing. Do you want me to explain the entire thing, Mr. Speaker?

The SPEAKER. The gentleman, Mr. Richardson, is recognized.

Mr. RICHARDSON. For what, Mr. Speaker? I asked the gentleman to explain HR 23. I did not hear the explanation. Maybe I missed it.

Mr. WAUGH. No. I asked a question. Mr. Speaker, would you like me to explain the regulation or what my resolution does with the regulation?

Mr. RICHARDSON. Mr. Speaker, both.

Mr. WAUGH. Okay. I will start at the beginning then.

Regulation E is a Federal regulation under the Federal electronic funds transfer law, and to be quite honest with you, this is sort of a secondary concern that was brought to my attention during research for last week's debate on HB 2. I was a team leader assigned to electronic benefits transfer. For that reason I was looking into various background information and articles that I had, and it was brought to my attention that this regulation is sort of out there, handed to us, as many things are, by the Federal Government. It really was not part of HB 2, but for that reason I introduced this resolution which would memorialize the Senate to act in a positive way on a piece of legislation that is currently before them. That piece of legislation, sponsored by Senator Lieberman, a Democrat from Connecticut, is known as SB 131. It is a bipartisanly supported proposal that would reverse the requirements of Regulation E on the States, the independent States.

Now, I would like to explain to you what Regulation E does. Regulation E applies to any and all institutions that offer electronic funds benefit transfer services, including our MAC machines and various financial institutions around the community. Regulation E establishes certain rights and liabilities and responsibilities to protect—it is a consumer protection piece, actually—to protect those individuals who have individual accounts in these institutions.

For example, if you, Mr. Speaker, had a savings account with a couple of thousand dollars in it or a checking account with the same, Regulation E would provide that in the event your electronic banking card were lost or stolen, you would be protected for the balance of the funds that you have in beyond \$50. You would be responsible for the first \$50. Beyond that, the institution would be required to provide some sort of coverage to protect your account.

The concerns that I have read about—and I guess I have to admit, after reading them, I have them myself—really come into play when we apply Regulation E to the electronic benefits transfer under welfare programs in our States, and by the way, I might add, it is not a concern that was voiced just here in Pennsylvania. In fact, I have a little more information here I would like to provide you. But under Regulation E, what happens is, if a recipient's card is stolen or if they lose it, then the State would be required to step in and provide the funds back into their account. At the same time, we would be assessing that individual the first \$50 in their account, and remember, we are not talking about your or my savings accounts or checking accounts here, not that I have that much in mine, to be honest with you, but in the case of welfare recipients, I believe most often it is a very limited amount, often as little as maybe \$200.

So what we would in effect be doing is assessing those recipients about 25 percent of what they actually have in the account by charging them, say, for example, \$50 on a \$200 account. I do not believe that is fair to the recipient, and I do not believe it is fair to the State to have to put up the other 75 percent if there is evidence that there has been some sort of fraud committed.

That is the second part of the reason I believe we need to repeal Regulation E, because I think one of two things is going to happen as we implement this system. First of all, we are either going to comply with Regulation E and do exactly the scenario that I just discussed or we are going to strive to make the electronic benefits transfer program do what it is intended to do or one of the things it is intended



to do, and that is, address a widespread problem of fraud and abuse in the field with these benefits. I think by eliminating Regulation E, our Department of Public Welfare will be able to invest the money saved by not having to comply with that regulation into the investigation of fraud when the recipient reports that their card has been stolen or lost.

What is happening now under the pilot program in Berks County is that when an individual reports that their card has been lost or stolen, the department initiates an investigation, and at that point it is up to the investigator or the investigative team, at their discretion, to determine whether in fact the department should abide by Regulation E - that is, have the individual put up the first \$50 and then they reimburse the account - or they can make a decision, which I think is fair, that if there is no fraud and if there is no evidence of misconduct and if in fact the individual lost their card, someone found it and somehow or another figured out their PIN number (personal identification number), then the department reimburses the account and puts the money back into it. I think it is a protection for both the State and for the recipient who is not committing fraud.

So for that reason, I would ask for your support. And let me just add one last thing. I think it is important to note this, and this is not the reason that I introduced the resolution, but this is another fine example of our friends in Washington. I do not really care if the R's are in control or the D's are in control. The fact is this is another fine example of the Feds telling the States exactly what we have to do, a Federal mandate, as far as I am concerned, and I guess that is sort of secondary here, but that is another point that I think should be raised.

So those are the reasons for it, Mr. Speaker. If you have any other questions, I would be happy to try to answer them, too. Thank you.

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

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

Mr. Speaker, I would like to know whether or not the gentleman would submit to interrogation.

The SPEAKER. The gentleman has submitted to interrogation. The gentleman may proceed.

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

Mr. Speaker, I would like to ask the question, and that is, were you aware of Regulation E prior to the introduction or passage of HB 2 last week?

Mr. WAUGH. Yes, I was.

Mr. RICHARDSON. And as a result of that, when we raised the question at that time about the liability to the States, there was no concern raised then at that time with Regulation E and the members then indicated their support of HB 2 which dealt directly with this issue, which we raised last week on the floor, which seemingly was not an interest at the time when in fact this was raised. I want to know, was this discussion specifically relevant to the caucus on the liability issue with the prime sponsors of the bill, those persons who were responsible for the crafting of HB 2, since you said you were aware?

Mr. WAUGH. Mr. Speaker, I would like to— First of all, I would like to understand, I guess, a little more clearly specifically what your question is. Are you asking— First of all, you asked was I aware of Regulation E prior to voting on HB 2 last week on final passage. Is that right?

Mr. RICHARDSON. No. The introduction and then after that the passage of HB 2.

Mr. WAUGH. I was not familiar with— Okay. I was not familiar with Regulation E prior to the introduction of HB 2. I became

familiar with Regulation E after I personally was assigned to be the team leader for EBT, electronic benefit transfer. That was some time after introduction, during our debate, and before final passage.

Mr. RICHARDSON. Could you tell us then, Mr. Speaker, whether or not you knew that the State's liability under Regulation E was included in the fiscal note on HB 2 of last week.

Mr. WAUGH. I am not sure, Mr. Speaker.

Mr. RICHARDSON. Okay. Thank you very much.

And then finally, Mr. Speaker, does Regulation E require the Commonwealth of Pennsylvania to pay, for example, the grocery store for goods purchased with the lost or stolen ATM (automatic teller machine) card and replace the benefit amount to the recipient?

Mr. WAUGH. Under Regulation E, I am not sure that I can answer your specific question regarding groceries, but I can tell you that Regulation E requires - requires - that in the case of food stamps, aid to families with dependent children, and cash grants, if those components of our system are distributed through an electronic transfer system and there is a loss or theft of the individual's identification card and after that loss or theft is reported, as long as it is reported within 48 hours, if those benefits are accessed by someone other than the recipient, the State is then responsible for anything over and beyond 50 dollars' worth, whether it is food stamps, AFDC, or cash, under Regulation E.

Mr. RICHARDSON. But you do not know whether or not it affects those "mom and pop" stores and those points of control that are in the stores presently at this present moment, the control terminals that are in fact set up in a number of these stores, and my concern is whether or not—

Mr. WAUGH. Oh, I can answer that. You are talking about the point of sale? The point of sale, that is actually not an ATM, but when you go into the supermarket and they scan the product and it credits from your account, from your debit? Is that correct? Is that what you are asking?

Mr. RICHARDSON. Yes. In other words, these "mom and pop" stores that I raised on the floor last week, I was concerned about that at that time and no one wanted to pay attention to the points we were raising. I just wanted to know whether or not at this point you are aware of the fact that the point-of-control terminals that a number of these "mom and pop" stores have, that presently would not fit under this, and I wanted to make sure that they would be included because they would lose a tremendous amount of business.

Mr. WAUGH. From what I have read, the point-of-sale transfer - that is, the individual would not come in with cash; the individual would not come in with food stamps physically in their hand - at point-of-sale transactions, the individual's account would be credited with a certain amount of, not really money, but credit towards food, and when they go to the grocery store, the grocer would scan their products, and as they scan that product, just as we do in grocery stores or any stores today, for that matter, as they scan that product, their account is reduced by the amount of that product.

If they lost their control card, their access card, and someone found it, or if their control card was stolen and taken to a grocery store and the individual who took their stolen or lost card to the store could somehow convince the grocer or the register operator that this in fact was a card they could use to access the food account, then that grocer could lose up to \$50 because the individual is responsible for the first \$50 under Regulation E. Beyond that, the State would be responsible for it. Over \$50, the State would be responsible.

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

I have finished my interrogation, Mr. Speaker. I would like to speak on the House resolution.

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

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

Mr. Speaker, I want to commend Representative Waugh for introducing this resolution. Even though it is a week late, I want to indicate that his attempt to deal with this issue is very important to the citizens of the Commonwealth of Pennsylvania as well as to those who may become recipients.

In doing some research on Regulation E, we also found out that EBT programs in Maryland and California have been unable to estimate their potential liability under Regulation E. However, both have concluded that the financial liability for States and taxpayers is in fact too high.

I was also able to find further research, Mr. Speaker, that indicated that the expansion of the electronic benefit transfer statewide is being done without evaluating the effect of a new Federal rule known as this regulation itself, Regulation E, and what effect it will have on the costs incurred by the State in replacing lost or stolen benefits.

Mr. Speaker, my concern was the fact that if this HB 2 is to be implemented, one of the major concerns that we have is that "mom and pop" stores in the community are very much concerned as to whether or not they in fact would be reimbursed for any lost items or stolen cards that persons may have under their belt, and even though they may report it within the 48-hour limit or 2-day limit still does not make me comfortable in knowing that those "mom and pop" stores will be reimbursed for their lost items because of the fact that someone may have picked up the card somewhere and used it.

The other thing that is also important for many of you who did not study or read HB 2 before its introduction was the fact that in this bill it also indicates that the medical card is also going to be used in terms of medical benefits by this same card, which means that somebody could, after it is stolen, could actually go and get benefits based on those medical benefits for the individual, and I am concerned that we do not wind up in a situation where it is going to be too much money to the Commonwealth.

Mr. Speaker, I rise to say that we will support HR 23, but I think for the record and for the purposes of the issues that we raised, this is why I did not feel that we could just rush through pushing HR 23 without having the correct information placed on the record. Thank you very much, Mr. Speaker.

The SPEAKER. On the question of the adoption of the resolution, the Chair recognizes the gentleman, Mr. Waugh.

Mr. WAUGH. Thank you, Mr. Speaker.

I would like to just take one more second and thank Representative Richardson for supporting me. I was happy to offer that explanation, and I would just like to add for the record I also have some further information.

First of all, there is a resolution very much like the one that I have introduced here today that is on its way, I suppose, as we speak; it is on its way to the Federal Government. This is from the National Council of State Human Service Administrators. That is an organized group that represents the Secretaries of various State Departments of Human Services. So they are supportive. I think that is interesting to note. And furthermore, there is a group known as the Southern Alliance of States for Electronic Benefit Transfer. This is an organization of Southern States that have come together to engage in a program of electronic benefit transfer in the Southeastern States. They, too, have lobbied and asked the Federal Government to take

another look at Regulation E and help all the States out who plan to implement this type of a program.

So I thank you for your support. I ask for the support of the entire membership, and thank you, Mr. Speaker, for your indulgence.

On the question recurring,

Will the House adopt the resolution?

The following roll call was recorded:

YEAS-200

Adolph	Evans	Maitland	Saylor
Allen	Fairchild	Major	Schroder
Argall	Fajt	Manderino	Schuler
Armstrong	Fargo	Markosek	Scrimenti
Baker	Farmer	Marsico	Semmel
Bard	Feese	Masland	Serafini
Barley	Fichter	Mayermik	Shaner
Battisto	Fleagle	McCall	Sheehan
Bebko-Jones	Flick	McGeehan	Smith, B.
Belardi	Gannon	McGill	Smith, S. H.
Belfanti	Geist	Melio	Snyder, D. W.
Birmelin	George	Merry	Staback
Bishop	Gigliotti	Michlovic	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boscola	Godshall	Mihalich	Steil
Boyes	Gordner	Miller	Stern
Brown	Gruitza	Mundy	Stetler
Browne	Gruppo	Nailor	Stish
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	Nyce	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhart	Olasz	Tangretti
Cappabianca	Hasay	Oliver	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Carone	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsey	Pettit	Trello
Clark	Hutchinson	Phillips	Trich
Clymer	Itkin	Piccola	True
Cohen, L. I.	Jadlowiec	Pistella	Tulli
Cohen, M.	James	Pitts	Vance
Colafella	Jarolin	Platts	Van Horne
Conti	Josephs	Preston	Veon
Cornell	Kaiser	Ramos	Vitali
Corpora	Keller	Raymond	Walko
Corrigan	Kenney	Readshaw	Washington
Cowell	King	Reber	Waugh
Coy	Kirkland	Reinard	Williams
Curry	Krebs	Richardson	Wogan
Daley	Kukovich	Rieger	Wozniak
DeLuca	LaGrotta	Roberts	Wright, D. R.
Dempsey	Laughlin	Roebuck	Wright, M. N.
Dent	Lawless	Rohrer	Yewcic
Dermody	Lederer	Rooney	Youngblood
DeWeese	Leh	Rubley	Zimmerman
DiGirolamo	Lescovitz	Rudy	Zug
Donatucci	Levdansky	Sainato	
Druce	Lloyd	Santoni	Ryan,
Durham	Lucyk	Sather	Speaker
Egolf	Lynch		

NAYS-0

NOT VOTING-1

Robinson

EXCUSED-2

Colaizzo                      Gamble

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

RESOLUTIONS

Mr. GEIST called up **HR 8, PN 409**, entitled:

A Resolution memorializing the President of the United States to award the Presidential Unit Citation to the 110th Regimental Combat Team of the 28th Infantry Division.

On the question,  
Will the House adopt the resolution?

The SPEAKER. On the question of the adoption of the resolution, the Chair recognizes the gentleman, Mr. Geist.

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

I was not going to speak on this resolution, but I thought that I would say a few words.

Just a few weeks ago Col. Harold Fleck, who was the spearhead on this whole endeavor, suddenly passed away totally unexpectedly, and I would really like to pass and have this vote in his remembrance.

The veterans who were members of the 110th who did not receive that Presidential Unit Citation and their families, this is a last-ditch effort to get the President of the United States, who is the only person who can do this, to issue that Presidential Unit Citation. Both units on the left and right of the 110th received theirs, and due to paper snafus, the 110th did not.

Any member who would like a copy of Dr. Newland's history of the 28th Division, if they want to, they can contact my office. I know for legislators in western Pennsylvania, including Mr. DeWeese in Greene County, the 110th members came out of those parts of Pennsylvania, and we are very interested in getting this Unit Citation finished and done by the President in this the anniversary year of the Battle of the Bulge.

Thank you very much, and I urge an affirmative vote.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS-201

- |             |           |           |               |
|-------------|-----------|-----------|---------------|
| Adolph      | Evans     | Maitland  | Saylor        |
| Allen       | Fairchild | Major     | Schroder      |
| Argall      | Fajt      | Manderino | Schuler       |
| Armstrong   | Fargo     | Markosek  | Scrimenti     |
| Baker       | Farmer    | Marsico   | Semmel        |
| Bard        | Feese     | Masland   | Serafini      |
| Barley      | Fichter   | Mayernik  | Shaner        |
| Battisto    | Fleagle   | McCall    | Sheehan       |
| Bebko-Jones | Flick     | McGeehan  | Smith, B.     |
| Belardi     | Gannon    | McGill    | Smith, S. H.  |
| Belfanti    | Geist     | Melio     | Snyder, D. W. |

- |              |            |            |               |
|--------------|------------|------------|---------------|
| Birmelin     | George     | Merry      | Staback       |
| Bishop       | Gigliotti  | Michlovic  | Stairs        |
| Blaum        | Gladeck    | Micozzie   | Steelman      |
| Boscola      | Godshall   | Mihalich   | Steil         |
| Boyes        | Gordner    | Miller     | Stern         |
| Brown        | Gruitza    | Mundy      | Stetler       |
| Browne       | Gruppo     | Nailor     | Stish         |
| Bunt         | Habay      | Nicol      | Strittmatter  |
| Butkovitz    | Haluska    | Nyce       | Sturlia       |
| Buxton       | Hanna      | O'Brien    | Surra         |
| Caltagirone  | Harhart    | Olasz      | Tangretti     |
| Cappabianca  | Hasay      | Oliver     | Taylor, E. Z. |
| Carn         | Hennessey  | Perzel     | Taylor, J.    |
| Carone       | Herman     | Pesci      | Thomas        |
| Cawley       | Hershey    | Petrarca   | Tigue         |
| Chadwick     | Hess       | Petrone    | Travaglio     |
| Civera       | Horsey     | Pettit     | Trello        |
| Clark        | Hutchinson | Phillips   | Trich         |
| Clymer       | Itkin      | Piccola    | True          |
| Cohen, L. I. | Jadlowiec  | Pistella   | Tulli         |
| Cohen, M.    | James      | Pitts      | Vance         |
| Colafella    | Jarolin    | Platts     | Van Home      |
| Conti        | Josephs    | Preston    | Veon          |
| Cornell      | Kaiser     | Ramos      | Vitali        |
| Corpora      | Keller     | Raymond    | Walko         |
| Corrigan     | Kenney     | Readshaw   | Washington    |
| Cowell       | King       | Reber      | Waugh         |
| Coy          | Kirkland   | Reinard    | Williams      |
| Curry        | Krebs      | Richardson | Wogan         |
| Daley        | Kukovich   | Rieger     | Wozniak       |
| DeLuca       | LaGrotta   | Roberts    | Wright, D. R. |
| Dempsey      | Laughlin   | Robinson   | Wright, M. N. |
| Dent         | Lawless    | Roebuck    | Yewcic        |
| Dermody      | Lederer    | Rohrer     | Youngblood    |
| DeWeese      | Leh        | Rooney     | Zimmerman     |
| DiGirolamo   | Lescovitz  | Rubley     | Zug           |
| Donatucci    | Levdansky  | Rudy       |               |
| Druce        | Lloyd      | Sainato    | Ryan,         |
| Durham       | Lucyk      | Santoni    | Speaker       |
| Egolf        | Lynch      | Sather     |               |

NAYS-0

NOT VOTING-0

EXCUSED-2

Colaizzo                      Gamble

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

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The SPEAKER. HR 34.

Ms. JOSEPHS. Mr. Speaker?

The Chair recognizes the lady, Ms. Josephs. For what purpose does the lady rise?

Ms. JOSEPHS. Mr. Speaker, I would like to interrogate the maker of this resolution, if I may.

The SPEAKER. The resolution is not before the House yet.

Ms. JOSEPHS. I am sorry. I thought I heard you say HR 34.

The SPEAKER. I will recognize you at an appropriate time.

Ms. JOSEPHS. Thank you. I am sorry, Mr. Speaker.

**MOTION TO SUSPEND RULES**

The SPEAKER. On HR 34, the Chair recognizes the gentleman, Mr. Wright.

Mr. M. N. WRIGHT. Mr. Speaker, I move that the rules of the House be suspended to permit the immediate adoption of HR 34.

The SPEAKER. The Parliamentarian advises me that it requires a suspension in that it was not on the voting schedule.

Will the gentleman, Mr. Wright, come to the desk.

(Conference held at Speaker's podium.)

**HR 34 PASSED OVER**

The SPEAKER. Without objection, HR 34 will be passed over.

**STATE SYSTEM OF HIGHER EDUCATION PROPERTY REQUEST**

Mr. PERZEL called up **SSHER 1, Resolution A**, entitled:

In the House, January 23, 1995

Resolved, That State System of Higher Education Property Request No. 1 of 1995, transmitted by the State System of Higher Education under the Public School Code of 1949 to the General Assembly under date of January 20, 1995, which is incorporated herein by reference, be approved.

On the question,

Will the House adopt State System of Higher Education Property Request, Resolution A?

The following roll call was recorded:

**YEAS-201**

Adolph	Evans	Maitland	Saylor
Allen	Fairchild	Major	Schroder
Argall	Fajt	Manderino	Schuler
Armstrong	Fargo	Markosek	Scrimenti
Baker	Farmer	Marsico	Semmel
Bard	Feese	Masland	Serafini
Barley	Fichter	Mayernik	Shaner
Battisto	Fleagle	McCall	Sheehan
Bebko-Jones	Flick	McGeehan	Smith, B.
Belardi	Gannon	McGill	Smith, S. H.
Belfanti	Geist	Melio	Snyder, D. W.
Birmelin	George	Merry	Staback
Bishop	Gigliotti	Michlovic	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boscola	Godshall	Mihalich	Steil
Boyes	Gordner	Miller	Stern
Brown	Cruiza	Mundy	Stetler
Browne	Gruppo	Nailor	Stish
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	Nyce	Sturra
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhart	Olasz	Tangretti
Cappabianca	Hasay	Oliver	Taylor, E. Z.
Cam	Hennessey	Perzel	Taylor, J.
Carone	Hershey	Pesci	Thomas
Cawley	Hess	Petrarca	Tigue
Chadwick	Horsey	Petrone	Travaglio
Civera	Hutchinson	Pettit	Trello
Clark	Itkin	Phillips	Trich
Clymer	Jadlowiec	Piccola	True
Cohen, L. I.		Pistella	Tulli

Cohen, M.	James	Pitts	Vance
Colafella	Jarolin	Platts	Van Horne
Conti	Josephs	Preston	Veon
Cornell	Kaiser	Ramos	Vitali
Corpora	Keller	Ramond	Walko
Corrigan	Kenney	Readshaw	Washington
Cowell	King	Reber	Waugh
Coy	Kirkland	Reinard	Williams
Curry	Krebs	Richardson	Wogan
Daley	Kukovich	Rieger	Wozniak
DeLuca	LaGrotta	Roberts	Wright, D. R.
Dempsey	Laughlin	Robinson	Wright, M. N.
Dent	Lawless	Roebuck	Yewcic
Dermody	Lederer	Rohrer	Youngblood
DeWeese	Leh	Rooney	Zimmerman
DiGirolamo	Lescovitz	Rubly	Zug
Donatucci	Levdansky	Rudy	
Druce	Lloyd	Sainato	Ryan,
Durham	Lucyk	Santoni	Speaker
Egolf	Lynch	Sather	

NAYS-0

NOT VOTING-0

EXCUSED-2

Colaizzo                      Gamble

A majority of the members elected to the House having voted in the affirmative on State System of Higher Education Property Request, Resolution A, the question was determined in the affirmative and the resolution was adopted.

Ordered, That the clerk inform the Senate and His Excellency, the Governor, accordingly.

**HOUSE SCHEDULE**

The SPEAKER. The Chair recognizes the majority leader, Mr. Perzel, with respect to a break announcement.

Mr. PERZEL. Mr. Speaker, we had wanted to break at about noon, but we will break for an hour for lunch now, Mr. Speaker, and we will come back to the floor at quarter to 2.

**STATE GOVERNMENT COMMITTEE MEETING**

The SPEAKER. For what reason does the gentleman, Mr. Clymer, rise?

Mr. CLYMER. Mr. Speaker, I would like to announce a committee meeting of State Government at the call of the recess in the back of the hall; that is a brief meeting of State Government at the call of the recess at the back of the House. Thank you.

The SPEAKER. On the declaration of the recess, the State Government Committee will meet in the rear of the chamber.

**ANNOUNCEMENT BY MR. WOZNIAK**

The SPEAKER. Does the gentleman, Mr. Wozniak, desire recognition?

Mr. WOZNIAK. Thank you, Mr. Speaker. A quick announcement.

Those interested in the President's Physical Fitness Award, at lunchtime we will be meeting in room 108 in the South Office Building. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

Does the gentleman, Mr. Itkin, or the gentleman, Mr. Cohen, have any announcement with respect to the Democrat caucus? The Chair thanks the gentlemen.

Does the majority leader or minority leader have any further business prior to the declaration of the recess?

### RECESS

The SPEAKER. Hearing none, this House is now in recess until 1:45.

### AFTER RECESS

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

### HOUSE BILLS INTRODUCED AND REFERRED

**No. 396** By Representatives LLOYD, GODSHALL, SCHULER, TULLI, GIGLIOTTI, ROBERTS, DALEY, PESCI, FICHTER, LAUGHLIN, COLAIZZO, CORRIGAN, BELARDI, PISTELLA, BELFANTI, YOUNGBLOOD, COY, D. R. WRIGHT, GORDNER, MELIO, JAROLIN, TRELLO, SCRIMENTI, M. N. WRIGHT, BAKER, FAJT, McCALL, JOSEPHS, ITKIN, RUDY, OLASZ, TRAVAGLIO, COLAFELLA and CIVERA

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, providing for Pennsylvania State Police augmentation.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 397** By Representatives LLOYD, BUNT, GODSHALL, GIGLIOTTI, PESCI, LAUGHLIN, COLAIZZO, CORRIGAN, BELARDI, BUXTON, PISTELLA, BELFANTI, YOUNGBLOOD, FARGO, HERSHEY, D. R. WRIGHT, KREBS, HESS, REBER, TRELLO, M. N. WRIGHT, NAILOR, MAITLAND, ITKIN, JOSEPHS, KAISER, CIVERA, CARONE, STEELMAN, NICKOL, TRAVAGLIO, WAUGH, DRUCE and TIGUE

An Act amending the act of December 7, 1982 (P.L.784, No.225), known as the Dog Law, further providing for annual reports.

Referred to Committee on AGRICULTURE AND RURAL AFFAIRS, January 31, 1995.

**No. 398** By Representatives LLOYD, GIGLIOTTI, PESCI, LAUGHLIN, COLAIZZO, BELARDI, PISTELLA, D. R. WRIGHT, WOZNIAK, MELIO, TRELLO, BATTISTO, McCALL, ITKIN, KAISER, ROONEY, STEELMAN, TRAVAGLIO, WAUGH, E. Z. TAYLOR and HORSEY

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, further providing for special occasion permits for local arts agencies.

Referred to Committee on LIQUOR CONTROL, January 31, 1995.

**No. 399** By Representatives LLOYD, GIGLIOTTI, ROBERTS, PESCI, LAUGHLIN, BELARDI, HERMAN, PISTELLA, BELFANTI, COY, HANNA, D. R. WRIGHT, MELIO, STERN, TRELLO, BATTISTO, BAKER, FAJT, McCALL, ITKIN, ROONEY, STEELMAN, TRAVAGLIO, PETRARCA and TIGUE

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, providing for an investment tax credit program.

Referred to Committee on FINANCE, January 31, 1995.

**No. 400** By Representatives STAIRS, THOMAS, WAUGH, MICOZZIE, DEMPSEY, D. R. WRIGHT, HERMAN, VAN HORNE, FLEAGLE, GRUPPO, PETRONE, MANDERINO, RAYMOND, RUBLEY, BUNT, STURLA, COLAFELLA, YOUNGBLOOD, CIVERA, MARKOSEK, BOYES, L. I. COHEN, GEIST, MILLER, BELFANTI, HENNESSEY, RUDY and SEMMEL

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, providing for payments for magnet programs.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 401** By Representatives STAIRS, NAILOR, DALEY, MELIO, HERSHEY, FLEAGLE, E. Z. TAYLOR, BUNT, SATHER, COLAFELLA, YOUNGBLOOD, CIVERA, TRICH, L. I. COHEN, LLOYD, EGOLF, GEIST, MILLER, ARMSTRONG, SCHULER and JOSEPHS

An Act amending the act of April 27, 1927 (P.L.465, No.299), referred to as the Fire and Panic Act, providing for penalties relating to school tobacco control; and further providing for penalties relating to smoking in prohibited areas.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 402** By Representatives STAIRS, WAUGH, GORDNER, MICOZZIE, HERMAN, VAN HORNE, FLEAGLE, GRUPPO, E. Z. TAYLOR, WOZNIAK, RAYMOND, BUNT, STURLA, RUBLEY, COWELL, COLAFELLA, CIVERA, MARKOSEK, DeLUCA, BOSCOLA, ARGALL, TRICH, FAJT, BAKER, GEIST, MILLER, SATHER, MERRY, HENNESSEY, STEEL, STERN, HANNA, STEELMAN, SEMMEL and SAYLOR

An Act establishing a program to encourage school entities to provide certain cooperative services; providing additional powers and duties of the Department of Education; and making an appropriation.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 403** By Representatives DERMODY, BUNT, BELARDI, PESCI, DALEY, VAN HORNE, OLASZ, CORRIGAN, ROONEY, COLAFELLA, TULLI and GORDNER

An Act establishing the State Tax Collectors' Commission; and providing for the certification of State tax collectors and for continuing education.

Referred to Committee on LOCAL GOVERNMENT, January 31, 1995.

**No. 404** By Representatives BAKER, FICHTER, FARGO, CLARK, LEH, HERSHEY, ARMSTRONG, HUTCHINSON, EGOLF, ROHRER, CIVERA, RAYMOND, ROBERTS, STERN, BIRMELIN, GEIST, ALLEN, ZUG and HENNESSEY

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, providing for a limit on operating budget increases.

Referred to Committee on APPROPRIATIONS, January 31, 1995.

**No. 405** By Representatives BAKER, FICHTER, ZUG, FARGO, MARKOSEK, LYNCH, SATHER, ITKIN, E. Z. TAYLOR, TRELLO, SAYLOR, HUTCHINSON, HESS, DeLUCA, HENNESSEY, CIVERA, RAYMOND, ROBERTS, LAUGHLIN, YEWIC, YOUNGBLOOD, L. I. COHEN, SERAFINI, GEIST, WOZNIAK, MILLER, PHILLIPS and MERRY

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for a "USA-made" registration plate.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 406** By Representatives BAKER, FICHTER, FLEAGLE, FLICK, TRUE, COY, FARGO, LYNCH, SATHER, ITKIN, DENT, WAUGH, BARLEY, BEBKO-JONES, E. Z. TAYLOR, BLAUM, PETTIT, D. W. SNYDER, CLARK, BUNT, STURLA, KING, ARMSTRONG, HUTCHINSON, DeLUCA, HENNESSEY, TIGUE, SURRA, STEELMAN, GEIST, TRICH, BATTISTO, SERAFINI, PITTS, M. N. WRIGHT, ALLEN, WOGAN and STERN

An Act amending the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, providing for additional duties of the Department of Corrections in relation to prison inmate medical needs.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 407** By Representatives SCHULER, STABACK, WAUGH, SURRA, LAUGHLIN, TRUE, ARMSTRONG and SATHER

An Act amending the act of July 7, 1980 (P.L.380, No.97), known as the Solid Waste Management Act, providing for certain limitations on the issuance of permits for the construction, operation, expansion or modification of waste disposal facilities.

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, January 31, 1995.

**No. 408** By Representatives SCHULER, WAUGH, KUKOVICH, TRELLO and TIGUE

An Act amending the act of July 12, 1972 (P.L.762, No.180), referred to as the Intergovernmental Cooperation Law, authorizing councils of governments to build and maintain highways.

Referred to Committee on LOCAL GOVERNMENT, January 31, 1995.

**No. 409** By Representatives SCHULER, MAITLAND, PITTS, HERSHEY, FLICK, FLEAGLE, STABACK, RUBLEY, MILLER, LYNCH, PETRONE, BROWN, FICHTER, STURLA, TIGUE, ROHRER, BISHOP, GEIST, TRUE, PETTIT, FARGO, STERN, HALUSKA and ARMSTRONG

An Act amending the act of November 24, 1992 (P.L.730, No.110), entitled "An act providing cemetery companies or associations with the right to inter a dead human body in a ground space, a mausoleum, a columbarium or a niche to which interment rights have been abandoned; and encouraging caretaker organizations to assume responsibility for restoration and maintenance of historic burial places by limiting liability in connection therewith," extending liability limitations to landowners of historic burial places.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 410** By Representatives SCHULER, COY, FLEAGLE, WAUGH, CLARK, MILLER, COWELL, MARKOSEK, HALUSKA and ARMSTRONG

An Act amending Title 24 (Education) of the Pennsylvania Consolidated Statutes, providing for certain employment by annuitants.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 411** By Representatives SCHULER, MAITLAND, SAYLOR, HERSHEY, FLEAGLE, STABACK, FLICK, FARMER, BAKER, CLARK, TRELLO, MILLER, PETRONE, WOZNIAK, RAYMOND, FICHTER, TIGUE, MICOZZIE, HENNESSEY, CIVERA, DeLUCA, TRUE, FARGO, LEH, BROWNE, BELFANTI, ARMSTRONG, MERRY, SEMMEL and ZIMMERMAN

An Act amending the act of June 17, 1913 (P.L.507, No.335), referred to as the Intangible Personal Property Tax Law, excluding from the tax loans between parents and children; and further providing for the due date of the tax.

Referred to Committee on FINANCE, January 31, 1995.

**No. 412** By Representatives FLEAGLE, LYNCH, STURLA, YOUNGBLOOD, FICHTER, TIGUE, HERMAN, ARGALL, CURRY, HALUSKA, HENNESSEY, EGOLF, MARSICO, MILLER, NAILOR, PESCI, PETTIT, SATHER, STABACK, E. Z. TAYLOR, TRELLO, WAUGH, ZUG, CIVERA, RUBLEY, MICHLOVIC, STEELMAN, CARONE, ITKIN, LEH and BELFANTI

An Act amending the act of June 1, 1945 (P.L.1242, No.428), known as the State Highway Law, requiring the Department of Transportation to consult and coordinate with municipalities and historic districts prior to certain removal activities.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 413** By Representatives CALTAGIRONE, ROONEY, FAJT, READSHAW, PRESTON, GODSHALL, JAMES, WOGAN, BELARDI, VAN HORNE, STABACK, ITKIN, PETRARCA, HENNESSEY, E. Z. TAYLOR, JOSEPHS, TRELLO, BELFANTI, CIVERA and HORSEY

An Act requiring counties committing offenders to the Department of Corrections to provide certain background information at the time of commitment.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 414** By Representatives CALTAGIRONE, DALEY, ALLEN, THOMAS, ARGALL, JOSEPHS, JAMES, RICHARDSON, DEMPSEY, CLARK, M. COHEN, STEELMAN, DEWEESE, NAILOR, MIHALICH, ITKIN, CORRIGAN, TRELLO, HALUSKA, READSHAW, LYNCH, LEH, KREBS, CARN, PESCI, SANTONI, SCRIMENTI, STURLA, GRUITZA, CIVERA, NICKOL, STABACK, VEON, MILLER, HERMAN, PRESTON, WOGAN, YOUNGBLOOD, TRICH, VAN HORNE, CURRY, LAUGHLIN, STERN, J. TAYLOR, MELIO, BEBKO-JONES, BOSCOLA, L. I. COHEN, BELARDI, BATTISTO, ROONEY, BELFANTI, FAJT, SEMMEL, ROBERTS, DERMODY and CAPPABIANCA

An Act amending the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, establishing conditions and restrictions on juvenile justice grants to political subdivisions; making appropriations; and making editorial changes.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 415** By Representatives CALTAGIRONE, DALEY, THOMAS, JOSEPHS, RICHARDSON, STEELMAN, COY, ITKIN, TRELLO, LEH, M. N. WRIGHT, CARN, SANTONI, STURLA, STABACK, READSHAW, LEVDANSKY, HERMAN, PRESTON, HALUSKA, M. COHEN, VAN HORNE, RUDY, LAUGHLIN, STERN, J. TAYLOR, MELIO, BEBKO-JONES, BOSCOLA, BELARDI, BATTISTO, ROONEY, BELFANTI, FARGO and PISTELLA

An Act establishing the Private Sector Prison Industry Board and providing for its powers and duties; providing for employment of inmates by private industry and for subcontracts with correctional agencies; establishing guidelines for inmate compensation; providing for location of private sector prison industry; and making repeals.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 416** By Representatives NICKOL, WAUGH, ROBERTS, PLATTS, STISH, RAYMOND, TRELLO, STETLER, YOUNGBLOOD, BATTISTO, L. I. COHEN, E. Z. TAYLOR, MAITLAND, SAYLOR, WASHINGTON, MERRY, CIVERA and MILLER

An Act amending the act of June 19, 1931 (P.L.589, No.202), referred to as the Barbers' License Law, further providing for the supervision of shops.

Referred to Committee on PROFESSIONAL LICENSURE, January 31, 1995.

**No. 417** By Representatives NICKOL, WAUGH, CLARK, MASLAND, VANCE, PETTIT, CONTI, LAUGHLIN, TRUE, PLATTS, CORRIGAN, FAIRCHILD, HENNESSEY, KREBS, BUNT, ARMSTRONG, HANNA, ITKIN, RUBLEY and CARONE

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, increasing the term of office of Senators and Representatives; and decreasing the number of senatorial and representative districts.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 418** By Representatives DENT, GRUPPO, BROWNE, PITTS, GODSHALL, BROWN, VAN HORNE, M. N. WRIGHT, L. I. COHEN, ARGALL, FARGO, YOUNGBLOOD, STERN, DEMPSEY, BATTISTO, CLARK, BAKER, CARONE, WOGAN, SATHER, PETTIT, McCALL, FLICK, DRUCE, MAITLAND, GAMBLE, THOMAS, ROONEY, J. TAYLOR, HANNA, HENNESSEY, LEH, E. Z. TAYLOR, TRUE, VANCE, MELIO, LAUGHLIN, TRELLO, SEMMEL, RAYMOND, PLATTS, BUNT, NICKOL, MUNDY, CIVERA and DeLUCA

An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, further defining "facility"; defining "group child day-care home"; and further providing for fees and for regulations of the Department of Public Welfare.

Referred to Committee on AGING AND YOUTH, January 31, 1995.

**No. 419** By Representatives E. Z. TAYLOR, BAKER, TRELLO, SATHER, PESCI, J. TAYLOR, HERMAN, GODSHALL, RUBLEY, STERN, STABACK, STEELMAN, FLICK, MILLER, FLEAGLE, LAUGHLIN, McCALL, DEMPSEY, HENNESSEY, GEIST, RAYMOND, CLYMER, BROWN, ARMSTRONG, LEH, THOMAS, WAUGH, SEMMEL and ROHRER

An Act amending the act of December 19, 1990 (P.L.1200, No.202), known as the Solicitation of Funds for Charitable Purposes Act, providing for library organizations.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 420** By Representatives E. Z. TAYLOR, VANCE, CLYMER, VAN HORNE, GEORGE, HUTCHINSON, FLEAGLE, MARSICO, MELIO, KENNEY, SCHULER, DEMPSEY, BEBKO-JONES, DENT, MERRY, TRUE, HENNESSEY, EGOLF, SANTONI, DeLUCA, BELFANTI, NAILOR, LEH, L. I. COHEN, BAKER, ITKIN, MAITLAND, D. W. SNYDER, ROONEY, WAUGH, SAYLOR, SATHER, CLARK, GORDNER, BROWN, COY, FICHTER, PLATTS, HERMAN, S. H. SMITH, TRELLO, STETLER, YOUNGBLOOD, STEIL, STABACK, SCHRODER,

DRUCE, MILLER, CARONE, SURRA, NICKOL, MUNDY, CIVERA, BATTISTO, SEMMEL, WASHINGTON, FLICK, GIGLIOTTI, CONTI, PITTS, CALTAGIRONE, KUKOVICH, FAIRCHILD, J. TAYLOR, FARMER, RAYMOND, BUNT, RUBLEY, MICHLOVIC, STURLA, WOGAN, JOSEPHS, OLASZ, STEELMAN, BROWNE, BARD, TIGUE, REINARD and KING

An Act establishing portability of health insurance coverage in this Commonwealth.

Referred to Committee on INSURANCE, January 31, 1995.

**No. 421** By Representatives E. Z. TAYLOR, CARONE, COLAFELLA, TRUE, TIGUE, MELIO, LAUGHLIN, SCHULER, HENNESSEY, LAWLESS, GEIST, EGOLF, BROWN, WOZNIAK, ARMSTRONG, CARN, YOUNGBLOOD, SCHRODER, REBER, THOMAS, RUBLEY, L. I. COHEN, PLATTS, ROONEY, DERMODY, WAUGH, SEMMEL, HASAY, SAYLOR, WASHINGTON, PETRARCA, BARD, B. SMITH, HORSEY, GORDNER, MICOZZIE, FICHTER, HUTCHINSON, KENNEY, HERMAN, J. TAYLOR, RAYMOND, TRELLO, ROBERTS, D. R. WRIGHT, STEIL, M. N. WRIGHT, STABACK, COY, STEELMAN, FLICK, JOSEPHS, OLASZ, MARSICO, VANCE, RUDY, SURRA, BROWNE and CAWLEY

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, providing for an exclusion from the Pennsylvania personal income tax of earnings expended for child care.

Referred to Committee on FINANCE, January 31, 1995.

**No. 422** By Representatives E. Z. TAYLOR, WAUGH, JOSEPHS, RUBLEY, HUTCHINSON, FLEAGLE, MARSICO, MELIO, KENNEY, SCHULER, CORRIGAN, FAIRCHILD, DEMPSEY, LYNCH, TIGUE, TRUE, HENNESSEY, EGOLF, STERN, BATTISTO, WOZNIAK, ARMSTRONG, BAKER, D. W. SNYDER, ROONEY, SEMMEL, SAYLOR, WASHINGTON, SATHER, CLARK, GEIST, GIGLIOTTI, BROWN, MICOZZIE, CALTAGIRONE, KUKOVICH, CHADWICK, J. TAYLOR, TRELLO, YOUNGBLOOD, FARMER, FAJT, OLASZ, BROWNE, CIVERA, GODSHALL, CONTI, COY, PESCI, FICHTER, BEBKO-JONES, HERMAN, KREBS, RAYMOND, BUNT, STABACK, ITKIN, MILLER, CARONE, MUNDY, DeLUCA and KING

An Act providing for the establishment of a pilot program to make payments to minor parents to encourage school attendance; and making an appropriation.

Referred to Committee on HEALTH AND HUMAN SERVICES, January 31, 1995.

**No. 423** By Representatives BAKER, NAILOR, STABACK, HALUSKA, FLEAGLE, TRUE, CAPPABIANCA, MARKOSEK, LYNCH, PETTIT, TIGUE, BARLEY, E. Z. TAYLOR, TRELLO, MILLER, BUNT, WASHINGTON, ARMSTRONG, McCALL, ROBINSON, EGOLF, CIVERA, HENNESSEY, SURRA, JOSEPHS, LAUGHLIN, STERN, YOUNGBLOOD, BATTISTO, BELFANTI, HANNA, BISHOP, MIHALICH, ROONEY, ADOLPH, MAITLAND and GODSHALL

An Act amending the act of May 17, 1956 (1955 P.L.1609, No.537), known as the Pennsylvania Industrial Development Authority Act, providing for travel and tourism projects.

Referred to Committee on TOURISM AND RECREATIONAL DEVELOPMENT, January 31, 1995.

**No. 424** By Representatives BAKER, FICHTER, SATHER, HALUSKA, CAPPABIANCA, MARKOSEK, MARSICO, BARLEY, M. N. WRIGHT, E. Z. TAYLOR, MILLER, KING, FAJT, REBER, ARMSTRONG, HUTCHINSON, CLYMER, CIVERA, HENNESSEY, HASAY, RAYMOND, ROBERTS, LAUGHLIN, TRICH, YOUNGBLOOD, MERRY, FARMER, SEMMEL, ALLEN and KENNEY

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

Referred to Committee on FINANCE, January 31, 1995.

**No. 425** By Representatives BAKER, SATHER, STABACK, KENNEY, CAPPABIANCA, LYNCH, BEBKO-JONES, E. Z. TAYLOR, BLAUM, TRELLO, BUNT, RUDY, GEIST, ROHRER, CIVERA, HENNESSEY, TIGUE, RAYMOND, LAUGHLIN, YOUNGBLOOD, BELFANTI, FICHTER, L. I. COHEN, PITTS, ROONEY and TRICH

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, providing for prevention of abductions; conferring powers and duties on the Department of Health, the Department of Public Welfare and on State comptrollers; and making an appropriation.

Referred to Committee on AGING AND YOUTH, January 31, 1995.

**No. 426** By Representatives BAKER, FICHTER, ARMSTRONG, CAPPABIANCA, BARLEY, M. N. WRIGHT, E. Z. TAYLOR, TRELLO, BUNT, GEIST, KING, COLAFELLA, HERSHEY, REBER, EGOLF, CIVERA, RUBLEY, HENNESSEY, JOSEPHS, STEELMAN, ROBERTS, LAUGHLIN, STERN, YEWIC, L. I. COHEN, PETRONE, YOUNGBLOOD, SCHULER, DeLUCA, STURLA, NAILOR, MERRY, HUTCHINSON, WAUGH and LEH

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, providing for a credit against personal income tax for donations of food, paper products or money to food banks, food pantries and nonprofit charitable organizations.

Referred to Committee on FINANCE, January 31, 1995.

**No. 427** By Representatives BAKER, FICHTER, SATHER, NICKOL, FARGO, GODSHALL, PETTIT, WAUGH, BARLEY, E. Z. TAYLOR, FAIRCHILD, CLARK, BROWN, LEH, HERSHEY, ARMSTRONG, HUTCHINSON, ROHRER, RUBLEY, HENNESSEY, STERN, YOUNGBLOOD, PHILLIPS, TRUE, STEIL and MERRY

An Act amending the act of June 2, 1915 (P.L.736, No.338), known as the Workers' Compensation Act, changing the computation of a fixed weekly rate to an average weekly rate.



Referred to Committee on LABOR RELATIONS, January 31, 1995.

**No. 428** By Representatives BLAUM, KUKOVICH, BELARDI, COY, D. R. WRIGHT, BISHOP, SCRIMENTI, GORDNER, DALEY, PESCI, MELIO, LAUGHLIN, JAROLIN, TIGUE, READSHAW, TRELLO, PISTELLA, SANTONI, BELFANTI, YOUNGBLOOD, BATTISTO, TANGRETTI, STABACK, McCALL, JOSEPHS, ROONEY, STEELMAN, MUNDY, GODSHALL, HERMAN, KREBS, STERN, E. Z. TAYLOR and HASAY

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, further providing for definitions; and providing for the Pennsylvania Adoption Information Retrieval System.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 429** By Representatives BLAUM, KUKOVICH, BELARDI, COY, D. R. WRIGHT, BISHOP, SCRIMENTI, GORDNER, DALEY, PESCI, MELIO, LAUGHLIN, JAROLIN, TIGUE, READSHAW, WOZNAK, TRELLO, PISTELLA, SANTONI, STETLER, BELFANTI, YOUNGBLOOD, BATTISTO, TANGRETTI, STABACK, McCALL, ROONEY, STEELMAN, MICHLOVIC, MUNDY, GODSHALL, HERMAN, KREBS, STERN, E. Z. TAYLOR and HASAY

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, further providing for definitions, for courts, for grounds for involuntary termination, for petitions for involuntary termination, and for medical history information.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 430** By Representatives CLYMER, JAMES, TRELLO, MICOZZIE, D. W. SNYDER, McCALL, STURLA, M. N. WRIGHT, MIHALICH, STABACK, RUBLEY, MELIO, L. I. COHEN, TRAVAGLIO, PETRONE, HORSEY, BROWN, RAYMOND, FICHTER, E. Z. TAYLOR, LAUGHLIN, DeLUCA, HENNESSEY, CIVERA, YOUNGBLOOD, THOMAS, LEH and ADOLPH

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

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 431** By Representatives SCRIMENTI, BOYES, MERRY, CAPPABIANCA, BEBKO-JONES, HUTCHINSON, ROBERTS, COLAFELLA, DALEY, LAUGHLIN, COY, FICHTER, SCHULER, MARKOSEK, TIGUE, READSHAW, LYNCH, TRELLO, PISTELLA, BELFANTI, YOUNGBLOOD, L. I. COHEN, STABACK, FAJT, JOSEPHS, KAISER, PETRARCA, DeLUCA and HORSEY

An Act designating a section of Route 19, Erie County, as the General Strong Vincent Memorial Highway.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 432** By Representatives COLAFELLA, TRELLO, FARGO, ZUG, NAILOR, M. COHEN, TULLI, M. N. WRIGHT, COY, SANTONI, COLAIZZO, COWELL, BAKER, E. Z. TAYLOR, VAN HORNE, ITKIN, DENT, RUDY, BUNT, HUTCHINSON, DeLUCA, CURRY, GEIST, CIVERA, ROBERTS, LAUGHLIN, YEWIC, FLICK, BELFANTI, BATTISTO, SCHULER and MERRY

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further defining "annuity consideration" to exclude certain annuity exchanges.

Referred to Committee on FINANCE, January 31, 1995.

**No. 433** By Representatives BISHOP, M. COHEN, DALEY, WASHINGTON, GEIST, JOSEPHS, PETRONE, THOMAS, YOUNGBLOOD and MIHALICH

An Act amending the act of April 6, 1937 (P.L.200, No.51), known as the Pawnbrokers License Act, further providing for proof of ownership and for penalties.

Referred to Committee on COMMERCE AND ECONOMIC DEVELOPMENT, January 31, 1995.

**No. 434** By Representatives NAILOR, BUXTON, KING, VANCE, FLICK, GEIST, SATHER, HUTCHINSON, COWELL, ITKIN, TULLI, HERSHEY, DeLUCA, MARSICO, STABACK, SCHULER, STURLA, McGEEHAN, SAYLOR, PLATTS, TRELLO, COY, HERMAN, ARMSTRONG, BAKER, CIVERA, ROBERTS, STETLER, CORNELL, SCHRODER, STERN, BARLEY, MASLAND, WAUGH, L. I. COHEN, MELIO, E. Z. TAYLOR, CURRY, HORSEY, BISHOP, YOUNGBLOOD, MAITLAND, EGOLF, BROWNE, BELFANTI, LAUGHLIN, HALUSKA and BOSCOLA

An Act amending the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, providing for the status of payments received by foster parents.

Referred to Committee on FINANCE, January 31, 1995.

**No. 435** By Representatives NAILOR, ARMSTRONG, TRELLO, FARGO, BARLEY, COY, MARSICO, GEIST, SATHER, CONTI, CAWLEY, ITKIN, BATTISTO, SAYLOR, SCHULER, FEESE, RUBLEY, SANTONI, BAKER, CIVERA, MILLER, CORNELL, SCHRODER, WAUGH, STERN, MASLAND, L. I. COHEN, E. Z. TAYLOR, BELFANTI, LAUGHLIN, MERRY, HALUSKA and BOSCOLA

An Act amending the act of February 1, 1966 (1965 P.L.1656, No.581), known as The Borough Code, further providing for the disposal of personal property and for regulation of contracts.

Referred to Committee on LOCAL GOVERNMENT, January 31, 1995.

**No. 436** By Representatives NAILOR, ARMSTRONG, TRELLO, FARGO, BARLEY, COY, MARSICO, GEIST, SATHER, CONTI, CAWLEY, ITKIN, BATTISTO, SAYLOR, SCHULER, FEESE, RUBLEY, SANTONI, BAKER, CIVERA,

MILLER, CORNELL, SCHRODER, WAUGH, STERN, L. I. COHEN, E. Z. TAYLOR, BELFANTI, LAUGHLIN, MERRY, HALUSKA and BOSCOLA

An Act amending the act of June 24, 1931 (P.L.1206, No.331), known as The First Class Township Code, further providing for the disposal of personal property and for general regulations concerning contracts.

Referred to Committee on LOCAL GOVERNMENT, January 31, 1995.

**No. 437** By Representatives NAILOR, ARMSTRONG, TRELLO, FARGO, BARLEY, COY, MARSICO, GEIST, SATHER, CONTI, CAWLEY, ITKIN, BATTISTO, SAYLOR, SCHULER, FEESE, RUBLEY, SANTONI, BAKER, CIVERA, MILLER, CORNELL, SCHRODER, WAUGH, STERN, MASLAND, L. I. COHEN, E. Z. TAYLOR, BELFANTI, LAUGHLIN, MERRY, HALUSKA and BOSCOLA

An Act amending the act of May 1, 1933 (P.L.103, No.69), known as The Second Class Township Code, further providing for the disposal of personal property and for letting contracts.

Referred to Committee on LOCAL GOVERNMENT, January 31, 1995.

**No. 438** By Representatives D. R. WRIGHT, DEWEESE, ITKIN, M. COHEN, COY, THOMAS, COLAFELLA, CURRY, DeLUCA, FAJT, JOSEPHS, MIHALICH, OLASZ, PESCI, READSHAW, ROBERTS, ROBINSON, STEELMAN, STURLA, SURRA, TANGRETTI, TIGUE, TRELLO, TRICH and RICHARDSON

An Act providing for candidates' commitment to political affiliation; and imposing penalties.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 439** By Representatives DeLUCA, GIGLIOTTI, LAUGHLIN, PESCI, TRELLO, ROONEY and YOUNGBLOOD

An Act relating to boiler steam machinery and refrigeration machine engineers and firemen and providing for their licensing; conferring powers and imposing duties upon the State Board of Examiners for Boiler Engineers and the Department of State; providing for the issuance, revocation or suspension of licenses; prescribing unlawful acts; imposing penalties; and making repeals.

Referred to Committee on LABOR RELATIONS, January 31, 1995.

**No. 440** By Representatives DeLUCA, GIGLIOTTI, LAUGHLIN, PESCI and TRELLO

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, authorizing residency requirements under certain circumstances.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 441** By Representatives DeLUCA, LEVDANSKY, READSHAW, PISTELLA, DALEY, MELIO, MARKOSEK, VAN HORNE, CURRY, LAUGHLIN, DERMODY, FAJT and ROBERTS

An Act providing for real estate tax deferrals for senior citizens in second class counties and for procedures for taxing authorities with respect to these deferrals.

Referred to Committee on FINANCE, January 31, 1995.

**No. 442** By Representatives DeLUCA, PESCI, TRELLO, DERMODY, COLAFELLA, PRESTON, MARKOSEK and YOUNGBLOOD

An Act authorizing the Department of Transportation, with the approval of the Governor, to sell and convey to the Township of Penn Hills certain excess land situate partly in the Township of Penn Hills and partly in the Borough of Plum, Allegheny County.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 443** By Representatives DeLUCA, FLICK, PESCI, HERMAN, CLARK, TRELLO, VAN HORNE, DONATUCCI, ROONEY, BOSCOLA, BELFANTI, JOSEPHS, YOUNGBLOOD and BATTISTO

An Act amending the act of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania Election Code, further providing for the date of application for certain absentee ballots.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 444** By Representatives DeLUCA, PESCI, FLICK, HERSHEY, CLARK, TIGUE, TRELLO, BELFANTI, DONATUCCI, PRESTON, YOUNGBLOOD, JOSEPHS and GEIST

An Act regulating the release of information regarding patients of health care practitioners.

Referred to Committee on HEALTH AND HUMAN SERVICES, January 31, 1995.

**No. 445** By Representatives DeLUCA, STABACK, PESCI, MELIO, READSHAW, TRELLO, KENNEY, FAJT, DONATUCCI, YOUNGBLOOD, EGOLF and BATTISTO

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the impoundment of a vehicle for the owner's failure to pay the fine and costs on a conviction of driving while operating privilege is suspended or revoked.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 446** By Representatives DeLUCA, CLARK, READSHAW, SCRIMENTI, MELIO, STABACK, BELARDI, SANTONI, TIGUE, DALEY, LAUGHLIN, YOUNGBLOOD, BELFANTI, E. Z. TAYLOR and BATTISTO

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, further providing for involuntary termination of parental rights, for definitions and for information on prospective child-care personnel.

Referred to Committee on AGING AND YOUTH, January 31, 1995.

**No. 447** By Representatives DeLUCA, STABACK, PESCI, TIGUE, ITKIN, TRELLO and PRESTON

An Act amending the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, providing for installment payment of county real estate taxes.

Referred to Committee on URBAN AFFAIRS, January 31, 1995.

**No. 448** By Representatives DeLUCA, PESCI, TIGUE, TRELLO and DALEY

An Act amending the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985, further providing for the writing of drug prescriptions by physicians.

Referred to Committee on HEALTH AND HUMAN SERVICES, January 31, 1995.

**No. 449** By Representatives DeLUCA, KUKOVICH, PESCI, TRELLO, PRESTON and YOUNGBLOOD

An Act relating to the rights of purchasers of defective used motor vehicles; establishing an enforcement fund; and imposing a fee.

Referred to Committee on CONSUMER AFFAIRS, January 31, 1995.

**No. 450** By Representatives DeLUCA, PESCI, SCRIMENTI and YOUNGBLOOD

An Act regulating the repair of motor vehicles; establishing and conferring powers and duties on the Motor Vehicle Repair Industry Board; providing for and establishing fees for the registration of motor vehicle repair dealers and mechanics; providing for enforcement; and establishing penalties for violations.

Referred to Committee on PROFESSIONAL LICENSURE, January 31, 1995.

**No. 451** By Representatives DeLUCA, NAILOR, STABACK, PESCI, LYNCH, TIGUE, TRELLO, CIVERA, MERRY, BAKER, KING and VAN HORNE

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, requiring interest to be paid on certain late subsidy payments to school districts.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 452** By Representatives DeLUCA, READSHAW, PISTELLA, DALEY and LAUGHLIN

An Act amending Title 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, providing for the disposition of a delinquent child, including driver's license suspension for an offense involving a motor vehicle.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 453** By Representatives DeLUCA, READSHAW, TIGUE, LAUGHLIN, DALEY and PISTELLA

An Act amending the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, providing for collection of earned income taxes by the Commonwealth.

Referred to Committee on FINANCE, January 31, 1995.

**No. 454** By Representatives DeLUCA, GIGLIOTTI, LAUGHLIN, PESCI and TRELLO

An Act amending the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act, reducing the time permitted for hospitals to report official actions taken against a physician; and broadening the reporting procedures of hospitals and health care agencies.

Referred to Committee on PROFESSIONAL LICENSURE, January 31, 1995.

**No. 455** By Representatives DeLUCA, GIGLIOTTI, STABACK, LAUGHLIN, PESCI, TRELLO, DERMODY, YOUNGBLOOD and DALEY

An Act amending the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, eliminating the tax on admission to ski facilities; and further providing for collection of taxes.

Referred to Committee on FINANCE, January 31, 1995.

**No. 456** By Representatives DeLUCA, READSHAW, MERRY, NYCE, HANNA, M. N. WRIGHT, DALEY, LAUGHLIN, VAN HORNE, ROBERTS, WOGAN, YOUNGBLOOD and MELIO

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for notifying drivers of suspensions by certified mail; requiring drivers to return suspended driver's licenses in person or by certified mail; and increasing the fee and authorizing an additional fee for reinstatement of a suspended driver's license.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 457** By Representatives DeLUCA, READSHAW, MELIO, PISTELLA, DALEY, LAUGHLIN, VAN HORNE and BELARDI

An Act providing for licensing for motor vehicle dealers who make certain warranties; imposing penalties; and conferring powers and duties upon the Insurance Department.

Referred to Committee on INSURANCE, January 31, 1995.

**No. 458** By Representatives DeLUCA, GORDNER, GIGLIOTTI, STABACK, HERSHEY, CLARK, E. Z. TAYLOR, LAUGHLIN, TIGUE, OLASZ, COY, PESCI, TRELLO, CORRIGAN, FICHTER, COLAFELLA, ROBERTS, ARMSTRONG, BAKER, HUTCHINSON, FARGO, MILLER, SAYLOR and CLYMER

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, further providing for meditation and prayer periods.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 459** By Representatives DeLUCA, CLARK, READSHAW, ITKIN, MELIO, LAUGHLIN, BELARDI, YOUNGBLOOD, DALEY and BATTISTO

An Act requiring physicians and health care workers to report incompetent, negligent, unethical and illegal practices among physicians; requiring insurance companies to report changes in their policies regarding certain physicians to the State Board of Medicine and the State Board of Osteopathic Medicine; providing penalties for those physicians and health care workers who fail to adhere to the act; and granting immunity to any physician and health care worker who adheres to the act.

Referred to Committee on PROFESSIONAL LICENSURE, January 31, 1995.

**No. 460** By Representatives DeLUCA, READSHAW, MICHLOVIC, PISTELLA, DALEY, MELIO, STABACK, BELARDI, LAUGHLIN and YOUNGBLOOD

An Act amending the act of September 2, 1961 (P.L.1232, No.540), known as the Model Act for the Regulation of Credit Life Insurance and Credit Accident and Health Insurance, providing for nondiscrimination in credit life or accident and health insurance policies.

Referred to Committee on INSURANCE, January 31, 1995.

**No. 461** By Representatives DeLUCA, READSHAW, PISTELLA, DALEY, LAUGHLIN and MARKOSEK

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, further providing for transfers not subject to tax.

Referred to Committee on FINANCE, January 31, 1995.

**No. 462** By Representatives DeLUCA, GIGLIOTTI, GEORGE, STABACK, KUKOVICH, SCRIMENTI, CLARK, LAUGHLIN, TIGUE, ITKIN, PESCI, TRELLO, DALEY, CIVERA, MICHLOVIC, TRICH and YOUNGBLOOD

An Act regulating self-referrals by health care practitioners; requiring disclosure of financial or ownership interests of health care providers in health care facilities; imposing civil penalties; conferring powers and duties on the Department of Health, the State Health Facility Hearing Board, various State licensing boards and the Department of State; and making a repeal.

Referred to Committee on PROFESSIONAL LICENSURE, January 31, 1995.

**No. 463** By Representatives DeLUCA, GIGLIOTTI, LAUGHLIN, TIGUE, PESCI, TRELLO, CIVERA, COLAFELLA and YOUNGBLOOD

An Act providing for motor vehicle sales contract cancellation rights, for requirements relating to manufacturer's rebates and for a penalty; and making a repeal.

Referred to Committee on CONSUMER AFFAIRS, January 31, 1995.

**No. 464** By Representatives DeLUCA, READSHAW, MELIO, TIGUE, PISTELLA, DALEY and BELFANTI

An Act providing for reportable events in medical treatment and for powers and duties of the Department of Health; and imposing duties on health care practitioners and health care facilities.

Referred to Committee on HEALTH AND HUMAN SERVICES, January 31, 1995.

**No. 465** By Representatives DeLUCA, TIGUE, READSHAW, SCRIMENTI, MICHLOVIC, MELIO, FAJT, PISTELLA, DALEY, LAUGHLIN, YOUNGBLOOD, BELFANTI, CURRY and CARN

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

Referred to Committee on CONSUMER AFFAIRS, January 31, 1995.

**No. 466** By Representatives DeLUCA, GORDNER, GIGLIOTTI, STABACK, CLARK, NAILOR, LAUGHLIN, TIGUE, COY, PESCI, TRELLO, BELFANTI, DALEY, WAUGH, BAKER, FARGO, PETTIT, SAYLOR and YOUNGBLOOD

An Act amending the act of July 29, 1953 (P.L.970, No.235), Forest Fire Protection Compact Act, authorizing the admission of other states into the compact; and making an editorial change.

Referred to Committee on INTERGOVERNMENTAL AFFAIRS, January 31, 1995.

**No. 467** By Representatives DeLUCA, GIGLIOTTI, STABACK, DEMPSEY, HERSHEY, LAUGHLIN, TIGUE, PESCI, TRELLO, FAJT, BELFANTI, DALEY, CIVERA, MERRY, ROBERTS, TRICH and SAYLOR

An Act providing for a Statewide referendum on the question of whether persons who have been convicted of three separate serious felonies should receive life imprisonment without parole.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 468** By Representatives DeLUCA, GIGLIOTTI, LAUGHLIN, PESCI, TRELLO, FAJT, DERMODY and YOUNGBLOOD

An Act amending the act of February 19, 1980 (P.L.15, No.9), known as the Real Estate Licensing and Registration Act, further providing for broker's disclosure to buyer.

Referred to Committee on PROFESSIONAL LICENSURE, January 31, 1995.

**No. 469** By Representatives DeLUCA, READSHAW, PISTELLA, DALEY, LAUGHLIN and TIGUE

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, authorizing special tax provisions to abate an increase in tax on owner-occupied residential real property when improvements or additions are made to the property.

Referred to Committee on FINANCE, January 31, 1995.

**No. 470** By Representatives DeLUCA, READSHAW, MERRY, BELFANTI, MICHLOVIC, MELIO, MARKOSEK, PISTELLA, LAUGHLIN, VAN HORNE and DALEY

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, further providing for procedure to obtain certificates of public convenience.

Referred to Committee on CONSUMER AFFAIRS, January 31, 1995.

**No. 471** By Representatives DeLUCA, TIGUE, READSHAW, LEDERER, MELIO, PISTELLA, DALEY and LAUGHLIN

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, providing for a safe driving course.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 472** By Representatives DeLUCA, CURRY, READSHAW, MICHLOVIC, PISTELLA, MELIO and DERMODY

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for firearms licenses.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 473** By Representatives COY, SCHULER, COWELL, GORDNER, ROONEY, E. Z. TAYLOR, TRELLO, COLAFELLA, M. COHEN, ROBINSON, McCALL, TIGUE, CURRY, STEELMAN, ROBERTS, BATTISTO and BELFANTI

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, further providing for the operation of the State System of Higher Education; and making repeals.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 474** By Representatives GAMBLE, E. Z. TAYLOR, CLYMER, TRELLO, MERRY, WOGAN, BELFANTI, FARGO, SCHULER, OLASZ, HERSHEY, RAYMOND, COY, FARMER, LEH, PRESTON, CLARK, FAIRCHILD, MELIO, FLEAGLE, NYCE, LAUGHLIN, ARMSTRONG, KING, PESCI, M. N. WRIGHT, BAKER, GORDNER, HENNESSEY,

HUTCHINSON, YEWIC, PETTIT, BOSCOLA, SATHER, STERN and WAUGH

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, providing for learning outcomes and for strategic plans.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 475** By Representatives GAMBLE, WOGAN, TRELLO, LEH, OLASZ, ARMSTRONG, STABACK, KING, LAUGHLIN, LYNCH, PESCI, STERN, YEWIC, WAUGH and YOUNGBLOOD

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, providing for parental rights.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 476** By Representatives GAMBLE, CIVERA, TRELLO, FARGO, OLASZ, M. N. WRIGHT, TIGUE, HENNESSEY, PRESTON, LYNCH, STABACK, CORRIGAN, MELIO, LAUGHLIN and PESCI

An Act amending the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, further providing for the duties of the county treasurer relating to liens for delinquent real property taxes.

Referred to Committee on URBAN AFFAIRS, January 31, 1995.

**No. 477** By Representatives GAMBLE, E. Z. TAYLOR, TRELLO, CIVERA, BELFANTI, CLYMER, OLASZ, MERRY, BATTISTO, WOGAN, McCALL, RAYMOND, JOSEPHS, LEH, STABACK, CLARK, LAUGHLIN, KING, PESCI, HENNESSEY, ROBERTS, LYNCH, YEWIC, WAUGH, BROWNE and SCHRODER

An Act providing for the legal review of Federal mandates; and establishing the Constitutional Defense Council.

Referred to Committee on INTERGOVERNMENTAL AFFAIRS, January 31, 1995.

**No. 478** By Representatives GAMBLE, E. Z. TAYLOR, TRELLO, GEIST, BELFANTI, CIVERA, OLASZ, CLYMER, TIGUE, MERRY, BATTISTO, RAYMOND, McCALL, LEH, PRESTON, CLARK, JOSEPHS, KING, STABACK, M. N. WRIGHT, MELIO, HENNESSEY, LAUGHLIN, LYNCH, PESCI, WAUGH, ROBERTS, BROWNE, YEWIC, SCHRODER and BOSCOLA

An Act providing for the review and coordination of Federal mandates; and establishing the Joint Legislative Committee on Federal Mandates.

Referred to Committee on INTERGOVERNMENTAL AFFAIRS, January 31, 1995.

**No. 479** By Representatives RUDY, FAIRCHILD, CLARK, TIGUE, E. Z. TAYLOR, THOMAS, STABACK, COY, LUCYK, MELIO, PESCI, LAUGHLIN, HERSHEY, TRELLO,

COLAFELLA, L. I. COHEN, MERRY, REBER, FAJT, PRESTON, ROONEY and PETRARCA

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, providing for an investment tax credit program.

Referred to Committee on FINANCE, January 31, 1995.

**No. 480** By Representatives RUDY, THOMAS, E. Z. TAYLOR, GEIST, YOUNGBLOOD, BELARDI, TIGUE, PESCI, LAUGHLIN, TRELLO, BELFANTI, COLAFELLA, L. I. COHEN, FAJT, JOSEPHS, PRESTON, ROONEY and JAMES

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, prohibiting intimidation based on handicap or disability.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 481** By Representatives RUDY, FAIRCHILD, YOUNGBLOOD, THOMAS, BELARDI, FARGO, MELIO, LAUGHLIN, TRELLO, BELFANTI, COLAFELLA, FAJT and PRESTON

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the confidentiality of Department of Transportation records; and providing for exceptions and for penalties.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 482** By Representatives O'BRIEN, THOMAS, WOGAN, OLASZ, ROBINSON, TRELLO, HENNESSEY, JAROLIN, RAYMOND, BELFANTI, HALUSKA, STERN and J. TAYLOR

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, further providing for firearm licenses.

Referred to Committee on JUDICIARY, January 31, 1995.

**No. 483** By Representatives O'BRIEN, McGEEHAN, THOMAS, YOUNGBLOOD, TRELLO, KENNEY and J. TAYLOR

An Act amending Title 71 (State Government) of the Pennsylvania Consolidated Statutes, further providing for the class of service for bail commissioners.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 484** By Representatives O'BRIEN, CLARK, NICKOL, COWELL, ITKIN, HERSHEY, TIGUE, DeLUCA, STABACK, McGEEHAN, TRELLO, KENNEY, MILLER, SURRA, STERN, J. TAYLOR, WAUGH, CURRY, RAYMOND, TRICH, FAJT, BELFANTI, LAUGHLIN, MERRY, HALUSKA, CIVERA and CAPPABIANCA

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for limit on cancellations, refusals to write or renew, surcharges, rate penalties and point assignment by automobile insurers.

Referred to Committee on TRANSPORTATION, January 31, 1995.

**No. 485** By Representatives RAYMOND, JAROLIN, TIGUE, BUNT, SCHULER, MICOZZIE, TRELLO, CORNELL, E. Z. TAYLOR, LAUGHLIN, HORSEY, PRESTON, HENNESSEY, CIVERA, BELFANTI and YOUNGBLOOD

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, providing for assistance to an exceptional child during transportation.

Referred to Committee on EDUCATION, January 31, 1995.

**No. 486** By Representatives RAYMOND, FICHTER, COY, NAILOR, STABACK, MICOZZIE, TRELLO, STEELMAN, STETLER, CORNELL, E. Z. TAYLOR, LAUGHLIN, CIVERA and SEMMEL

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, excluding from the sales and use tax the sale or transfer of ownership rights of an animal by nonprofit kennels.

Referred to Committee on FINANCE, January 31, 1995.

**No. 487** By Representatives RAYMOND, FARGO, FLICK, BATTISTO, BUNT, MICOZZIE, TRELLO, OLASZ, SHANER, CORNELL, E. Z. TAYLOR, L. I. COHEN, LAUGHLIN, BOYES, HENNESSEY, CIVERA, BELFANTI, MERRY and SEMMEL

An Act providing for government-wide computer security and for the training in security matters of persons who are involved in the management, operation and use of State computers and State computer systems.

Referred to Committee on STATE GOVERNMENT, January 31, 1995.

**No. 488** By Representatives RAYMOND, CLARK, FICHTER, BROWN, STRITTMATTER, STABACK, DEMPSEY, BUNT, MICOZZIE, TRELLO, BAKER, KENNEY, LEH, B. SMITH, CORNELL, E. Z. TAYLOR, L. I. COHEN, LAUGHLIN, SATHER, HENNESSEY, CIVERA and SEMMEL

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, exempting qualified civic groups from payment of sales tax.

Referred to Committee on FINANCE, January 31, 1995.

## HOUSE RESOLUTIONS INTRODUCED AND REFERRED

**No. 35** By Representatives BAKER, FICHTER, FLEAGLE, TRUE, COY, LYNCH, SATHER, BARLEY, CLARK, BUNT, KING, COLAFELLA, ARMSTRONG, HUTCHINSON, ROHRER, HENNESSEY, STEELMAN, SCHULER, SERAFINI, PITTS, FARGO, TIGUE, ALLEN, FAIRCHILD, MARSICO, CLYMER and FLICK

A Resolution directing the Transportation Committee to make a study on the greater use of toll roads, the decentralization of our drivers' licensing and

motor vehicle registration systems and the privatizing of mass transportation systems.

Referred to Committee on RULES, January 31, 1995.

**No. 36** By Representatives BAKER, FICHTER, FLEAGLE, TRUE, FARGO, LYNCH, BARLEY, E. Z. TAYLOR, PETTIT, CLARK, BUNT, KING, ARMSTRONG, HUTCHINSON, EGOLF, ROHRER, HENNESSEY, JOSEPHS, STEELMAN, GEIST, PITTS, TIGUE, ALLEN and FAIRCHILD

A Resolution directing the State Government Committee to study the privatization or contracting out of government services.

Referred to Committee on RULES, January 31, 1995.

**No. 37** By Representatives ROHRER, PITTS, STAIRS, EGOLF, YEWIC and ARMSTRONG

A Resolution providing for an investigation of the impact of recent changes in law, regulation and policy at the Federal and State level relating to education standards and goals and to student social, emotional and behavioral development upon the system of public education at the local level.

Referred to Committee on RULES, January 31, 1995.

**No. 38** By Representatives O'BRIEN, CLARK, NAILOR, WOGAN, KING, FICHTER, HERSHEY, PESCI, SCHULER, B. SMITH, MCGEEHAN, TRELLO, CIVERA, CORNELL, J. TAYLOR, L. I. COHEN, MELIO, E. Z. TAYLOR, LYNCH, RAYMOND, ROONEY, LAUGHLIN, HESS, ADOLPH, BELFANTI and DONATUCCI

A Resolution urging the Mayor and the City Council of Philadelphia to take the steps necessary to designate the Criminal Justice Center in the City of Philadelphia as the Justice James T. McDermott Judicial Center.

Referred to Committee on RULES, January 31, 1995.

**No. 39** By Representatives O'BRIEN, TRUE, HERSHEY, WOGAN, DEMPSEY, D. R. WRIGHT, MCGEEHAN, TRELLO, CIVERA, WAUGH, J. TAYLOR, L. I. COHEN, MELIO, ZUG, LYNCH, CURRY, HORSEY, BELFANTI and CAPPABIANCA

A Resolution directing the Urban Affairs Committee, in cooperation with the Military and Veterans Affairs Committee, to conduct a study on the feasibility of using airship technology to assist police agencies to combat crime.

Referred to Committee on RULES, January 31, 1995.

### FILMING PERMISSION

The SPEAKER. The Chair wishes to advise the members that permission has been granted to Mary Gardella of the Patriot-News to take still photography on the floor, and the Chair has granted permission to Herb Logan of the House Republican video staff to do videotaping with audio on the floor.

## SUPPLEMENTAL CALENDAR B

### BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 293, PN 410**, entitled:

An Act amending the act of May 25, 1945 (P.L.1050, No.394), known as the Local Tax Collection Law, further providing for the mailing of tax notices.

On the question,

Will the House agree to the bill on second consideration?

### BILL RECOMMITTED

The SPEAKER. The Chair recognizes the majority leader, Mr. Perzel.

Mr. PERZEL. Mr. Speaker, I move that HB 293 be recommitted to the Committee on Appropriations.

On the question,

Will the House agree to the motion?

Motion was agreed to.

### GUESTS INTRODUCED

The SPEAKER. The Chair is pleased to welcome to the hall of the House a group located in the rear of the House, here today as guests of Representative Tulli. The group is made up from the Center for Youth Leadership in Law and Government. Will the visitors kindly stand up.

## SUPPLEMENTAL CALENDAR A

### RESOLUTION

Mr. KENNEY called up **HR 25, PN 306**, entitled:

A Resolution directing the Legislative Budget and Finance Committee to audit the Pennsylvania Minority Business Development Authority and the Minority Business Development Fund.

On the question,

Will the House adopt the resolution?

The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Evans, who offers the following amendment, which the clerk will read.

The amendments have not been circulated, so we will withdraw this resolution at this time until the amendments of the two gentlemen, Mr. Lescovitz and Mr. Evans, have been duplicated and circulated.

### RESOLUTION PASSED OVER TEMPORARILY

The SPEAKER. Without objection, HR 25 will be passed over temporarily.

## CALENDAR CONTINUED

## CONSIDERATION OF HB 39 CONTINUED

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

Mr. STETLER offered the following amendment No. A0439:

Amend Title, page 1, line 1, by striking out all of said line and inserting Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," increasing all penalties, amounts of additional tax and interest imposed for violations relating to taxes; providing for a limited tax amnesty program, for interest payments for underpayment and overpayment of taxes and for additional penalties to be imposed on corporate officers, banks, savings institutions, title insurance companies, trust companies, foreign building and loan associations and private bankers; and making repeals.

Amend Bill, page 1, lines 4 through 12; pages 2 through 6, lines 1 through 30; page 7, lines 1 and 2, by striking out all of said lines on said pages and inserting

Section 1. Section 231 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended to read:

Section 231. *Mode and Time of Assessment.*—(a) Underpayment of Tax. Within a reasonable time after any return is filed, the department shall examine it and, if the return shows a greater tax due or collected than the amount of tax remitted with the return, the department shall issue an assessment for the difference, together with an addition of [three] four and one-half per cent of such difference, which shall be paid to the department within ten days after a notice of the assessment has been mailed to the taxpayer. If such assessment is not paid within ten days, there shall be added thereto and paid to the department an additional [three] four and one-half per cent of such difference for each month thereof during which the assessment remains unpaid, but the total of all additions shall not exceed [eighteen] twenty-seven per cent of the difference shown on the assessment.

(b) Understatement of Tax. If the department determines that any return or returns of any taxpayer understates the amount of tax due, it shall determine the proper amount and shall ascertain the difference between the amount of tax shown in the return and the amount determined, such difference being hereafter sometimes referred to as the "deficiency." A notice of assessment for the deficiency and the reasons therefor shall then be sent to the taxpayer. The deficiency shall be paid to the department within thirty days after a notice of the assessment thereof has been mailed to the taxpayer.

(c) Failure to File Return. In the event that any taxpayer fails to file a return required by this article, the department may make an estimated assessment (based on information available) of the proper amount of tax owing by the taxpayer. A notice of assessment in the estimated amount shall be sent to the taxpayer. The tax shall be paid within thirty days after a notice of such estimated assessment has been mailed to the taxpayer.

(d) Authority to Establish Effective Rates by Business Classification. The department is authorized to make the studies necessary to compute effective rates by business classification, based upon the ratio between the tax required to be collected and taxable sales and to use such rates in arriving at the apparent tax liability of a taxpayer.

Any assessment based upon such rates shall be prima facie correct, except that such rate shall not be considered where a taxpayer establishes that such rate is based on a sample inapplicable to him.

Section 2. Section 266 of the act, amended April 14, 1976 (P.L.112, No.49), is amended to read:

Section 266. Additions to Tax.—(a) Failure to File Return. In the case of failure to file any return required by section 215 on the date prescribed therefor (determined with regard to any extension of time for filing), and in the case in which a return filed understates the true amount due by more than fifty per cent, there shall be added to the amount of tax actually due [five] seven and one-half per cent of the amount of such tax if the failure to file a proper return is for not more than one month, with an additional [five] seven and one-half per cent for each additional month, or fraction thereof, during which such failure continues, not exceeding [twenty-five] thirty-seven and one-half per cent in the aggregate. In every such case at least [two dollars (\$2)] four dollars (\$4) shall be added.

(b) Addition for Understatement. There shall be added to every assessment under subsection (b) of section 231 an addition equal to [five] seven and one-half per cent of the amount of the understatement and no addition to the tax shall be paid under subsection (a) of section 231.

(c) Interest. If the department assesses a tax according to subsection (a), (b) or (c) of section 231, there shall be added to the amount of the deficiency interest at the rate of [three-fourths of one] one and one-half per cent per month for each month, or fraction thereof, from the date prescribed by subsection (a) or (c) of section 222 of this article for the payment of the tax to the date of notice of the assessment.

(d) *Uncollectible Checks.* Whenever any check issued in payment of any tax or for any other purpose shall be returned to the department as uncollectible, the secretary shall charge a fee of [ten] fifteen per cent of the face amount thereof plus all protest fees, to the person presenting such check to him to cover the cost of its collection in addition to the interest and penalties otherwise provided for by this article: Provided, however, That the additions imposed hereby shall not exceed [two hundred dollars (\$200)] four hundred dollars (\$400) nor be less than [ten dollars (\$10)] twenty dollars (\$20).

Section 3. Section 267 of the act is amended to read:

Section 267. Penalties.—(a) Penalty Assessed as Tax. The penalties, additions, interest and liabilities provided by this article shall be paid upon notice and demand by the department, and shall be assessed and collected in the same manner as taxes. Except as otherwise provided, any reference in this article to "tax" imposed by this article shall be deemed also to refer to the penalties, additions, interest and liabilities provided by this part.

(b) Attempt to Evade or Defeat Tax. (1) Any person who wilfully attempts, in any manner, to evade or defeat the tax imposed by this article, or the payment thereof, or to assist any other person to evade or defeat the tax imposed by this article, or the payment thereof, or to receive a refund improperly, shall, in addition to other penalties provided by law, be liable for a penalty equal to [one-half] three-fourths of the total amount of the tax evaded.

(2) In any direct proceeding arising out of a petition for reassessment or refund as provided in this article, in which an issue of fact is raised with respect to whether a return is fraudulent or with respect to the propriety of the imposition by the department of the penalty prescribed in this subsection (b), the burden of proof with respect to such issue shall be upon the department.

Section 4. Section 268 of the act, amended August 4, 1991 (P.L.97, No.22), is amended to read:

Section 268. Crimes.—(a) Fraudulent Return. Any person who with intent to defraud the Commonwealth shall wilfully make, or cause to be made, any return required by this article, which is false, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding [two thousand dollars (\$2000)] four thousand dollars (\$4,000), or undergo imprisonment not exceeding three years, or both.

(b) Other Crimes. Except as otherwise provided by subsection (a) of this section, any person who advertises or holds out or states to the public or to any purchaser or user, directly or indirectly, that the tax or any part thereof imposed by this article will be absorbed by such person, or that it will not be added to the purchase price of the tangible personal property or services described in subclauses (2), (3), (4) and (11) through (18) of clause (k) of section 201 of this article sold or, if added, that the tax or any part thereof



will be refunded, other than when such person refunds the purchase price because of such property being returned to the vendor, and any person selling or leasing tangible personal property or said services the sale or use of which by the purchaser is subject to tax hereunder, who shall wilfully fail to collect the tax from the purchaser and timely remit the same to the department, and any person who shall wilfully fail or neglect to timely file any return or report required by this article or any taxpayer who shall refuse to timely pay any tax, penalty or interest imposed or provided for by this article, or who shall wilfully fail to preserve his books, papers and records as directed by the department, or any person who shall refuse to permit the department or any of its authorized agents to examine his books, records or papers, or who shall knowingly make any incomplete, false or fraudulent return or report, or who shall do, or attempt to do, anything whatever to prevent the full disclosure of the amount or character of taxable sales purchases or use made by himself or any other person, or shall provide any person with a false statement as to the payment of tax with respect to particular tangible personal property or said services, or shall make, utter or issue a false or fraudulent exemption certificate, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding [one thousand dollars (\$1000)] two thousand dollars \$2,000 and costs of prosecution, or undergo imprisonment not exceeding one year, or both: Provided, however, That any person maintaining a place of business outside this Commonwealth may absorb the tax with respect to taxable sales made in the normal course of business to customers present at such place of business without being subject to the above penalty and fines. The penalties imposed by this section shall be in addition to any other penalties imposed by any provision of this article.

Section 5. Section 352 of the act, amended June 29, 1984 (P.L.445, No.94) and August 4, 1991 (P.L.97, No.22), is amended to read:

Section 352. Additions, Penalties and Fees.—(a) In case of failure to file any return required under this article on the date prescribed therefor, determined with regard to any extension of time for filing, unless it is shown that such failure is due to reasonable cause and not due to wilful neglect, there shall be added to the amount required to be shown as tax on such return [five] seven and one-half per cent of the amount of such tax if the failure is for not more than one month, with an additional [five] seven and one-half per cent for each additional month or fraction thereof during which such failure continues, not exceeding [twenty-five] thirty-seven and one-half per cent, in the aggregate, but in no case shall the amount added be less than [five dollars (\$5)] ten dollars (\$10). The amount of tax required to be shown on the return shall, for purposes of computing the additions for the first month, be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed on the return. The amount of tax required to be shown on the return shall, for purposes of computing the addition for any subsequent month, be reduced by the amount of any part of the tax which is paid by the beginning of the subsequent month and by the amount of any credit against the tax which may be claimed on the return.

(b) (1) If any part of any underpayment of any tax imposed by Part II of this article is due to negligence or intentional disregard of rules and regulations, but without intent to defraud, there shall be added to the tax an amount equal to [five] seven and one-half per cent of the underpayment.

(2) If any part of any underpayment of any tax imposed by Part II of this article is due to negligence or intentional disregard of rules and regulations, but without intent to defraud, and the underpayment is from a taxpayer omitting from income an amount properly includable therein which is in excess of [twenty-five] thirty-seven and one-half per cent of the amount of income stated on the taxpayer's return, there shall be added to the tax an amount equal to twenty-five per cent of the underpayment.

(c) If any part of any underpayment of tax required under this article to be shown on a return is due to fraud, there shall be added to the tax an amount equal to [fifty] seventy-five per cent of the underpayment. This amount shall be in lieu of any amount determined under subsection (b) or (h).

(d) (1) If any taxpayer fails to pay all or any part of an installment of estimated tax, he shall be deemed to have made an underpayment of estimated tax. There shall be added to the tax for the taxable year an amount at the rate established pursuant to section 806 of the act of April 9, 1929

(P.L.343, No.176), known as "The Fiscal Code," upon the amount of the underpayment for the period of the underpayment but not beyond the fifteenth day of the fourth month following the close of the taxable year. The amount of the underpayment shall be the excess of the amount of the installment which would be required to be paid if the estimated tax were equal to ninety per cent of the tax (two-thirds in the case of an individual described in subsection (e) of section 325) shown on the return for the taxable year (or if no return was filed, of the tax for such year) over the amount, if any, of the installments paid on or before the last day prescribed for such payment. No underpayment shall be deemed to exist with respect to an installment otherwise due on or after the taxpayer's death.

(2) No addition to tax shall be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the lesser of:

(A) The amount which would have been required to be paid on or before such date if the estimated tax were an amount equal to the tax computed, at the rates applicable to the taxable year, but otherwise on the basis of the facts shown on his return for, and the law applicable to, the preceding taxable year; or

(B) An amount equal to ninety per cent of the tax computed, at the rates applicable to the taxable year, on the basis of the actual income for the months in the taxable year ending before the month in which the installment is required to be paid.

(e) Any person required to collect, account for and pay over any tax imposed by this article who wilfully fails to collect such tax or truthfully account for and pay over such tax, or wilfully attempts in any manner to evade or defeat any such tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a penalty equal to the total amount of the tax evaded or not collected or not accounted for and paid over. No penalty shall be imposed under subsection (b), (c) or (h) for any offense to which this subsection (e) is applicable. The term "person" as used in this subsection includes an officer or employe of a corporation, or a member or employe of a partnership, who as such officer, employe or member is under a duty to perform the act in respect of which the violation occurs.

(f) (1) Any person required under the provisions of section 317 to furnish a statement to an employe who wilfully furnishes a false or fraudulent statement, or who wilfully fails to furnish a statement in the manner, at the time, and showing the information required under section 317 and the regulations prescribed thereunder, shall, for each such failure, be subject to a penalty of [fifty dollars (\$50)] one hundred dollars (\$100) for each employe.

(2) Any person required by regulation to furnish an information return who furnishes a false or fraudulent return shall for each failure be subject to a penalty of [fifty dollars (\$50)] one hundred dollars (\$100).

(3) Every Pennsylvania S corporation required to file a return with the department under the provisions of section 330.1 who furnishes a false or fraudulent return or who fails to file the return in the manner and at the time required under section 330.1 shall be subject to a penalty of [\$250] five hundred dollars (\$500) for each failure.

(h) If any amount of tax required to be withheld by an employer and paid over to the department under section 319 is not paid on or before the due date prescribed for filing the quarterly return under section 318, determined without regard to an extension of time for filing, there shall be added to the tax and paid to the department each month [five] seven and one-half per cent of such underpayment for each month or fraction thereof from the due date, for the period from the due date to the date paid; but the underpayment shall, for purposes of computing the addition for any month, be reduced by the amount of any part of the tax which is paid by the beginning of that month. The total of such additions shall not exceed [fifty] seventy-five per cent of the amount of tax required to be shown on the return reduced by the amount of any part of the tax which is paid by the return due date and by the amount of any credit against the tax which may be claimed on the return.

(i) If any individual, estate or trust files what purports to be a return required under section 330 but which does not contain information on which the substantial correctness of the self-assessment may be judged, or contains information that on its face indicates that the self-assessment is substantially

incorrect and the self-assessment is due to a position which is frivolous or due to a desire (which appears on the purported return) to delay or impede the administration of Pennsylvania Income Tax laws, then such individual, estate or trust shall pay a penalty of five hundred dollars (\$500). The penalty imposed by this subsection shall be in addition to any other penalty provided by law.

Section 6. Section 353 of the act, amended or added August 31, 1971 (P.L.362, No.93) and February 1, 1974 (P.L.32, No.14), is amended to read:

Section 353. Crimes.—(a) Any person who wilfully attempts in any manner to evade or defeat any tax imposed by this article or the payment thereof shall, in addition to other penalties provided by law, be guilty of a misdemeanor and shall, upon conviction, be sentenced to pay a fine not exceeding [twenty-five thousand dollars (\$25,000)] fifty thousand dollars (\$50,000), or to undergo imprisonment not exceeding two years, or both.

(b) Any person required under this article to collect, account for and pay over any tax imposed by this article who wilfully fails to collect or truthfully account for and pay over such tax, shall, in addition to other penalties provided by law, be guilty of a misdemeanor, and shall, upon conviction, be sentenced to pay a fine not exceeding [twenty-five thousand dollars (\$25,000)] fifty thousand dollars (\$50,000) or to undergo imprisonment not exceeding two years, or both.

(c) Any person required under this article to pay any tax or to make a return, keep any records or supply any information, who wilfully fails to pay such tax or make such return, keep such records or supply such information at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and shall, upon conviction, be sentenced to pay a fine not exceeding [five thousand dollars (\$5,000)] ten thousand dollars (\$10,000), or to undergo imprisonment not exceeding two years, or both.

(d) Any person who wilfully makes and subscribes any return, statement or other document which contains or is verified by a written declaration that it is made under the penalties of perjury and which he does not believe to be true and correct as to every material matter, or wilfully aids or assists in, or procures, counsels or advises the preparation or presentation, in connection with any matter arising under this article, of a return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim or document, shall be guilty of a misdemeanor and shall, upon conviction, be sentenced to pay a fine not exceeding [five thousand dollars (\$5,000)] ten thousand dollars (\$10,000) or to undergo imprisonment not exceeding two years, or both.

(e) Any person who wilfully delivers or discloses to the department any list, return, account, statement or other document known by him to be fraudulent or to be false as to any material matter shall be guilty of a misdemeanor and shall, upon conviction, be sentenced to pay a fine not exceeding [five thousand dollars (\$5,000)] ten thousand dollars (\$10,000) or to undergo imprisonment not exceeding two years, or both.

(f) It shall be unlawful for any officer, agent or employe of the Commonwealth to divulge or to make known in any manner whatever, not provided by law, except for official purposes, to any person, the amount or source of income, profits, losses, expenditures or any particular thereof set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof, to be seen or examined by any person except as provided by law, and it shall be unlawful for any person to print or publish in any manner whatsoever not provided by law, any return or any part thereof or source of income, profits, losses or expenditures appearing in any return, and any person committing an offense against the foregoing provisions shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than [one thousand dollars (\$1,000)] two thousand dollars (\$2,000), or imprisoned for not more than one year, or both, together with the costs of prosecution; and, if the offender be an officer or employe of the Commonwealth, he shall be dismissed from office or discharged from employment.

(g) Notwithstanding subsection (f), it shall be lawful for any officer or employe of the Commonwealth having custody of returns to produce them or evidence of anything contained in them in any action or proceeding in any

court on behalf of the department under the provisions of this article to which it is a party, or on behalf of any party to any action or proceeding under the provisions of this article, when the returns or facts shown thereby are directly involved in such action or proceeding, in either of which events the court may require the production of and may admit in evidence so much of said returns or the facts shown thereby as are pertinent to the action or proceeding and no more. Nothing herein shall be construed to prohibit the delivery to a taxpayer or his duly authorized representative of a certified copy of any return filed in connection with his tax, nor to prohibit the publication of statistics so classified as to prevent the identification of particular returns and the items thereof or the inspection by the Attorney General or other legal representatives of the Commonwealth of the return of any taxpayer who shall bring action to review the tax based thereon or against whom an action or proceeding has been instituted for the collection or recovery of the tax imposed by this article; nothing herein shall be construed to prohibit the delivery to the Pennsylvania Higher Education Assistance Agency of a certified copy or extract of any State income tax return requested by the agency for use in determining the eligibility of applicants for State grants, when the Executive Director of the agency certifies that the agency has in its possession a statement signed by the applicant and his parent, parents, guardian or guardians, as the case may be, authorizing the agency to obtain a certified copy or extract of any State income tax return from the Director of the Pennsylvania State Income Tax Bureau.

Section 7. Section 403 of the act, amended September 9, 1971 (P.L.437, No.105), June 23, 1982 (P.L.610, No.172), July 1, 1985 (P.L.78, No.29) and August 4, 1991 (P.L.97, No.22) and repealed in part December 19, 1990 (P.L.834, No.198), is amended to read:

Section 403. Reports and Payment of Tax.—(a) For the purpose of ascertaining the amount of tax payable under this article, it shall be the duty of every corporation, liable to pay tax under this article, on or before April 15, 1972, and each year thereafter, to transmit to the department, upon a form prescribed, prepared and furnished by the department, an annual report under oath or affirmation of its president, vice-president or other principal officer, and of its treasurer or assistant treasurer of net income taxable under the provisions of this article. Such report shall set forth:

(1) A true copy of its return to the Federal Government of the annual taxable income arising or accruing in the calendar or fiscal year next preceding, or such part or portions of said return, as the department may designate;

(2) If no return was filed with the Federal Government the report made to the department shall show such information as would have been contained in a return to the Federal Government had one been made; and

(3) Such other information as the department may require. Upon receipt of the report, the department shall promptly forward to the Department of State, the names of the president, vice-president, secretary and treasurer of the corporation and the complete street address of the principal office of the corporation for inclusion in the records of the Department of State relating to corporation.

(b) For the purpose of ascertaining the amount of tax payable under this article for the taxable year 1971, and each taxable year thereafter, it shall be the duty of every corporation liable to pay tax under this article, on or before April 30, 1971, and on or before the end of the fourth month after the close of its previous fiscal year for fiscal year taxpayers, and each year thereafter, to transmit in like form and manner an additional tentative report and make payment pursuant to the provisions of section 3003: Provided, That in making such report and payment for the calendar year 1971 and each year thereafter and for fiscal years commencing during the calendar year 1971, and each year thereafter the tax base from the immediate prior year, upon which the tentative tax computation is to be made under said section 3003, shall be computed as if the tax base for such immediate prior year had been determined under the applicable provisions of the act of March 4, 1971 (Act No.2). For taxable years commencing with calendar year 1986 and for each taxable year through taxable year 1991, corporations shall not report and pay tentative tax on account of the corporate net income tax, but shall, on or before April 15 for calendar year taxpayers and on or before the fifteenth day of the fourth month of the fiscal year for fiscal year taxpayers, report and pay estimated corporate net income tax pursuant to section 3003.2

of this act: Provided, however, That tentative tax on account of any other tax which is imposed as the result of the adoption by reference of this part or section shall continue to be imposed. For taxable years commencing on or after January 1, 1992, corporations shall report and pay estimated tax pursuant to section 3003.2 on or before March 15 for calendar year taxpayers and on or before the fifteenth day of the third month for fiscal year taxpayers.

(c) The amount of all taxes, imposed under the provisions of this article, not paid on or before the times as above provided, shall bear interest as provided in section 806 of the act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code," from the date they are due and payable until paid, except that if the taxable income has been, or is increased by the Commissioner of Internal Revenue, or by any other agency or court of the United States, interest shall be computed on the additional tax due from thirty days after the corporation receives notice of the change of income until paid: Provided, however, That any corporation may pay the full amount of such tax, or any part thereof, together with interest due to the date of payment, without prejudice to its right to present and prosecute a petition for resettlement, a petition for review, or an appeal to court. If it be thereafter determined that such taxes were overpaid, the department shall enter a credit to the account of such corporation, which may be used by it in the manner prescribed by law.

(d) If the officers of any corporation shall neglect, or refuse to make any report as herein required, or shall knowingly make any false report, the following percentages of the amount of the tax shall be added by the department to the tax determined to be due on the first one thousand dollars (\$1,000) of tax [ten] fifteen per cent, on the next four thousand dollars (\$4,000) [five] seven and one-half per cent, and on everything in excess of five thousand dollars (\$5,000) [one] two per cent, no such amounts added to the tax shall bear any interest whatsoever.

(e) If any corporation closes its fiscal year not upon December 31, but upon some other date, and reports to the Federal Government as of such other date, or would so report were it to make a return to the Federal Government, such corporation shall certify such fact to the department, and shall make the annual report, herein required, within thirty days after the return to the Federal Government is due, or would be due were it to be required of such corporation, subject in all other respects to the provisions of this article. The tentative report required of such corporation shall be due not later than four months after the end of the next preceding fiscal year.

(f) If the corporation shall claim in its report that the return made to the Federal Government was inaccurate, the amount claimed by it to be the taxable income, taxable under this article, and the basis of such claim of inaccuracy, shall be fully specified.

Section 8. Sections 406 and 410 of the act, amended September 9, 1971 (P.L.437, No.105), are amended to read:

Section 406. Changes Made by Federal Government.—(a) If the amount of the taxable income, as returned by any corporation to the Federal Government, is finally changed or corrected by the Commission of Internal Revenue or by any other agency or court of the United States, such corporation, within thirty days after the receipt of such final change or correction, shall make a corrected report, under oath or affirmation, to the department showing such finally changed or corrected taxable income, upon which the tax is required to be paid to the United States. In case a corporation fails to file a report of such correction, which results in an increase in taxable income within the time prescribed, there shall be added to the tax, a penalty of [five dollars (\$5)] ten dollars (\$10) for every day during which such corporation is in default, but the department may abate any such penalty in whole or in part.

(b) If, as a result of such final change or correction, there should be any change made in the amount of the taxable income of any corporation upon which tax is imposed by this article, the department shall have the power, and its duty shall be to resettle such taxes. Whenever a resettlement shall have been made hereunder, the department shall resettle the account according to law, and shall credit or charge, as the case may be, the amount resulting from such resettlement upon the current accounts of the corporation with which it is made. The resettlement shall be subject to audit and approval by the Department of the Auditor General, as in the case of original settlements, and in case of the failure of the two departments to agree, the

resettlement shall be submitted to the Board of Finance and Revenue, as in the case of original settlements.

(c) Where a report of change, correction, or redetermination of Federal income, or Federal tax, has been filed after a petition for review, or an appeal has been taken, such report shall be deemed a part of the original annual report upon petition of the taxpayer at any subsequent proceeding as though it had been filed with such original report, and no separate petition for review or appeal from the resettlement resulting from such report of change, correction, or redetermination shall be necessary.

(d) The provisions of this section shall not be construed so as to permit a resettlement based upon the allowance of any deduction on account of net operating losses, sustained in other fiscal or calendar years, that are not allowed as deductions under the definition of "taxable income" as contained in this article.

(e) The provisions of this section shall apply to every corporation which was doing business in Pennsylvania in the year for which the Federal income has been changed, irrespective of whether or not such corporation has thereafter merged, consolidated, withdrawn or dissolved. Any clearance certificate issued by the department shall be conditioned upon the requirement that in the event of a change in Federal income for any year for which taxes have been paid to the Commonwealth, the corporation or its successor or its officers or its directors shall file with the department a report of change and pay any additional State tax resulting therefrom.

Section 410. Penalties.—(a) Any person violating any of the provisions of section 409 shall be guilty of a misdemeanor, and shall, upon conviction thereof, be sentenced to pay a fine not exceeding [one thousand dollars (\$1,000)] two thousand dollars (\$2,000) and costs of prosecution, or to undergo imprisonment for not more than six months, or both.

(b) Any person who shall wilfully make a false and fraudulent return of taxable income made taxable by this article, shall be guilty of wilful and corrupt perjury, and, upon conviction thereof, shall be subject to punishment as provided by law. Such penalty shall be in addition to any other penalties imposed by this article.

(c) Any person, who wilfully fails, neglects, or refuses to make a report or to pay the tax as herein prescribed, or who shall refuse to permit the department to examine the books, papers, and records of any corporation liable to pay tax under this article, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding [one thousand dollars (\$1,000)] two thousand dollars (\$2,000) and costs of prosecution, or to undergo imprisonment not exceeding six months, or both. Such penalty shall be in addition to any other penalties imposed by this article.

Section 9. Section 1502(f) of the act, amended October 14, 1988 (P.L.737, No.106), is amended to read:

Section 1502. Imposition; Report and Payment of Tax; Exemptions.—\* \* \*

(f) If any institution shall neglect or refuse to make any report required by this article, such institution shall be liable to a penalty of [five thousand dollars (\$5,000)] ten thousand dollars (\$10,000), which shall be settled in the same manner as the tax imposed by this article is settled.

Section 10. Section 2153 of the act, added August 4, 1991 (P.L.97, No.22), is amended to read:

Section 2153. Penalties.—(a) Any person who willfully fails to file a return or other report required of him under the provisions of sections 2136 and 2145 shall be personally liable, in addition to any liability imposed elsewhere in this article, to a penalty of [twenty-five] thirty-seven and one-half per cent of the tax ultimately found to be due or [one thousand dollars (\$1,000)] two thousand dollars (\$2,000), whichever is less, to be recovered by the department as debts of like amount are recoverable by law.

(b) Any financial institution which fails to give the notice required by section 2147 shall be liable to a penalty of [one hundred dollars (\$100)] two hundred dollars (\$200) to be recovered by the department as debts of like amount are recoverable by law.

(c) Any person who willfully makes a false return or report required of him under the provisions of this article, in addition to any liability imposed elsewhere in this article, commits a misdemeanor of the third degree.

Section 11. The act is amended by adding an article to read:

ARTICLE XXIX-Z

TAX AMNESTY FOR 1995

Section 2901-Z. Short Title of Article.—This article shall be known and may be cited as the Tax Amnesty Program for 1995.

Section 2902-Z. Definitions.—The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

“Amnesty period.” The time period beginning ninety days after the effective date of this article through twelve o’clock midnight of the one hundred eightieth day after the effective date of this article.

“Department.” The Department of Revenue of the Commonwealth.

“Eligible tax.” Any tax imposed by this act.

“Program.” The tax amnesty program as provided for in this article.

“Taxpayer.” Any person, association, fiduciary, partnership, corporation or other entity required to pay or collect any of the taxes imposed by this act. The term shall not include a taxpayer who, as of the effective date of this article, has received notice that that taxpayer is the subject of a criminal investigation for an alleged violation of this act, has been named as a defendant in a criminal complaint alleging a violation of this act or is a defendant in a pending criminal action for an alleged violation of this act.

Section 2903-Z. Establishment of Amnesty Program.—(a) There is hereby established a tax amnesty program which shall be administered by the department.

(b) The amnesty program shall apply to a taxpayer who is delinquent on payment of an eligible tax as of the effective date of this article, including tax on returns not filed, tax liabilities according to records of the department as of the effective date of this article, tax liabilities not reported, underreported or not established, but delinquent as of the effective date of this article.

Section 2904-Z. Required Payments.—(a) All taxpayers who participate in the program shall make payment of all taxes due the Commonwealth as of the effective date of this article, plus fifty per cent of the total amount of interest due within the amnesty period. The department shall not seek to collect the remaining fifty per cent of the total amount of interest due and any penalties owed by the taxpayer.

(b) In addition to filing an amnesty tax return, a taxpayer must file complete tax returns for all years for which the taxpayer previously has not filed a tax return and file complete amended returns for all years for which the taxpayer underreported income.

(c) The department shall not pursue an administrative or judicial proceeding against a taxpayer with respect to any tax that is disclosed on an amnesty tax return.

Section 2905-Z. Installment Payment Agreement.—The department may enter into an installment payment agreement in the cases of severe financial hardship, as determined by the department, in lieu of complete payment of all taxes due and fifty per cent of the total amount of interest. Failure by the taxpayer to fully comply with the terms of the installment payment agreement shall terminate the taxpayer’s participation in the amnesty program, and all taxes due the Commonwealth and the total amount of interest and penalties due the Commonwealth shall be considered to be delinquent and shall be immediately due and payable.

Section 2906-Z. Limitation of Deficiency Assessment.—If subsequent to one hundred eighty days after the effective date of this article, the department issues a deficiency assessment upon a return filed pursuant to this article, the department shall have the authority to impose penalties and to pursue a criminal action only with respect to the difference between the amount shown on that return and the current amount of tax.

Section 2907-Z. Overpayment of Tax.—Notwithstanding any other provisions of this or any other act, if an overpayment of tax is refunded or credited within one hundred eighty days after the return is filed under this article, no interest shall be allowed on the overpayment.

Section 2908-Z. Previously Paid Interest and Penalties.—No refund or credit shall be allowed for any interest and penalty paid to the department prior to the effective date of this article.

Section 2909-Z. Proceedings Relating to Amnesty Return Barred.—Participation in the amnesty program is conditioned upon the

taxpayer’s agreement that the right to protest or pursue an administrative or judicial proceeding with regard to returns filed under the amnesty program or to claim any refund of money paid under the amnesty program is barred.

Section 2910-Z. Undisclosed Liabilities.—Nothing in this article shall be construed to prohibit the department from instituting civil or criminal proceedings against any taxpayer with respect to any amount of tax that is not disclosed on the amnesty return.

Section 2911-Z. Duties of Department.—(a) The department shall develop regulations to implement the provisions of this article. The regulations must be published in the Pennsylvania Bulletin within sixty days of the effective date of this article and shall contain, but not be limited to, the following information:

(1) An explanation of the tax amnesty program and the requirements for eligibility for the program.

(2) The dates during which a tax amnesty return may be filed.

(3) An explanation of the procedure for obtaining an installment payment agreement.

(4) A specimen copy of the tax amnesty return.

(b) The department shall publicize the tax amnesty program to maximize public awareness of and participation in the program. The department shall coordinate to the highest degree possible its publicity efforts and other actions taken to implement this article.

(c) The department shall issue a report to the General Assembly ninety days after the end of the amnesty period, detailing the implementation of the program. The report shall contain, but not be limited to, the following information:

(1) A detailed breakdown of the department’s administrative costs in implementing the program.

(2) The number of tax amnesty returns filed and a breakdown of the number and dollar amount of revenue raised for each tax.

(3) The total dollar amount of revenue raised by the program.

(4) The number of amnesty returns for which an installment payment agreement was authorized and the guidelines under which the department authorized the installment payment agreements.

(d) The department shall notify in writing all taxpayers who owe taxes in excess of four thousand dollars (\$4,000) to the Commonwealth of the amnesty program established under this article. The sole purpose of the letter sent by the department to taxpayers must be notification of the amnesty program.

Section 2912-Z. Method of Payment.—All tax payments under the amnesty program shall be made by certified check or money order.

Section 2913-Z. Feasibility Study.—The department shall study and report to the General Assembly concerning the feasibility of acquiring the services of private collection agencies in a competitive bid process for collecting delinquent tax payments that remain outstanding at the close of the amnesty period. Items to be considered in the study include:

(1) Maintenance of taxpayer confidentiality.

(2) The effect of private collection process on future criminal and/or judicial proceedings.

(3) The savings in personnel and other resources from privatizing the collection process.

(4) Identification of delinquent tax accounts that are appropriate for collection by private collection agencies.

Section 2914-Z. Exemption from Review Process.—Notwithstanding any law to the contrary, the regulations issued by the department for the amnesty program shall be exempt from the regulatory review process provided in the act of June 25, 1982 (P.L.633, No.181), known as the “Regulatory Review Act.”

Section 2915-Z. Use of Revenue.—All revenue generated by this article shall be distributed in the following order:

(1) Repayment of any cost for administration of the amnesty program to the department, and such funds are hereby specifically appropriated for that purpose upon approval of the Governor.

(2) The remaining funds shall be deposited into the Tax Stabilization Reserve Fund.

Section 12. Section 3003(e) of the act, amended December 21, 1981 (P.L.482, No.141), is amended to read:

## Section 3003. Prepayment of Tax. \* \* \*

(c) (1) For taxable years beginning prior to January 1, 1979, should it subsequently be determined that the amount of the annual or any installment payment of tentative tax due was understated by more than five per cent, there shall be added to the tax determined to be due an additional ten per cent of the understatement and said percentage addition to the understatement shall be deemed an additional tax and shall bear interest from the date the tentative tax was due.

(2) For taxable years beginning January 1, 1979 and thereafter, should it subsequently be determined that the amount of the annual or any installment payment of tentative tax due was underpaid, there shall be imposed an additional tax of [ten] fifteen per cent of the underpayment and said tax shall bear interest from the date the annual or any installment payment of tentative tax was due. Failure to remit the annual or any installment of tentative tax payments on or before the due dates prescribed in this act shall result in the assessment of interest and additions, if any, in the same manner as prescribed by law.

\* \* \*

Section 13. The act is amended by adding sections to read:

Section 3003.10. Interest on Taxes Due the Commonwealth.—(a) All taxes due the Commonwealth shall bear simple interest from the date they become due and payable until paid. The interest rate per annum during each calendar year shall be the interest rate established by the Secretary of the Treasury of the United States under the provisions of the Internal Revenue Code of 1954 (68A Stat. 3, 26 U.S.C. § 1 et seq.), effective January 1 of such calendar year without regard to any change or changes in said Federal interest rate during such calendar year. No penalties shall bear any interest whatsoever. The payment of interest, as aforesaid, shall not relieve any person from any of the penalties, commissions or additional tax prescribed by law for neglect or refusal to furnish timely returns or reports to the Department of Revenue, or to pay any claim due to the Commonwealth from such person. The Secretary of Revenue shall publish the rate of interest for each calendar year in the Pennsylvania Bulletin. In the case of any tentative tax, estimated tax or installment payment, interest shall run on any unpaid amount from the last day the payment is due to the date paid. In the case of tax which is resettled as a result of a final change or correction of taxable income by the Commissioner of Internal Revenue or any other agency or court of the United States, interest shall be computed on any additional tax due from thirty days after the corporation receives notice of such final change or correction until paid.

(b) Whenever the tax liability of a person is so affected by any payment or credit, settlement or resettlement, assessment or reassessment or determination or redetermination as to change the interest liability of such person, such interest liability shall be recomputed and adjusted by the Department of Revenue and approved by the Department of the Auditor General in cases in which said latter department is required to approve settlements and resettlements, so as to correspond to the tax liability as changed, without the necessity for the filing of any petition or request by such person or by said departments.

Section 3003.11. Interest on Overpayments.—(a) As used in this section, the term "overpayment" shall mean any payment of tax which is determined in the manner provided by law not to be legally due.

(b) Simple interest shall be allowed and paid by the Commonwealth upon any overpayment to the Commonwealth of any tax. The interest shall be allowed and paid for the period during which the Commonwealth retained the overpayment, beginning with the date of the overpayment, except that:

(1) Any tax actually deducted and withheld at the source shall be deemed to have been overpaid on the last day prescribed for filing the return or report for the taxable year (determined without regard to any extension of time for filing).

(2) Any amount overpaid as estimated tax, tentative tax or installment payment for a taxable year shall be deemed to have been overpaid on the last day prescribed for filing the final return or report for the taxable year (determined without regard to any extension of time for filing).

(3) Any overpayment made before the last day prescribed for payment shall be considered made on the last day.

(4) Any amount claimed to be overpaid with respect to which an administrative review or appellate procedure is initiated in the manner provided by law by the taxpayer shall be deemed to have been overpaid sixty days following the date of initiation of said review or procedure.

(5) If any overpayment of tax is refunded or credited within seventy-five days after the last date prescribed for filing the final return or report of the tax (determined without regard to any extension of time for filing) or, in case the final return or report is filed after the last day, and is refunded or credited within seventy-five days after the date the final return or report is filed, no interest shall be allowed on the overpayment. For the purpose of this clause, a final return or report shall be deemed to have been filed only if, when it is received by the Department of Revenue, it has been submitted on a permitted form containing (i) the taxpayer's name, address and identifying number and the required signature; and (ii) sufficient required information, either on the permitted form or attachments thereto, to permit the verification of tax liability shown on the return.

(6) Any tax paid to an officer, licensee or collector shall be deemed to have been overpaid no earlier than the first date that the tax is required by law to be reported and transmitted to the Department of Revenue by the officer, licensee or collector.

(7) No overpayment of interest or penalty shall bear any interest whatsoever.

(c) Interest on overpayments shall be allowed and paid at the same rate as is prescribed for underpayments under section 3003.10 of this act.

(d) Interest on overpayments shall be allowed and paid as follows:

(1) In the case of a cash refund, from the date of the overpayment to a date preceding the date of the Commonwealth's refund check by not more than thirty days.

(2) In the case of a credit for an overpayment, from the date of the overpayment to:

(i) the date of the Commonwealth's notice to the taxpayer of the final determination of the credit; or

(ii) the date as of which the credit is applied, whichever first occurs: Provided, however, That in the case of a cash refund of a previously determined credit, interest shall be allowed and paid on the amount of the credit from a date ninety days after the filing of a petition for a cash refund to a date preceding the date of the refund check by not more than thirty days whether or not the refund check is accepted by the taxpayer after tender to the taxpayer.

(3) The taxpayer's acceptance of the Commonwealth's check shall be without prejudice to any right of the taxpayer to claim any additional overpayment and interest thereon. Tender of a refund check shall be deemed acceptance thereof for the purposes of this section.

Section 3003.12. Intentional Failure of Corporate Officers to Make Reports.—(a) If any officer or officers of any corporation or association shall intentionally have neglected or refused to make reports to the Auditor General, or to the Department of Revenue, or successively to the Auditor General and to the Department of Revenue, as required by law, for any two successive tax years, he or they shall be guilty of a misdemeanor, and, on conviction thereof, shall be sentenced to pay a fine of one thousand dollars (\$1,000), and undergo an imprisonment not exceeding one year, or both, at the discretion of the court.

(b) If any officer or officers of any corporation or association shall have neglected or refused to make reports to the Department of Revenue for three successive years, unless excused from so doing by said department, the Department of Revenue shall report the fact to the Governor, who may thereupon by proclamation:

(1) In the case of a corporation or association organized under the laws of this Commonwealth, declare the charter thereof forfeited, and its charter privileges at an end, whereupon the same shall cease, end and be determined, saving, however, the rights of the creditors and stockholders in and to any property, assets, claims or demands of or belonging to such corporation or association.

(2) In the case of a corporation or association organized under the laws of any other state, or of the United States, or of any foreign government, and qualified to do business within this Commonwealth, declare forfeited the right of such corporation or association to do business within this

Commonwealth, and thereupon such right shall cease, end and be determined.

(c) Any person or persons who shall (1) exercise or attempt to exercise any powers, privileges, or franchises, under a charter which shall have been declared forfeited hereunder, or (2) do or attempt to do any business within this Commonwealth in the name of, or for, or on account of any corporation or association, whose right to do business within this Commonwealth shall have been declared forfeited hereunder, shall be guilty of a misdemeanor, and, on being convicted thereof, shall be fined not less than two hundred dollars (\$200), or more than two thousand dollars (\$2,000).

Section 3003.13. Failure of Bank, Savings Institution, Title Insurance Company or Trust Company to Make Report, Pay Tax or Post Notice of Settlement.—If any bank or savings institution having capital stock, incorporated by or under any law of this Commonwealth, or under any law of the United States, and located within this Commonwealth, or any title insurance company or trust company, as defined in section 712 of the act of April 9, 1929 (P.L. 343, No. 176), known as "The Fiscal Code," shall fail or refuse to make the report required by section 711 or 712 of "The Fiscal Code," at the times therein specified, or shall make any false statement in such report, or shall fail or refuse, by its officers, to appear before the Department of Revenue, or shall fail or refuse to produce its books for examination when required to do so by the Department of Revenue, said department shall, after having ascertained the actual value of each share of the capital stock of such company from the best information it can obtain, add the following percentages thereto as a penalty, assess the tax, and proceed according to law to collect the same from such company. On the first one thousand dollars (\$1,000) of tax fifteen per cent, on the next four thousand dollars (\$4,000) ten per cent, and on everything in excess of five thousand dollars (\$5,000) two per cent. If the president, secretary or treasurer of any such company shall neglect or refuse to post a copy of the settlement in a conspicuous place in such company's place of business, immediately upon the receipt of the same, so as to give notice to the shareholders, such president, secretary or treasurer, shall be adjudged to be in default, and, as a penalty for such default, such company shall be responsible to the Commonwealth for the amount of the tax assessed against the shareholders of such company.

Section 3003.14. Failure of Foreign Building and Loan Association to Pay Tax on Matured Stock Held by Residents of Commonwealth.—Any foreign building and loan association which shall fail, within thirty days after demand by the Department of Revenue, to pay the tax imposed by law upon full-paid, prepaid and fully matured or partly matured stock in such association, held by residents of this Commonwealth entitled to receive cash dividends or interest shall forfeit its right to transact business in this Commonwealth.

Section 3003.15. Failure of Private Banker to Make Return or Report.—Any private banker who shall neglect or refuse to make any return or report required by section 719 of the act of April 9, 1929 (P.L. 343, No. 176), known as "The Fiscal Code," shall, for every such neglect or refusal, be subject to a penalty of two thousand dollars (\$2,000), which shall be collected on an account settled by the Department of Revenue, as taxes on the capital stock of corporations are settled and collected, and the payment of such penalty shall not relieve such private banker from the payment of any tax which he is required by law to pay, but the Department of Revenue shall suspend said penalty upon the payment by such private banker of all taxes due the Commonwealth and the costs incurred in any proceedings for the collection of the penalty.

Section 14. Sections 806, 806.1, 1704, 1705, 1706 and 1707 of the act of April 9, 1929 (P.L. 343, No. 176), known as The Fiscal Code, are repealed.

Section 15. This act shall take effect as follows:

- (1) The addition of Article XXIX-Z of the act shall take effect immediately.
- (2) This section shall take effect immediately.
- (3) The remainder of this act shall take effect January 1, 1996.

On the question,

Will the House agree to the amendment?

The SPEAKER. On the question of the adoption of the amendment offered by the gentleman, the Chair recognizes Mr. Stetler.

Mr. STETLER. Thank you, Mr. Speaker.

As a preface to each of the amendments that I will offer today on HB 39, I would first like to assure all the members that the amendments we will be offering to the Tax Code and the Fiscal Code are in no way an indication of an attempt of a shotgun assault on this bill.

The amendment to put into the Tax Code is done so that we can increase penalties and fees for late or nonpayment of taxes. These penalties are found in the Tax Code. The amendments to place it into the Fiscal Code are done so we can address procedures and administration relative to our taxes.

Unfortunately, we cannot address both codes in a single bill, so certain amendments will give way to others if they are passed. This is the unfortunate aspect of attempting to substantially construct a viable bill on the floor of the House. Therefore, I will begin with amendment A0439.

Mr. Speaker, this amendment deals with a major flaw in the drafting of this bill. Amnesty will be successful if there is a reason for people to come forward and pay their taxes or to admit that they have not paid their taxes nor filed returns in the past.

Currently in the way the bill is drafted, there is no time certain when taxes have to be reported or taxes paid. What this amendment attempts to do is close that gap. This amendment sets a specific date that— Mr. Speaker?

The SPEAKER. For what purpose does the gentleman rise?

Mr. STETLER. I would like to address A407. There is a drafting error in 439 that is being corrected, and I would like to go over that and go to 409, which is what I was addressing.

## PARLIAMENTARY INQUIRY

Mr. NYCE. Mr. Speaker?

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

Mr. NYCE. A point of parliamentary inquiry, Mr. Speaker.

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

Mr. NYCE. Mr. Speaker, we have now heard, I believe, about three different amendments from the speaker, and I am absolutely dumbfounded at what we are doing here. As a matter of fact, if we had progressed the way I would have preferred this morning, we would have seen my technical amendment first and we would have been able to address all of his concerns at one time.

He has jumped around now to three different amendments at this point, and those of us who are supporting the bill are having great difficulty. Could you please explain to the members exactly where we are and what amendments we are considering and what the process will be from this point forward?

## AMENDMENT WITHDRAWN

The SPEAKER. The gentleman, Mr. Stetler, withdraws the amendment that is presently before the House. Is that correct?

Mr. STETLER. Yes, sir. There is a drafting error. I would like to pass over it until it is corrected.

The SPEAKER. All right. Without objection, that amendment is withdrawn.

The Chair recognizes the gentleman, Mr. Nyce, who offers the following amendment. In the meantime, I am going to suggest to the gentleman, Mr. Stetler, that he review his amendments. Prior to the break, the Chair asked the gentleman, Mr. Stetler, to go over all of his amendments, put them in the order in which he wanted the Chair to bring them to the attention of the floor.

Now, once again I am going to ask the gentleman if he will now go through all of the amendments and rearrange them and double-check them for their accuracy. In the meantime, we will take these technical amendments.

The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the bill on third consideration?

Mr. NYCE offered the following amendment No. **A0443**:

Amend Sec. 3, page 2, lines 21 through 27, by striking out "a" in line 21, all of lines 22 through 27 and inserting any of the following:

(1) A taxpayer who is delinquent on payment of an eligible tax as of December 31, 1994, including tax on returns not filed; tax liabilities according to records of the department as of December 31, 1994; and tax liabilities not reported, underreported or not established, but delinquent as of December 31, 1994.

(2) A taxpayer who has a valid, open appeal as of December 31, 1994.

Amend Sec. 4, page 3, line 2, by inserting after "due" , calculated to the date of payment,

Amend Sec. 4, page 3, line 3, by striking out "seek to"

Amend Sec. 4, page 3, line 4, by striking out "the taxpayer" and inserting

a taxpayer who is in compliance with all other provisions of this act

Amend Sec. 4, page 3, line 6, by striking out "years" and inserting periods

Amend Sec. 4, page 3, line 8, by striking out "years" and inserting periods

Amend Sec. 4, page 3, line 10, by striking out "Department" and inserting

Commonwealth

Amend Sec. 5, page 3, line 16, by striking out "severe"

Amend Sec. 6, page 4, line 1, by striking out "current amount of tax" and inserting

liability as currently determined by the department

Amend Sec. 8, page 4, line 9, by inserting after "paid" , or under agreement to be paid,

Amend Sec. 11, page 5, line 11, by striking out "90" and inserting within 180

Amend Sec. 11, page 5, line 18, by inserting after "tax"

, by calendar year during which the tax period ended

Amend Sec. 13, page 6, lines 4 through 16, by striking out all of said lines

Amend Sec. 14, page 6, line 17, by striking out "14" and inserting 13

Amend Sec. 15, page 6, line 22, by striking out "15" and inserting 14

Amend Sec. 15, page 6, line 29, by striking out "remaining funds" and inserting

revenue generated after the application of paragraph (1)

Amend Sec. 16, page 7, line 1, by striking out "16" and inserting 15

On the question,

Will the House agree to the amendment?

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

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, the amendment I am offering today does clarify some of the provisions of the tax amnesty bill which will be before us shortly.

Specifically, it addresses the fact that we are setting the eligibility date for tax amnesty at December 31, 1994. Anyone who was deemed delinquent at that point in time would now have an opportunity to come forward under this program.

In addition, we have clarified the fact that the word "years" be corrected to the term "periods." Years are often misleading, because many corporations use fiscal periods which are not consistent with a calendar year. Therefore, we wanted it clear in the bill that the term "years" means periods, tax periods.

### PARLIAMENTARY INQUIRY

Mr. DeWEESE. Will the gentleman yield momentarily?

The SPEAKER. For what purpose does the gentleman, Mr. DeWeese, rise? Is it a point of parliamentary inquiry?

Mr. DeWEESE. A point of parliamentary inquiry, Mr. Speaker.

We would like to check with the Chair, Mr. Ryan, as to whether this amendment was filed in a timely fashion.

The SPEAKER. It is my understanding that the amendment was filed at 2:02, but I am told by the clerk that the gentleman was present at 2 o'clock but there was a lineup as they were stamping the various amendments as they were coming in, and that this is true of any number of amendments, that there may be a 5- or 10-minute delay in the stamping.

Mr. DeWEESE. Mr. Speaker, I certainly would have no objection to that.

May I share one moment with you and the Parliamentarian?

The SPEAKER. Of course.

(Conference held at Speaker's podium.)

The SPEAKER. The gentleman, Mr. Nyce, may proceed.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, as I was stating earlier, the section regarding years is corrected to read "periods."

In addition, we are striking out the word "Department" so there is not any confusion with regard to the enforcement, that no one will be pursued following the enactment of the bill by the Commonwealth, so that we do not have other agencies of the State pursuing these people who take advantage of tax amnesty.

In addition, one clarification with regard to the word "hardship." We struck the word "severe" from the bill and also clarified that the current amount of tax should be deemed a liability as currently

determined by the taxpayer in defining how much would be available for further debate by the department or further penalties in the event of an underpayment.

In addition, we have struck out the entire section regarding privatization of the enforcement activities, collection activities, and some other clarifying language that is not significant to the intent of the bill.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS-201

Adolph	Evans	Maitland	Saylor
Allen	Fairchild	Major	Schroder
Argall	Fajt	Manderino	Schuler
Armstrong	Fargo	Markosek	Scrimenti
Baker	Farmer	Marsico	Semmel
Bard	Feese	Masland	Serafini
Barley	Fichter	Mayernik	Shaner
Battisto	Fleagle	McCall	Sheehan
Bebko-Jones	Flick	McGeehan	Smith, B.
Belardi	Garmon	McGill	Smith, S. H.
Belfanti	Geist	Melio	Snyder, D. W.
Birmelin	George	Merry	Staback
Bishop	Gigliotti	Michlovic	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boscola	Godshall	Mihalich	Steil
Boyes	Gordner	Miller	Stern
Brown	Gruitza	Mundy	Stetler
Browne	Gruppo	Nailor	Stish
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	Nyce	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhart	Olasz	Tangretti
Cappabianca	Hasay	Oliver	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Carone	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsey	Pettit	Trello
Clark	Hutchinson	Phillips	Trich
Clymer	Itkin	Piccola	True
Cohen, L. I.	Jadlowiec	Pistella	Tulli
Cohen, M.	James	Pitts	Vance
Colafella	Jarolin	Platts	Van Horne
Conti	Josephs	Preston	Veon
Cornell	Kaiser	Ramos	Vitali
Corpora	Keller	Raymond	Walko
Corrigan	Kenney	Readshaw	Washington
Cowell	King	Reber	Waugh
Coy	Kirkland	Reinard	Williams
Curry	Krebs	Richardson	Wogan
Daley	Kukovich	Rieger	Wozniak
DeLuca	LaGrotta	Roberts	Wright, D. R.
Dempsey	Laughlin	Robinson	Wright, M. N.
Dent	Lawless	Roebuck	Yewcic
Dermody	Lederer	Rohrer	Youngblood
DeWeese	Leh	Rooney	Zimmerman
DiGirolamo	Lescovitz	Rublely	Zug
Donatucci	Levdanskyy	Rudy	
Druce	Lloyd	Sainato	Ryan,
Durham	Lucyk	Santoni	Speaker
Egolf	Lynch	Sather	

NAYS-0

NOT VOTING-0

EXCUSED-2

Colaizzo                      Gamble

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

On the question,

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

The SPEAKER. Does the gentleman, Mr. Nyce, have additional amendments of a technical nature?

Mr. NYCE. Mr. Speaker, I do not.

The SPEAKER. The Chair thanks the gentleman.

The gentleman, Mr. Stetler. Are we prepared to move ahead?

Mr. STETLER. Yes, Mr. Speaker.

The SPEAKER. The gentleman will send his amendments to the desk and advise us of the number of the amendment he is calling up.

Will the gentleman, Mr. Stetler, advise us what amendment is to be read.

Mr. STETLER. A404, sir.

The SPEAKER. The clerk will read the amendment.

On the question recurring,

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

Mr. STETLER offered the following amendment No. **A0404**:

Amend Title, page 1, line 1, by striking out "Providing" and inserting Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," providing



Amend Bill, page 1, lines 4 through 12; pages 2 through 6, lines 1 through 30; page 7, lines 1 and 2, by striking out all of said lines on said pages and inserting

Section 1. The act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended by adding an article to read:

**ARTICLE II-B**

**TAX AMNESTY PROGRAM FOR 1995**

Section 201-B. Short Title.—This article shall be known and may be cited as the Tax Amnesty Program for 1995.

Section 202-B. Definitions.—As used in this article—

“Amnesty period” shall mean the time period beginning ninety days after the effective date of this article through twelve midnight of the one hundred eightieth day after the effective date of this article.

“Department” shall mean the Department of Revenue of the Commonwealth.

“Eligible tax” shall mean any tax imposed by the act of March 4, 1971 (P.L.6, No.2), known as the “Tax Reform Code of 1971.”

“Program” shall mean the tax amnesty program as provided for in this article.

“Taxpayer” shall mean any person, association, fiduciary, partnership, corporation or other entity required to pay or collect any of the taxes imposed by the act of March 4, 1971 (P.L.6, No.2), known as the “Tax Reform Code of 1971.” The term shall not include a taxpayer who, as of the effective date of the amnesty period, has received notice that the taxpayer is the subject of a criminal investigation for an alleged violation of the “Tax Reform Code of 1971,” has been named as a defendant in a criminal complaint alleging a violation of the “Tax Reform Code of 1971” or is a defendant in a pending criminal action for an alleged violation of the “Tax Reform Code of 1971.”

Section 203-B. Establishment of Amnesty Program.—(a) There is hereby established a tax amnesty program which shall be administered by the department.

(b) The amnesty program shall apply to a taxpayer who is delinquent on payment of an eligible tax as of the effective date of the amnesty period, including tax on returns not filed, tax liabilities according to records of the department as of the effective date of the amnesty period, tax liabilities not reported, underreported or not established, but delinquent as of the effective date of the amnesty period.

Section 204-B. Required Payments.—(a) In order to encourage the voluntary disclosure and payment of taxes owed to the Commonwealth, the Secretary of Revenue is hereby authorized to establish a ninety-day amnesty period during which all civil penalties which would otherwise be imposed for the nonreporting, underreporting or nonpayment of eligible liabilities shall be waived if the taxpayer voluntarily files all delinquent returns and pays all unpaid liabilities, including tax principal, fifty per centum of the interest due in full with the amnesty period so established. The department shall not seek to collect the remaining fifty per centum of the interest due and any penalties owed by the taxpayer.

(b) In addition to filing an amnesty tax return, a taxpayer must file complete tax returns for all years for which the taxpayer previously has not filed a tax return and file complete amended returns for all years for which the taxpayer underreported income.

(c) The department shall not pursue an administrative or judicial proceeding against a taxpayer with respect to any tax that is disclosed on an amnesty tax return.

Section 205-B. Installment Payment Agreement.—(a) The department may enter into an installment payment agreement in the cases of severe financial hardship, as determined by the department, in lieu of complete payment of all taxes due and fifty per centum of the total amount of interest.

(b) Failure by the taxpayer to fully comply with the terms of the installment payment agreement shall terminate the taxpayer’s participation in the amnesty program and all taxes due the Commonwealth and the total amount of interest and penalties due the Commonwealth shall be considered to be delinquent and shall be immediately due and payable.

Section 206-B. Limitation of Deficiency Assessment.—If subsequent to one hundred eighty days after the effective date of the amnesty period, the department issues a deficiency assessment upon a return filed pursuant to this article, the department shall have the authority to impose penalties and to

pursue a criminal action only with respect to the difference between the amount shown on that return and the current amount of tax.

Section 207-B. Overpayment of Tax.—Notwithstanding any other provisions of this or any other act, if an overpayment of tax is refunded or credited within one hundred eighty days after the return is filed, no interest shall be allowed on the overpayment.

Section 208-B. Previously Paid Interest and Penalties.—No refund or credit shall be allowed for any interest and penalty paid to the department prior to the effective date of the amnesty period.

Section 209-B. Proceedings Relating to Amnesty Return Barred.—Participation in the amnesty program is conditioned upon the taxpayer’s agreement that the right to protest or pursue an administrative or judicial proceeding with regard to returns filed under the amnesty program or to claim any refund of money paid under the amnesty program is barred.

Section 210-B. Undisclosed Liabilities.—Nothing in this article shall be construed to prohibit the department from instituting civil or criminal proceedings against any taxpayer with respect to any amount of tax that is not disclosed on the amnesty return.

Section 211-B. Duties of Department.—(a) The department shall develop regulations to implement the provisions of this article. The regulations must be published in the Pennsylvania Bulletin within sixty days of the effective date of this article and shall contain, but not be limited to, the following information:

(1) An explanation of the tax amnesty program and the requirements for eligibility for the program.

(2) The dates during which a tax amnesty return may be filed.

(3) An explanation of the procedure for obtaining an installment payment agreement.

(4) A specimen copy of the tax amnesty return.

(b) The department shall publicize the tax amnesty program to maximize public awareness of and participation in the program. The department shall coordinate to the highest degree possible its publicity efforts and other actions taken to implement this article.

(c) The department shall issue a report to the General Assembly ninety days after the end of the amnesty period, detailing the implementation of the program. The report shall contain, but not be limited to, the following information:

(1) A detailed breakdown of the department’s administrative costs in implementing the program.

(2) The number of tax amnesty returns filed and a breakdown of the number and dollar amount of revenue raised for each tax.

(3) The total dollar amount of revenue raised by the program.

(4) The number of amnesty returns for which an installment payment agreement was authorized and the guidelines under which the department authorized the installment payment agreements.

(d) The department shall notify in writing all taxpayers who owe taxes in excess of four thousand dollars (\$4,000.00) to the Commonwealth of the amnesty program established under this article. The sole purpose of the letter sent by the department to taxpayers must be notification of the amnesty program.

Section 212-B. Method of Payment.—All tax payments under the amnesty program shall be made by certified check or money order.

Section 213-B. Feasibility Study.—The department shall study and report to the General Assembly concerning the feasibility of acquiring the services of private collection agencies in a competitive bid process for collecting delinquent tax payments that remain outstanding at the close of the amnesty period. Items to be considered in the study include:

(1) Maintenance of taxpayer confidentiality.

(2) The effect of private collection process on future criminal and/or judicial proceedings.

(3) The savings in personnel and other resources from privatizing the collection process.

(4) Identification of delinquent tax accounts that are appropriate for collection by private collection agencies.

Section 214-B. Exemption from Review Process.—Notwithstanding any law to the contrary, the regulations issued by the department for the amnesty program shall be exempt from the regulatory review process

provided in the act of June 25, 1982 (P.L.633, No.181), known as the "Regulatory Review Act."

Section 215-B. Use of Revenue.—All revenue generated by this article shall be distributed in the following order:

(1) Repayment of any cost for administration of the amnesty program to the department and such funds are hereby specifically appropriated for that purpose upon approval of the Governor.

(2) The remaining funds shall be deposited into the Tax Stabilization Reserve Fund.

Section 2. This act shall take effect immediately.

On the question,

Will the House agree to the amendment?

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

Mr. STETLER. Thank you, Mr. Speaker.

This is a technical correction, and basically what it does, it amends the definition of "tax period" so that tax amnesty does not begin until 90 days after the effective date of this act.

I would appreciate your support.

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

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, would the maker of the amendment stand for a brief interrogation?

The SPEAKER. The gentleman agrees to be interrogated. The gentleman, Mr. Nyce, may proceed.

Mr. NYCE. Mr. Speaker, is it the intent of the amendment to allow persons currently contemplating some activity with the department to then withhold any action until 90 days from the effective date of the bill?

Mr. STETLER. Could you repeat that one more time, sir?

Mr. NYCE. Explain the intent of your amendment.

Mr. STETLER. The current language contains an error when it states that all taxpayers who participate in the program must pay taxes by the effective date of this act. According to the definition of "amnesty period," tax amnesty does not begin until 90 days after the effective date of this act.

Mr. NYCE. That is the intent of your amendment?

Mr. STETLER. Yes, sir.

Mr. NYCE. Mr. Speaker, I have finished my interrogation. I would like to speak on the amendment.

Mr. Speaker, I am opposed to this amendment on the basis—

The SPEAKER. Does the gentleman care to be recognized?

Mr. NYCE. Yes, Mr. Speaker. Thank you.

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

Mr. NYCE. Mr. Speaker, I have completed my interrogation, and I would like to comment on the amendment by further stating that with this amendment, we would now be opening a further window for anyone who is anticipating activity with the department. As currently amended by my recent amendment, the bill now states that anyone who was delinquent at December 31, 1994, would be eligible for amnesty so as not to create a new classification of eligible participants.

So I would encourage the members not to support this amendment. This amendment would in effect change the intent of the bill. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

YEAS-85

Battisto	Evans	Markosek	Sainato
Bebko-Jones	Fajt	Mayernik	Santoni
Belardi	George	McCall	Shaner
Belfanti	Gruitza	McGeehan	Staback
Bishop	Haluska	Melio	Steelman
Blaum	Horsey	Michlovic	Stetler
Butkovitz	Itkin	Mihalich	Surra
Buxton	James	Mundy	Tangretti
Caltagirone	Jarolin	Olasz	Thomas
Cappabianca	Josephs	Oliver	Tigue
Carn	Kaiser	Pesci	Travaglio
Cohen, M.	Keller	Petrarca	Trello
Colafella	Kirkland	Petrone	Trich
Corrigan	Kukovich	Pistella	Van Horne
Cowell	LaGrotta	Preston	Veon
Coy	Laughlin	Ramos	Walko
Curry	Lederer	Readshaw	Washington
Daley	Lescovitz	Richardson	Williams
DeLuca	Levdansky	Rieger	Wozniak
Dermody	Lucyk	Roebuck	Wright, D. R.
DeWeese	Manderino	Rooney	Youngblood
Donatucci			

NAYS-113

Adolph	Fairchild	Lynch	Schuler
Allen	Fargo	Maitland	Scrimenti
Argall	Farmer	Major	Semmel
Armstrong	Feese	Marsico	Serafini
Baker	Fichter	Masland	Sheehan
Bard	Fleagle	McGill	Smith, B.
Barley	Flick	Merry	Smith, S. H.
Birmelin	Geist	Micozzie	Snyder, D. W.
Boscola	Gigliotti	Miller	Stairs
Boyes	Gladeck	Nailor	Steil
Brown	Godshall	Nickol	Stern
Browne	Gordner	Nyce	Stish
Bunt	Gruppo	O'Brien	Strittmatter
Carone	Habay	Perzel	Sturla
Cawley	Hanna	Pettit	Taylor, E. Z.
Chadwick	Harhart	Phillips	Taylor, J.
Civera	Hasay	Piccola	True
Clark	Hennessey	Pitts	Tulli
Clymer	Herman	Platts	Vance
Cohen, L. I.	Hershey	Raymond	Waugh
Conti	Hess	Reber	Wogan
Cornell	Hutchinson	Reinard	Wright, M. N.
Corpora	Jadlowiec	Roberts	Yewcic
Dempsey	Kenney	Rohrer	Zimmerman
Dent	King	Rublely	Zug
DiGirolamo	Krebs	Rudy	
Druce	Lawless	Sather	Ryan,
Durham	Leh	Saylor	Speaker
Egolf	Lloyd	Schroder	

NOT VOTING-3

Gannon	Robinson	Vitali
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EXCUSED-2

Colaizzo	Gamble
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The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

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

Mr. STETLER offered the following amendment No. A0336:

Amend Title, page 1, line 1, by striking out "Providing" and inserting Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," providing for certain concurrent tax enforcement and criminal prosecution powers and

Amend Bill, page 1, lines 4 through 12; pages 2 through 6, lines 1 through 30; page 7, lines 1 and 2, by striking out all of said lines on said pages and inserting

Section 1. The act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended by adding a section to read:

Section 202.1. Concurrent Enforcement Powers.—Notwithstanding any provisions of the act of October 15, 1980 (P.L.950, No.164), known as the "Commonwealth Attorneys Act," the Department of Revenue through the Office of General Counsel, in addition to the Attorney General, shall have the power vested in the Attorney General for the collection of tax liabilities under section 204(c) of the "Commonwealth Attorneys Act" and the power to prosecute in any court any criminal charges arising out of the enforcement of tax liabilities for Commonwealth taxes administered by the department.

Section 2. The act is amended by adding an article to read:

#### ARTICLE II-B

##### TAX AMNESTY PROGRAM FOR 1995

Section 201-B. Short Title.—This article shall be known and may be cited as the Tax Amnesty Program for 1995.

Section 202-B. Definitions.—As used in this article—

"Amnesty period" shall mean the time period beginning ninety days after the effective date of this article through twelve midnight of the one hundred eightieth day after the effective date of this article.

"Department" shall mean the Department of Revenue of the Commonwealth.

"Eligible tax" shall mean any tax imposed by the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971."

"Program" shall mean the tax amnesty program as provided for in this article.

"Taxpayer" shall mean any person, association, fiduciary, partnership, corporation or other entity required to pay or collect any of the taxes imposed by the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971." The term shall not include a taxpayer who, as of the effective date of this article, has received notice that the taxpayer is the subject of a criminal investigation for an alleged violation of the "Tax Reform Code of 1971," has been named as a defendant in a criminal complaint alleging a violation of the "Tax Reform Code of 1971" or is a defendant in a pending criminal action for an alleged violation of the "Tax Reform Code of 1971."

Section 203-B. Establishment of Amnesty Program.—(a) There is hereby established a tax amnesty program which shall be administered by the department.

(b) The amnesty program shall apply to a taxpayer who is delinquent on payment of an eligible tax as of the effective date of this article, including tax on returns not filed, tax liabilities according to records of the department as of the effective date of this article, tax liabilities not reported, underreported or not established, but delinquent as of the effective date of this article.

Section 204-B. Required Payments.—(a) All taxpayers who participate in the program shall make payment of all taxes due the Commonwealth as of the effective date of this article, plus fifty per centum of the total amount of interest due within the amnesty period. The department shall not seek to collect the remaining fifty per centum of the total amount of interest due and any penalties owed by the taxpayer.

(b) In addition to filing an amnesty tax return, a taxpayer must file complete tax returns for all years for which the taxpayer previously has not filed a tax return and file complete amended returns for all years for which the taxpayer underreported income.

(c) The department shall not pursue an administrative or judicial proceeding against a taxpayer with respect to any tax that is disclosed on an amnesty tax return.

Section 205-B. Installment Payment Agreement.—(a) The department may enter into an installment payment agreement in the cases of severe financial hardship, as determined by the department, in lieu of complete payment of all taxes due and fifty per centum of the total amount of interest.

(b) Failure by the taxpayer to fully comply with the terms of the installment payment agreement shall terminate the taxpayer's participation in the amnesty program and all taxes due the Commonwealth and the total amount of interest and penalties due the Commonwealth shall be considered to be delinquent and shall be immediately due and payable.

Section 206-B. Limitation of Deficiency Assessment.—If subsequent to one hundred eighty days after the effective date of this article, the department issues a deficiency assessment upon a return filed pursuant to this article, the department shall have the authority to impose penalties and to pursue a criminal action only with respect to the difference between the amount shown on that return and the current amount of tax.

Section 207-B. Overpayment of Tax.—Notwithstanding any other provisions of this or any other act, if an overpayment of tax is refunded or credited within one hundred eighty days after the return is filed under this article, no interest shall be allowed on the overpayment.

Section 208-B. Previously Paid Interest and Penalties.—No refund or credit shall be allowed for any interest and penalty paid to the department prior to the effective date of this article.

Section 209-B. Proceedings Relating to Amnesty Return Barred.—Participation in the amnesty program is conditioned upon the taxpayer's agreement that the right to protest or pursue an administrative or judicial proceeding with regard to returns filed under the amnesty program or to claim any refund of money paid under the amnesty program is barred.

Section 210-B. Undisclosed Liabilities.—Nothing in this article shall be construed to prohibit the department from instituting civil or criminal proceedings against any taxpayer with respect to any amount of tax that is not disclosed on the amnesty return.

Section 211-B. Duties of Department.—(a) The department shall develop regulations to implement the provisions of this article. The regulations must be published in the Pennsylvania Bulletin within sixty days of the effective date of this article and shall contain, but not be limited to, the following information:

(1) An explanation of the tax amnesty program and the requirements for eligibility for the program.

(2) The dates during which a tax amnesty return may be filed.

(3) An explanation of the procedure for obtaining an installment payment agreement.

(4) A specimen copy of the tax amnesty return.

(b) The department shall publicize the tax amnesty program to maximize public awareness of and participation in the program. The department shall coordinate to the highest degree possible its publicity efforts and other actions taken to implement this article.

(c) The department shall issue a report to the General Assembly ninety days after the end of the amnesty period, detailing the implementation of the program. The report shall contain, but not be limited to, the following information:

(1) A detailed breakdown of the department's administrative costs in implementing the program.

(2) The number of tax amnesty returns filed and a breakdown of the number and dollar amount of revenue raised for each tax.

(3) The total dollar amount of revenue raised by the program.

(4) The number of amnesty returns for which an installment payment agreement was authorized and the guidelines under which the department authorized the installment payment agreements.

(d) The department shall notify in writing all taxpayers who owe taxes in excess of four thousand dollars (\$4,000.00) to the Commonwealth of the amnesty program established under this article. The sole purpose of the letter sent by the department to taxpayers must be notification of the amnesty program.

Section 212-B. Method of Payment.—All tax payments under the amnesty program shall be made by certified check or money order.

Section 213-B. Feasibility Study.—The department shall study and report to the General Assembly concerning the feasibility of acquiring the services of private collection agencies in a competitive bid process for collecting delinquent tax payments that remain outstanding at the close of the amnesty period. Items to be considered in the study include:

(1) Maintenance of taxpayer confidentiality.

(2) The effect of private collection process on future criminal and/or judicial proceedings.

(3) The savings in personnel and other resources from privatizing the collection process.

(4) Identification of delinquent tax accounts that are appropriate for collection by private collection agencies.

Section 214-B. Exemption from Review Process.—Notwithstanding any law to the contrary, the regulations issued by the department for the amnesty program shall be exempt from the regulatory review process provided in the act of June 25, 1982 (P.L.633, No.181), known as the "Regulatory Review Act."

Section 215-B. Use of Revenue.—All revenue generated by this article shall be distributed in the following order:

(1) Repayment of any cost for administration of the amnesty program to the department and such funds are hereby specifically appropriated for that purpose upon approval of the Governor.

(2) The remaining funds shall be deposited into the Tax Stabilization Reserve Fund.

Section 3. This act shall take effect as follows:

(1) The addition of Article II-B of the act shall take effect immediately.

(2) This section shall take effect immediately.

(3) The remainder of this act shall take effect on the first day following the end of the tax amnesty period set forth in Article II-B.

On the question,

Will the House agree to the amendment?

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

Mr. STETLER. Thank you, Mr. Speaker.

What this amendment attempts to do is give to the Department of Revenue the ability to bring to an end many of the outstanding liabilities currently identified and under active pursuit to close.

The Office of General Counsel, currently under the Governor's Office, currently does not have the ability or the authority to enter into agreements or to resolve these issues without the approval of the Attorney General's Office. Basically what this amendment does is it allows there to be a shared responsibility between these two agencies.

And further, basically what it does is it gives the attorneys most familiar with the tax issues, those attorneys in the Department of Revenue, the ability to resolve some of these issues in a more timely fashion so that those individuals or corporations that have issues under adjudication right now would be able to bring those to a much more rapid close.

Thank you.

The SPEAKER. The Chair thanks the gentleman.

### FILMING PERMISSION

The SPEAKER. The Chair advises the House that the House Republican photographer, Mr. Ketner, has been given permission to take still photographs on the floor.

### CONSIDERATION OF HB 39 CONTINUED

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

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, in order to address this amendment, I need a little leeway with regard to the original intent of the bill, and please bear with me on that issue.

The tax amnesty bill that is before us today is a window of opportunity for individuals who are facing penalties and interest assessments from the Department of Revenue to step forward and take advantage of this 90-day period within which they can resolve their differences.

This is not a bill to address problems within the Department of Revenue. This is not a bill to change the enforcement codes. This is a bill much the same as bills we have opened windows on before. It is an opportunity window. We have opened windows of opportunity for pensioners. We do not change the rules on them; we simply offer them a window of opportunity. This window of opportunity is being opened for those people who are being put upon by severe penalties and interest by the department and offering them an opportunity to step forward and take advantage of it.

I submit to you that this amendment would again destroy the intent of the bill. I urge a "no" vote on this amendment. Thank you.

The SPEAKER. The gentleman, Mr. Stetler, is recognized.

Mr. STETLER. Thank you, Mr. Speaker.

I appreciate the previous speaker's expansion of this discussion for this amendment, because I think what it calls into question and what this whole debate is about today with the issue of amnesty is the question of enforcement.

What is the goal of an amnesty program? The goal of an amnesty program is to achieve two things. One, in the time of a tax-flow crisis, revenue crisis, it expedites the flow of revenue into the Commonwealth's coffers, but there is another side to the tax amnesty program. The tax amnesty program also hopes that those people who have until this time never reported in the Commonwealth, whether

they are an individual or a corporation - never reported, never filed, and never paid any taxes - the hope of an amnesty program is that these people will come forward, too, and that the revenue base for the Commonwealth will be expanded as a result of an amnesty program.

What Mr. Nyce raised in his comments in a way goes to the heart of the matter. Enforcement plays an equal role in the amnesty program.

I am surprised that I have not heard cited all the different States that have had successes with their amnesty program, and there have been quite a few. You know, we can cite New York, New Jersey, and other States that had very successful amnesty programs, but what was the other key element of their legislation? Enforcement. That was a very important part, and I quote from the Federation of Tax Administrators from a report they issued in August of 1990. I quote: "Virtually without exception, state tax amnesty programs have been conceived and administered as part of a broader, more comprehensive program to improve tax enforcement and enhance enforced and voluntary"—"voluntary," emphasis added—"tax compliance." How do we achieve that? Well, Mr. Speaker, I would say that we would achieve that through this amendment by allowing the attorneys in the Department of Revenue to become more of a player in resolving some of these issues that are currently under litigation for those that might end up under litigation if they are not afforded these powers.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman, Mr. Nyce.

Mr. NYCE. Mr. Speaker, the gentleman, the previous speaker, is certainly entitled to his opinion as to the intent of this legislation. However, I would, rather than surprise him, I would present to him the fact that we were unable to get any statistics from the department as to these outstanding receivables. In fact, when we inquired with the department, they had little or no information available as to the type or category of outstanding receivables.

I differ with his opinion in the fact that I believe what we are going to find are those people coming forward who feel they have been put upon by the onerous penalties and interest assessed on them, not in fact those people who have not necessarily filed a return. So our intent may be different in this legislation. I think we are entitled to differ on that opinion, but I oppose the amendment. I believe it goes well beyond the intent of the bill, and that is simply to bring in significant revenues to the Rainy Day Fund and allow this Governor to work forward through his own administration to address these issues at a later date.

Thank you, and I urge a "no" vote on this amendment.

Mr. DeWEESE. Mr. Speaker?

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

Mr. DeWEESE. The gentleman, Mr. Nyce, indicates that the gentleman, Mr. Stetler's amendment goes beyond the intent of the bill. That is true. That is an accurate assessment.

We are discomfited, Mr. Speaker, because the amnesty proposal we are looking at today does not have any teeth in it. It does not focus on future enforcement, and for Mr. Stetler's amendment to allow for the General Counsel, Governor Ridge's General Counsel, to engage more aggressively with revenue attorneys, with the Attorney General, so that scofflaws and tax cheaters on the eve of our anticrime session can be more aggressively dealt with, fortifies the bill, strengthens the bill.

Mr. Stetler's amendment makes sense. It is the personification of more aggressive law enforcement.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS-81

Bebko-Jones	Donatucci	Mayernik	Shaner
Belardi	Evans	McCall	Staback
Belfanti	George	McGeehan	Steelman
Bishop	Gigliotti	Melio	Stetler
Blaum	Horsey	Michlovic	Sturla
Butkovitz	Itkin	Mihalich	Surra
Buxton	James	Mundy	Tangretti
Caitagirono	Josephs	Olasz	Thomas
Cappabianca	Kaiser	Oliver	Tigue
Carn	Keller	Pesci	Travaglio
Cohen, M.	Kirkland	Petrarca	Trello
Colafella	Kukovich	Petrone	Trich
Corpora	LaGrotta	Pistella	Van Horne
Corrigan	Laughlin	Ramos	Veon
Cowell	Lederer	Richardson	Vitali
Coy	Lescovitz	Rieger	Walko
Curry	Levdansky	Roebuck	Washington
Daley	Lucyk	Rooney	Williams
DeLuca	Manderino	Sainato	Wright, D. R.
Dermody	Markosek	Santoni	Youngblood
DeWeese			

NAYS-118

Adolph	Fajt	Lloyd	Saylor
Allen	Fargo	Lynch	Schroder
Argall	Farmer	Maitland	Schuler
Armstrong	Feese	Major	Scrimenti
Baker	Fichter	Marsico	Semmel
Bard	Fleagle	Masland	Serafini
Barley	Flick	McGill	Sheehan
Battisto	Gannon	Merry	Smith, B.
Birmelin	Geist	Micozzie	Smith, S. H.
Boscola	Gladeck	Miller	Snyder, D. W.
Boyes	Godshall	Nailor	Stairs
Brown	Gordner	Nickol	Steil
Browne	Gruitza	Nyce	Stern
Bunt	Gruppo	O'Brien	Stish
Carone	Habay	Perzel	Strittmatter
Cawley	Hanna	Pettit	Taylor, E. Z.
Chadwick	Harhart	Phillips	Taylor, J.
Civera	Hasay	Piccola	True
Clark	Hennessey	Pitts	Tulli
Clymer	Herman	Platts	Vance
Cohen, L. I.	Hershey	Preston	Waugh
Conti	Hess	Raymond	Wogan
Cornell	Hutchinson	Reber	Wozniak
Dempsey	Jadlowiec	Reinard	Wright, M. N.
Dent	Jarolin	Roberts	Yewcic
DiGirolamo	Kennedy	Robinson	Zimmerman
Druce	King	Rohrer	Zug
Durham	Krebs	Rublely	
Egolf	Lawless	Rudy	Ryan,
Fairchild	Leh	Sather	Speaker

NOT VOTING-2

Haluska Readshaw

EXCUSED-2

Colaizzo Gamble

The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

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

The SPEAKER. The Chair recognizes the gentleman, Mr. Stetler, who offers the following amendment which the clerk will read.

Will the gentleman identify the amendment number.

Mr. STETLER. Mr. Speaker, I would at this time like to withdraw amendments 337, 341, and 342, which would have been in the sequence that we had discussed.

The SPEAKER. According to my scorecard, you are out of amendments then. Is that accurate?

Mr. STETLER. No, sir.

The SPEAKER. You have a few more?

Mr. STETLER. Nice try, sir, but it was—

The SPEAKER. Well, that is what I get paid for.

Would you kindly identify the amendment number you are offering at this time.

Mr. STETLER. Yes, sir. I would like to offer amendment 0324.

The SPEAKER. The Chair thanks the gentleman.

The clerk will read the amendment.

On the question recurring,

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

Mr. STETLER offered the following amendment No. A0324:

Amend Title, page 1, line 1, by inserting after "Providing" for enhanced tax enforcement powers for the Department of Revenue and

Amend Bill, page 1, by inserting between lines 3 and 4

CHAPTER 1

PRELIMINARY PROVISIONS

Section 101. Short title.

This act shall be known and may be cited as the Enhanced Tax Enforcement and Tax Amnesty Act.

Section 102. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Department." The Department of Revenue of the Commonwealth.

"Secretary." The Secretary of Revenue of the Commonwealth.

"Tax Reform Code of 1971." The provisions of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

"The Fiscal Code." The provisions of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

CHAPTER 3

ENHANCED TAX ENFORCEMENT

Section 301. Legislative intent.

The General Assembly intends that the provisions of this chapter be construed as additional powers above any powers imposed on the department under The Fiscal Code and the Tax Reform Code of 1971.

Section 302. Concurrent enforcement powers.

Notwithstanding any provisions of the act of October 15, 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act, the Department of Revenue through the Office of General Counsel, in addition to the Attorney General, shall have the power vested in the Attorney General for the collection of tax liabilities under section 204(c) of the Commonwealth Attorneys Act and the power to prosecute in any court any criminal charges arising out of the enforcement of tax liabilities for Commonwealth taxes administered by the department.

CHAPTER 5

(Reserved)

CHAPTER 7

TAX AMNESTY PROGRAM FOR 1995

Amend Sec. 1, page 1, line 4, by striking out "1" and inserting 701

Amend Sec. 1, page 1, line 5, by striking out "act" and inserting chapter

Amend Sec. 2, page 1, line 7, by striking out "2" and inserting 702

Amend Sec. 2, page 1, line 8, by striking out "act" and inserting chapter

Amend Sec. 2, page 1, line 12, by striking out "act" and inserting chapter

Amend Sec. 2, page 2, line 1, by striking out "act" and inserting chapter

Amend Sec. 2, page 2, lines 3 and 4, by striking out "act of March 4, 1971 (P.L.6, No.2), known as the"

Amend Sec. 2, page 2, line 6, by striking out "act" and inserting chapter

Amend Sec. 2, page 2, lines 9 and 10, by striking out "act of March 4, 1971 (P.L.6, No.2), known as the"

Amend Sec. 2, page 2, line 11, by striking out "act" and inserting chapter

Amend Sec. 3, page 2, line 18, by striking out "3" and inserting 703

Amend Sec. 3, page 2, line 23, by striking out "act" and inserting chapter

Amend Sec. 3, page 2, line 25, by striking out "act" and inserting chapter

Amend Sec. 3, page 2, line 27, by striking out "act" and inserting chapter

Amend Sec. 4, page 2, line 28, by striking out "4" and inserting 704

Amend Sec. 4, page 3, line 1, by striking out "act" and inserting chapter

Amend Sec. 5, page 3, line 14, by striking out "5" and inserting 705

Amend Sec. 6, page 3, line 25, by striking out "6" and inserting 706

Amend Sec. 6, page 3, line 27, by striking out "act" and inserting chapter

Amend Sec. 6, page 3, line 28, by striking out "act" and inserting chapter

Amend Sec. 7, page 4, line 2, by striking out "7" and inserting 707

Amend Sec. 7, page 4, line 3, by inserting after "this" chapter

Amend Sec. 7, page 4, line 5, by striking out "act" and inserting chapter

Amend Sec. 8, page 4, line 7, by striking out "8" and inserting 708

- Amend Sec. 8, page 4, line 10, by striking out "act" and inserting chapter
- Amend Sec. 9, page 4, line 11, by striking out "9" and inserting 709
- Amend Sec. 10, page 4, line 17, by striking out "10" and inserting 710
- Amend Sec. 10, page 4, line 18, by striking out "act" and inserting chapter
- Amend Sec. 11, page 4, line 22, by striking out "11" and inserting 711
- Amend Sec. 11, page 4, line 24, by striking out "act" and inserting chapter
- Amend Sec. 11, page 4, line 26, by striking out "act" and inserting chapter
- Amend Sec. 11, page 5, line 9, by striking out "act" and inserting chapter
- Amend Sec. 11, page 5, line 28, by striking out "act" and inserting chapter
- Amend Sec. 12, page 6, line 1, by striking out "12" and inserting 712
- Amend Sec. 13, page 6, line 4, by striking out "13" and inserting 713
- Amend Sec. 14, page 6, line 17, by striking out "14" and inserting 714
- Amend Sec. 15, page 6, line 22, by striking out "15" and inserting 715
- Amend Sec. 15, page 6, line 23, by striking out "act" and inserting chapter

Amend Bill, page 7, lines 1 and 2, by striking out all of said lines and inserting

CHAPTER 9

MISCELLANEOUS PROVISIONS

Section 901. Applicability.

The provisions of Chapter 3 shall be applicable to all tax years beginning on or after January 1, 1996.

Section 902. Effective date.

This act shall take effect as follows:

(1) The provisions of Chapter 3 shall take effect on the first day immediately following the expiration of the amnesty period established in Chapter 7.

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

On the question,

Will the House agree to the amendment ?

PARLIAMENTARY INQUIRY

REQUEST TO DIVIDE AMENDMENT

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

Mr. STETLER. Thank you, Mr. Speaker.

Mr. Speaker, if it is possible, I would like to divide this amendment.

The SPEAKER. At what point would the gentleman ask that the amendment be divided ?

Mr. STETLER. On page 5 at the point above "CHAPTER 9."

The SPEAKER. Would it be your intention to eliminate "CHAPTER 9" and down ?

Mr. STETLER. Yes, sir.

The SPEAKER. The amendment is not divisible at that point, Mr. Stetler.

Mr. STETLER. I am sorry, sir. Did you say it is not ?

The SPEAKER. That is correct. It is not divisible at that point. The amendment, as you would divide it, would not stand alone; those two portions would not stand alone. Therefore, it is not divisible. The second half could not stand.

Mr. STETLER. May I approach the bench ?

The SPEAKER. The bench ? Yes.

(Conference held at Speaker's podium.)

The SPEAKER. The question before the House is, will the House agree to the Stetler amendment 0324 ?

On that question, the Chair recognizes the gentleman, Mr. Stetler.

Mr. STETLER. Thank you, Mr. Speaker.

Mr. Speaker, this amendment is identical to the prior amendment with one major exception. The prior amendment attempted to amend the Fiscal Code. This amendment is drafted so that it would only amend the freestanding act as it was drafted, but basically it goes back to the same arguments with regards to the sharing of the powers between the Attorney General and the Department of Revenue. It will go great distances in enhancing revenues and resolving more expeditiously - a very important point - resolving quicker issues currently pending in the Department of Revenue and in other locations that the Department of Revenue attorneys could handle in a much quicker fashion.

Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

I would like to comment on the amendment.

For the very same reasons that the gentleman just espoused, I would urge the members to again vote "no." It is basically the same amendment and deserves the same vote. I earnestly hope you will vote "no" on this amendment.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Will the House agree to the amendment ?

The following roll call was recorded:

YEAS-95

Bebko-Jones	George	McCall	Scrimenti
Belardi	Gigliotti	McGeehan	Shaner
Belfanti	Gordner	Melio	Staback
Blaum	Gruitza	Michlovic	Steelman
Boscola	Haluska	Mihalich	Stetler
Butkovitz	Hanna	Mundy	Sturla
Buxton	Itkin	Olasz	Surra
Caltagirone	James	Oliver	Tangretti
Cappabianca	Jarolin	Pesci	Thomas
Carn	Josephs	Petrarca	Tigue
Cawley	Kaiser	Petrone	Travaglio
Colafella	Keller	Pistella	Trello
Corpora	Kirkland	Preston	Trich
Corrigan	Kukovich	Ramos	Van Horne
Cowell	LaGrotta	Readshaw	Veon
Coy	Laughlin	Richardson	Vitali
Curry	Lederer	Rieger	Walko
Daley	Lescovitz	Roberts	Washington
DeLuca	Levdansky	Robinson	Williams
Dermody	Lloyd	Roebuck	Wozniak
DeWeese	Lucyk	Rooney	Wright, D. R.
Donatucci	Manderino	Rudy	Yewcic

Evans	Markosek	Sainato	Youngblood
Fajt	Mayernik	Santoni	

NAYS-101

Adolph	Fairchild	Lynch	Schuler
Allen	Fargo	Maitland	Semmel
Armstrong	Farmer	Major	Serafini
Baker	Feese	Marsico	Sheehan
Bard	Fichter	Masland	Smith, B.
Barley	Fleagle	McGill	Smith, S. H.
Battisto	Flick	Merry	Snyder, D. W.
Birmelin	Gannon	Micozzie	Stairs
Boyes	Geist	Miller	Steil
Brown	Gladeck	Nailor	Stern
Browne	Godshall	Nickol	Stish
Bunt	Gruppo	Nyce	Strittmatter
Carone	Habay	O'Brien	Taylor, E. Z.
Chadwick	Harhart	Perzel	Taylor, J.
Civera	Hasay	Pettit	True
Clark	Hennessey	Phillips	Tulli
Clymer	Herman	Piccola	Vance
Cohen, L. I.	Hershey	Pitts	Waugh
Conti	Hess	Platts	Wogan
Cornell	Hutchinson	Reber	Wright, M. N.
Dempsey	Jadlowiec	Reinard	Zimmerman
Dent	Kenney	Rohrer	Zug
DiGirolamo	King	Rubley	
Druce	Krebs	Sather	Ryan,
Durham	Lawless	Saylor	Speaker
Egolf	Leh	Schroder	

NOT VOTING-5

Argall	Cohen, M.	Horsey	Raymond
Bishop			

EXCUSED-2

Colaizzo	Gamble
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The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

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

Mr. STETLER offered the following amendment No. A0330:

Amend Title, page 1, line 1, by inserting after "Providing" for enhanced tax enforcement powers for the Department of Revenue relating to professional license tax enforcement and

Amend Bill, page 1, by inserting between lines 3 and 4

CHAPTER 1

PRELIMINARY PROVISIONS

Section 101. Short title.

This act shall be known and may be cited as the Enhanced Tax Enforcement and Tax Amnesty Act.

Section 102. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Department." The Department of Revenue of the Commonwealth.

"Secretary." The Secretary of Revenue of the Commonwealth.

"Tax Reform Code of 1971." The provisions of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

"The Fiscal Code." The provisions of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

CHAPTER 3

(Reserved)

CHAPTER 5

PROFESSIONAL LICENSE TAX VERIFICATION PROGRAM

Section 501. Short title.

This chapter shall be known and may be cited as the Professional License Tax Verification Program Act.

Section 502. Application for licenses, permits, certificates or registrations.

(a) Tax verification form.—The boards and commissions under the Department of State which grant or renew licenses, permits, certificates or registrations to practice a trade, profession or occupation shall have the power and duty to require all applicants to complete a form prescribed by the department. The form shall contain, at minimum, all of the following information:

(1) The applicant's Social Security number.

(2) The applicant's State sales and use tax license number if the applicant is required to collect or remit tax under the provisions of Article II of the Tax Reform Code of 1971.

(3) The applicant's State employer identification number if the applicant employs any employee within this Commonwealth.

(4) The applicant's State corporate box number if the applicant has formed a corporation to conduct a trade, profession or occupation.

(5) The applicant's State unemployment compensation account number if the applicant has employees possessing unemployment compensation coverage.

(6) A statement that all State tax returns or reports have been filed and all State taxes have been paid; or State taxes which have not been paid have been timely appealed to the appropriate administrative or judicial body or are subject to a duly approved deferred payment plan.

(b) Returns missed.—If the applicant cannot sign such a statement because the applicant has failed to file a return or report or to pay a State tax, then the applicant should state which returns or reports have not been filed and which State taxes have not been paid on the form.

(c) Fraud.—Individuals who sign such a statement will have committed a fraud or misrepresentation if such statement is found to be false upon verification by the department and the Department of Labor and Industry. The boards and commissions in the Department of State shall refuse to issue, suspend or revoke a certificate, license, permit or registration if obtained through fraud or misrepresentation of any information provided under this section.

Section 503. Waiver of confidentiality of tax information.

Any applicant for the grant or renewal of any certificate, license, permit or registration, to practice a trade, profession or occupation in this Commonwealth by filing of an application for the grant or renewal of such certificate, license, permit or registration shall waive any confidentiality with respect to State tax information regarding said applicant in the possession of the Department of Revenue, the Office of Attorney General or the Department of Labor and Industry, regardless of the source of that information, and consents to the providing of that information to the boards and commissions in the Department of State, the Department of Revenue, the Office of Attorney General or the Department of Labor and Industry.

Section 504. Initial determination.

Upon receipt of any application for the grant or renewal of any such certificate, license, permit or registration, the board or commission under the Department of State will forward information to the department and the Department of Labor and Industry for review. The department and the Department of Labor and Industry may determine if an applicant has failed to file State tax reports or pay any State taxes. The department and the Department of Labor and Industry will notify the Department of State that an applicant has failed to:



(1) file required State tax reports; or

(2) pay any State taxes not subject to a timely administrative or judicial appeal or subject to a duly approved deferred payment plan.

Section 505. Notification to applicants.

The board or commission under the Department of State shall notify the applicant upon receipt of the department or Department of Labor and Industry's initial notification of his failure to file a required State tax return or pay any outstanding taxes not subject to a timely appeal or deferred payment plan.

Section 506. Automatic suspension.

(a) Tax clearance.—The applicant will be given 90 days from the date of mailing of the notification to secure and file with the board or commission tax clearances from the department and the Department of Labor and Industry.

(b) Suspension.—If no clearance is filed the board or commission under the Department of State shall automatically suspend the applicant's license, permit, certificate or registration until such time as a tax clearance certificate is filed.

Section 507. Implementation of the program.

(a) Guidelines.—The Department of State, the Department of Revenue and the Department of Labor and Industry shall establish the professional license tax verification program by guidelines published in the Pennsylvania Bulletin within 120 days of the effective date of this act. These guidelines shall not be subject to review pursuant to the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

(b) Implementation.—The professional license tax verification program may be phased in within a five-year period from the effective date of this act.

Section 508. Use of revenue.

All revenue generated by this program shall be distributed in the following order:

(1) Repayment of any cost for administration of the professional license tax verification program to the Department of State, the Department of Revenue and the Department of Labor and Industry.

(2) The remaining funds shall be deposited into the appropriate fund.

CHAPTER 7

TAX AMNESTY PROGRAM FOR 1995

Amend Sec. 1, page 1, line 4, by striking out "1" and inserting 701

Amend Sec. 1, page 1, line 5, by striking out "act" and inserting chapter

Amend Sec. 2, page 1, line 7, by striking out "2" and inserting 702

Amend Sec. 2, page 1, line 8, by striking out "act" and inserting chapter

Amend Sec. 2, page 1, line 12, by striking out "act" and inserting chapter

Amend Sec. 2, page 2, line 1, by striking out "act" and inserting chapter

Amend Sec. 2, page 2, lines 3 and 4, by striking out "act of March 4, 1971 (P.L.6, No.2), known as the"

Amend Sec. 2, page 2, line 6, by striking out "act" and inserting chapter

Amend Sec. 2, page 2, lines 9 and 10, by striking out "act of March 4, 1971 (P.L.6, No.2), known as the"

Amend Sec. 2, page 2, line 11, by striking out "act" and inserting chapter

Amend Sec. 3, page 2, line 18, by striking out "3" and inserting 703

Amend Sec. 3, page 2, line 23, by striking out "act" and inserting chapter

Amend Sec. 3, page 2, line 25, by striking out "act" and inserting chapter

Amend Sec. 3, page 2, line 27, by striking out "act" and inserting chapter

Amend Sec. 4, page 2, line 28, by striking out "4" and inserting 704

Amend Sec. 4, page 3, line 1, by striking out "act" and inserting chapter

Amend Sec. 5, page 3, line 14, by striking out "5" and inserting 705

Amend Sec. 6, page 3, line 25, by striking out "6" and inserting 706

Amend Sec. 6, page 3, line 27, by striking out "act" and inserting chapter

Amend Sec. 6, page 3, line 28, by striking out "act" and inserting chapter

Amend Sec. 7, page 4, line 2, by striking out "7" and inserting 707

Amend Sec. 7, page 4, line 3, by inserting after "this" chapter

Amend Sec. 7, page 4, line 5, by striking out "act" and inserting chapter

Amend Sec. 8, page 4, line 7, by striking out "8" and inserting 708

Amend Sec. 8, page 4, line 10, by striking out "act" and inserting chapter

Amend Sec. 9, page 4, line 11, by striking out "9" and inserting 709

Amend Sec. 10, page 4, line 17, by striking out "10" and inserting 710

Amend Sec. 10, page 4, line 18, by striking out "act" and inserting chapter

Amend Sec. 11, page 4, line 22, by striking out "11" and inserting 711

Amend Sec. 11, page 4, line 24, by striking out "act" and inserting chapter

Amend Sec. 11, page 4, line 26, by striking out "act" and inserting chapter

Amend Sec. 11, page 5, line 9, by striking out "act" and inserting chapter

Amend Sec. 11, page 5, line 28, by striking out "act" and inserting chapter

Amend Sec. 12, page 6, line 1, by striking out "12" and inserting 712

Amend Sec. 13, page 6, line 4, by striking out "13" and inserting 713

Amend Sec. 14, page 6, line 17, by striking out "14" and inserting 714

Amend Sec. 15, page 6, line 22, by striking out "15" and inserting 715

Amend Sec. 15, page 6, line 23, by striking out "act" and inserting chapter

Amend Bill, page 7, lines 1 and 2, by striking out all of said lines and inserting

CHAPTER 9

MISCELLANEOUS PROVISIONS

Section 901. Applicability.

The provisions of Chapter 5 shall be applicable to all tax years beginning on or after January 1, 1996.

Section 903. Effective date.

This act shall take effect as follows:

(1) The provisions of Chapter 5 shall take effect on the first day immediately following the expiration of the amnesty period established in Chapter 7.

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

On the question,

Will the House agree to the amendment?

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

Mr. STETLER. Thank you, Mr. Speaker.

I would like to continue with the concept that has been successful in all the other States across the United States with regards to the amnesty program, and that is that enforcement is just as important as the amnesty. We have to have reasons for people to file their taxes and to pay their taxes.

Basically what amendment A0330 does is it basically sets up a professional license tax verification program. Currently Pennsylvania has in place a program which requires those people with liquor licenses, as they go through their renewal process, to get a tax clearance. The Commonwealth will not issue a new liquor license or renew a license if all the taxes are not reported, filed, and either paid or under appeal. Basically, this program expands that.

What we are saying now is that anybody, through the Department of State, who practices a trade, a profession, or an occupation that requires the Department of State to currently issue a certificate, those people will have to prove that their taxes are reported and paid. I believe that this amendment is extremely important and will go a long way to insuring tax compliance occurs after the amnesty period passes.

I would appreciate your support for this amendment.

The SPEAKER. The Chair thanks the gentleman.

Does the gentleman, Mr. Browne, seek recognition?

Mr. BROWNE. Yes, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman, Mr. Browne, from Lehigh.

Mr. BROWNE. Mr. Speaker, in response to the gentleman's amendment, I would just like to reiterate the purpose behind this bill. It is to provide an opportunity for people to voluntarily come forward and pay their taxes so that we can generate additional revenue for the Commonwealth. We do not want to put ourselves in a position through this bill to impose additional costs on the Department of Revenue and the government.

This program will be a massive effort, considering the fact there are tens of thousands of lawyers and nurses and doctors who would have to comply. We want to be able to generate revenue through this program. It is really not the place to be addressing this issue, considering the fact that the purpose behind this is voluntary compliance and not extra government bureaucracy and costs, and I would urge my colleagues to not support this amendment. Thank you.

The SPEAKER. The Chair thanks the gentleman.

### FILMING PERMISSION

The SPEAKER. The Chair wishes to advise members that the Chair has given permission to John Sanks of Philadelphia, TV 6, to videotape with audio on the floor.

### CONSIDERATION OF HB 39 CONTINUED

The SPEAKER. On the question, the Chair recognizes the lady from Philadelphia, Ms. Manderino, on the question.

Ms. MANDERINO. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support the Stetler amendment.

This, to me, makes a lot of sense. This, to me, in light of the discussion and debate that we have been having for the past 2 weeks, makes a heck of a lot of sense, because we have spent the last 2 weeks talking about personal responsibility and our responsibility as

individuals and as citizens to the State for obligations and for the proper use of those obligations. If we are going to look at poor people in our society and say we want you to play by the rules, let us look at all people in society and say we want you to play by the rules, and the rules are, you pay your taxes like everyone else, and if you do not pay your taxes and your obligations to the State, then we sure as heck should put some teeth in that with regard to the benefits that you receive.

So it only makes sense like we do with our liquor licenses and say, if you want to do business with the State and have a valid liquor license, you have to meet your obligations. Well, if you want to do business with the State in other capacities, you must meet your obligations, and that means the timely payment of your taxes.

Mr. Speaker, I ask everyone to look at this as a fairness issue and vote "yes" on the Stetler amendment.

The SPEAKER. The Chair thanks the lady.

The Chair recognizes the gentleman, Mr. Nyce.

Mr. NYCE. Mr. Speaker, all of these peripheral issues are very important issues. We all think that they need to be addressed at some point. There is no question of it. The fact remains, however, that the purpose of tax amnesty is to bring forward those people who are currently outstanding receivables. Certainly there may be some peripheral benefit to bringing in people who have not paid their taxes, to come forward as an incentive, without penalties and interest, and comply. That is not the overwhelming driving force behind this. The overwhelming driving force is the identifiable receivables that lay out there uncollected for various reasons. I submit to you that by offering additional penalties, we in fact are counterproductive to our intent.

I have found in my 4 years here that I get many complaints from my small business people, my people who file individual tax returns, about the onerous activity of the Department of Revenue. Many times they are actually frightened by the fact that they have gotten a notice from the Department of Revenue - this huge, hulking bureaucracy that resides out here in Harrisburg. This amnesty window is 90 days to give those law-abiding citizens a chance to come forward and say, I want to pay my taxes, but please, do not hit me on the head with these onerous penalties.

I think we should set this amendment aside as we have the others, stay to the original intent of the bill, and let us pass an amnesty bill that really meets the intent.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Smith.

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

Mr. Speaker, I would like to address a specific item that the gentleman from York raised in support of his amendment. I certainly think this is something we need to take a close look at in terms of getting into the tax certificate on other license holders. However, I would oppose this amendment at this time, because I think there is a big difference between a liquor license, as he drew the analogy, there is a big difference between a liquor license and the license that a doctor or a barber or a beautician or some of those other professional licensed people have. The liquor license in and of itself is valuable and transferable, and that is not the case with a lot of the other professional licenses.

I think that it is something we need to take a look at, but I do not believe that it applies to this bill and would urge an opposition to the amendment. Thank you, Mr. Speaker.

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

Mr. FAJT. Thank you, Mr. Speaker.

Mr. Speaker, I rise to support the Stetler amendment.

I hear a lot of the arguments today from people saying that this is not the time, this is not the place, to look at requiring professionals who have licenses out there to pay their taxes before their license is renewed. Well, if it is not the time and it is not the place, when is the time, when is the place? We make a history here of delaying things, and when we have the opportunity to make something happen, we have to do it, because if we do not do it now, it is never going to happen.

We require people to pay their taxes before they get their LCB (Liquor Control Board) license. We require people to do things before they get a PHEAA (Pennsylvania Higher Education Assistance Agency) loan or before they get a waiver on a PHEAA loan. We do a lot of things when people come to the government for something and they owe the government something.

This is just another classic case where if we are going to give somebody something and that being a professional license, then we ought to make sure that they have paid their taxes. Everybody else in Pennsylvania has to pay their taxes. The people that live down in the inner city of Philadelphia or the inner city of Pittsburgh, my constituents in the suburbs of Pittsburgh, they have to pay their taxes. Why should we say that other people do not have to pay their taxes? When they are coming to us for something, let us make them pay before we give it to them. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Philadelphia, Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I rise in support of the Stetler amendment.

I concur with the majority leader that the metro liner is in, and recognizing that that metro liner is in, it is imperative that we approach these issues with a basic sense of fairness, and a basic sense of fairness will require that what is good for the gander is good for the goose. If you are going to enjoy the benefits of Pennsylvania, then you should also accept the responsibility of doing business in Pennsylvania.

I think the Stetler amendment brings the fairness that we need to have with respect to this amnesty program. I strongly support the Stetler amendment. Thank you.

The SPEAKER. For the second time on the question, the Chair recognizes the gentleman, Mr. Nyce.

Mr. NYCE. Mr. Speaker, I cannot disagree with any of the comments of my colleagues regarding enforcement issues and all these other things. The simple fact remains that tax amnesty is a window of opportunity for those people who have already been put upon by the department. It is not to go out and find new people, really. It is to take care of those people that are in the system who are not paying their bill. We want them to pay all their tax and half their interest and exonerate the penalties. The city of Philadelphia did it. It worked real well.

I urge all of you to support this legislation by voting against this amendment.

The SPEAKER. The Chair recognizes, for the second time on the question, the gentleman, Mr. Stetler.

Mr. STETLER. Thank you, Mr. Speaker.

We have heard a lot of arguments against this amendment and in favor of this amendment today. We have heard that people are hiding under their tables at home, afraid of the Department of Revenue, whose only task is to collect the taxes that we as a legislature have

put in place, and yet, you know, what is the real truth of what we are hiding or what we are protecting in this whole issue?

In a year from now, when we sit down and analyze the results of this bill, what are we going to see? Are we going to see an overwhelming amount of annual income tax making up the bulk of the money coming in from this? No. Let us be honest. Whatever money is generated—and I have seen figures; Governor Ridge, I believe, has used a figure of \$115 million, and I believe that the Republican package has indicated \$165 million—whatever that amount is, believe me, it is going to be corporate money, not individual money, that makes up the bulk of that thing, and let us keep that in mind.

If everybody here agrees to the fact that it is going to be corporation taxes that make up the bulk of it, let us go back and address the issue of fairness and let us address the issue of the interest rate. What is the interest rate that the Department of Revenue charges today on delinquent taxes? I believe it is 9 percent. Under this legislation, what happens to that? Forget about the penalties. What happens to the 9 percent? Well, as I read the bill, it becomes 4 1/2 percent. Now, you tell me where in Pennsylvania or in the United States you can go and borrow money as a corporation or as an individual for that many points under prime, and that is what we are doing with this bill.

What we are trying to do is say, if you are going to give away the store, let us have some enforcement after the fact so the store does not get given away every 4 years. Mr. Speaker, this is just one amendment, one small step towards enforcing the taxes of Pennsylvania and insuring that everybody participates in the tax system. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Olasz.

Mr. OLASZ. Mr. Speaker, wake up. The people that you want to give amnesty to are the people that are in the best position in Pennsylvania to pay their taxes. Think about that one. Here is the paper today. Who is hiding behind all this? The money people, the big business people that can afford to pay their taxes, and you kick the little guy in the teeth.

You think about it, and then vote for the Stetler amendment. Thank you.

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

Mr. DeLUCA. Thank you, Mr. Speaker.

Would the Representative, Mr. Nyce, stand for interrogation, please?

The SPEAKER. The gentleman indicates he will.

Mr. DeLUCA. Mr. Speaker, I am trying to follow the conversation and get some information so I can vote on this bill, but can you inform me, since we know these individuals, since you said we know these individuals and we want to give them a chance to come forward to pay their taxes and these are law-abiding citizens who are delinquent in their taxes, what happens after the amnesty period and then these law-abiding citizens get back in their taxes again and we still have the law-abiding citizens not paying their taxes? After the amnesty program, what do we do then?

Mr. NYCE. Mr. Speaker, the Department of Revenue has a whole wrath of penalties and assessment processes that they currently invoke. As a matter of fact, we were unable to get specifics from the department as to who represents all of these outstanding receivables. I wish we had them so we could share them with you. However, we do not.

The fact remains that each one of us has to look at our own personal affiliations and conversations with the department through our constituency, and that is what I am basing my own personal belief on. I have had people call me in my office explaining the fact that they have been whacked with an enormous penalty for being 1 day late with a sales tax payment, for example, and they are unable to pay it, and therefore, they end up with a penalty on top of it, et cetera, et cetera. These are small business people or individuals who have been assessed by the department over failure to include an item of income on their personal tax return, for example. The penalties are very severe. They exist today.

I cannot respond to the fact that the department, although they have \$160 or \$170 million of outstanding receivables, has been unable to collect it. As was earlier indicated that that is their function - to collect the revenue - they have been unable to collect this \$160 or \$170 million. I want to help them through the process by opening this small window of opportunity for those who are willing to step up and say, I erred; I made a mistake; I will pay my tax—we are not going to let anybody off the hook on tax—I will pay my tax; I will pay half the interest that I have been assessed; and I will drop any appeal or other further activity. That is the intent.

Mr. DeLUCA. Let me go a little further then. Do the bulk of these people that owe their taxes fall into that category that you just alluded to?

Mr. NYCE. I cannot speak to the percentage of any group or any participants in the outstanding receivables because we were unable to get the data from the Department of Revenue. We tried. It is not available.

Mr. DeLUCA. Do you believe in the future that the Department of Revenue is going to change, or are we going to be letting taxpayers think that they can do this again and that we, maybe 2 years down the line, will say that we need revenue in the State and we are going to institute another tax amnesty program?

Mr. NYCE. I appreciate the gentleman's concern. It is not our intent to open up any more windows. This is a one-way window as far as I am concerned, and I believe and trust in the new administration to change the operations and administration of the Department of Revenue to better collect the necessary revenue to fund the Commonwealth.

Mr. DeLUCA. That is all, Mr. Speaker. Thank you.

The SPEAKER. The Chair thanks the gentleman.

### PARLIAMENTARY INQUIRY

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

Mr. MIHALICH. Mr. Speaker, I have a question for the Speaker or the chairman of the Ethics Committee or anybody else who would want to answer it.

The SPEAKER. Well, let us hear it and see if we have any volunteers.

Mr. MIHALICH. I think it is very, very important to know what this list looks like, because it is conceivable that a vote on this issue might put somebody in a conflict of interest if they in fact had received contributions, let us say campaign contributions, from somebody who might benefit from this amnesty program. There might be and I would say, just off the top of my head, there has to be somebody here who is going to be caught in that bind, and I think that is a relevant question and a question we should all keep in mind now

- that who among us have received contributions from people who might be beneficially affected by this legislation.

If that list is not available now, I certainly would like to see that list available in the future so that any of us who might find that conflict might be able to do something to clear that up. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

Just by way of a quick answer to the gentleman, it has been held time and time again that if you are voting as one of a class, there would be no conflict, and although you could perhaps write to the Ethics Commission for an opinion, I suspect that would be the answer.

The Chair recognizes the gentleman, Mr. Roberts.

Mr. ROBERTS. Thank you, Mr. Speaker.

Mr. Speaker, since the beginning of time, tax collectors have had problems collecting taxes, and quite often, drastic measures have had to be taken. If you do not pay your property tax, you are threatened with the loss of your property. Other tax-collecting agencies have penalties to enforce the law and to collect taxes.

I believe that the bill that we are working on has merit, and there are times when we have to take and make exceptions to try to gain the revenue that is being lost and to try to help those people come forward who would not otherwise come forward, but without an enforcement policy in place, this is going to have to happen again, and we are setting a precedent.

I believe that we need an enforcement mechanism to stop those people who would not pay their taxes and would hope to get another amnesty window, if we are talking about a window. I think I would like to reflect back to last session when we did not hesitate in this body to make deadbeat fathers look at the threat of losing their professional certificates and licenses if they did not pay up, and I think this particular amendment addresses that same type of an issue. If people do not want to pay their taxes, there has to be a penalty and there has to be a mechanism to make them think twice.

I support the bill, but I also support this amendment because I believe that we need an enforcement policy, and this is about the best one I think we can come up with, and I would ask my colleagues to vote in favor of this amendment.

The SPEAKER. The Chair thanks the gentleman.

On the question, the Chair recognizes the gentleman from Lehigh, Mr. Browne.

Mr. BROWNE. Just to get back to one issue that has been mentioned, one thing that has been mentioned in relation to this amendment is that we are looking for new ways to find for collections. This is what this bill will do. It offers the Department of Revenue a way to collect outstanding receivables. We are offering, through this amendment, other things that address that same thing. I think we should stick to the purpose of the bill, which is to provide the Department of Revenue means to collect outstanding receivables.

Also, there was another issue that was discussed in relation to corporation tax. In studies that have been done in other States, the 35 States that have done this in the past, the majority of people who have come forward have been individuals, not corporations; individuals from the middle class through all types of income levels. So the fact that we are focusing just on corporation tax is not proper. It is erroneous, and I would recommend that we vote "no" on this amendment. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. DeWeese.

Mr. DeWEESE. Will the gentleman, Mr. Browne, stand for a momentary interrogation?

The SPEAKER. The gentleman indicates he will. The gentleman, Mr. DeWeese, may proceed.

Mr. DeWEESE. Did the gentleman, Mr. Browne, indicate to the chamber that there are a great many differences between the Pennsylvania personal income tax and the income tax collected at the personal level of most other States that you are referring to?

Mr. BROWNE. No, I did not. I did not recommend that.

Mr. DeWEESE. Would you accede to that differentiation or would you not?

Mr. BROWNE. No; that is not true. There are a lot of differences.

Mr. DeWEESE. That is what I am saying. There are a lot of differences.

Mr. BROWNE. I am sorry. There are a lot of similarities.

Mr. DeWEESE. How can there be a lot of differences and a lot of similarities at the same time?

Mr. BROWNE. I am sorry. Could you repeat that?

Mr. DeWEESE. I said, how can there be a lot of differences and a lot of similarities at the same time?

Mr. BROWNE. Could you repeat the question? I misunderstood the question.

Mr. DeWEESE. The question is, I would like the gentleman, Mr. Browne, to indicate to the chamber that our very simplified State income tax, 2.6 or whatever it floats at the moment, 2.8 going to 2.6, is different than most of the other States that realized tax amnesty in recent years. I am saying that theirs were more complicated, ours is more simplistic, and I think you are comparing apples and oranges when you compare our State income tax with other States and their State income tax.

Mr. BROWNE. In response to your statement, the Pennsylvania income tax, certain parts of the income tax are just as complex as other States. A lot of individuals who have businesses must report their income as part of their individual tax, and those taxes are based on a system that the Federal Government provides. It is just as difficult.

So the fact that you are saying it is more simplistic does not relate to the tax amnesty program because in fact it is just as complex as other States.

The SPEAKER. The Chair thanks the gentleman.

Does the gentleman—

Mr. DeWEESE. The interrogation is concluded.

I think for the record, though, it should be noted that I would differ with the gentleman's perspective and say that the Pennsylvania flat income tax is a lot different than most other States where tax amnesty was realized. I think that is a fundamental point, and I hope that this debate reflects that as we continue to probably have problems with enforcement down the line.

Notwithstanding the fact that these gentlemen who are proffering their argumentation against Mr. Stetler's amendment do not seem to be vitally focused on enforcement, I think that is a fundamental issue that the Republicans are missing, and I wanted the record to state that. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Trello, for a brief statement.

Mr. TRELLO. I will be very brief, Mr. Speaker.

Mr. Speaker, with the Stetler amendment, this will truly, truly be an amnesty program. Without the Stetler amendment, it is nothing but a giveaway program. Who says crime does not pay?

What we are doing here really in fact without the Stetler amendment, without putting teeth in this amnesty bill, is telling guys, hey, if you cannot pay me now, pay later, and we will give you a break on the interest and remove the penalties. If you think that is amnesty, then you are living in a different world than I am. I think it is a legitimate, fair amendment that puts teeth into this. It is the same thing if— What would happen if it were moving traffic violations where there are stiff penalties and costs and we are supporting every program you can think of? If you wanted real amnesty, let us forgive traffic violations. Boy, look at the money you will— And I am sure we are all for that, too.

But by the same token, it is not an amnesty bill without the Stetler amendment. It is a giveaway program; it is rewarding people that do not pay, and if you think otherwise, then you are kidding yourself. I support the amendment.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Thomas, for the second time.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I was just sitting back there and I found it interesting that last week when this House sent over to the Senate a welfare reform bill, that we looked at electronic fingerprinting; we looked at restrictions on having additional children; we looked at a whole host of initiatives to prevent people from cheating the taxpayers of Pennsylvania, and one of the centerpieces of that legislation, if I remember it correctly, was the antifraud provision and how we articulated our concern to limiting people's ability to take advantage of the public taxpayer or take advantage of public dollars.

Well, Mr. Speaker, amnesty in and of itself is a public gift, and yet we seem to have a problem with strengthening the enforcement mechanism to insure that people do what they are supposed to do. Is there a difference in the standard that we apply to people who are on welfare versus the standard that we apply to people who utilize the benefits of Pennsylvania but for whatever reason have been unwilling to satisfy their tax obligation? If there is no difference, then maybe the people that we want to enforce, that we want to put in place an enforcement mechanism to make sure that they comply with the rules of this amnesty program, maybe those same people are the people that are on welfare and we cannot really get at them.

Mr. Speaker, we have to have a strong enforcement mechanism in order to insure that this program achieves what it wants to achieve. Let us not apply a different standard from our policies last week versus where we are today. Support the Stetler amendment.

The SPEAKER. The Chair thanks the gentleman.

## LEAVE OF ABSENCE

The SPEAKER. The Chair recognizes the gentleman from Allegheny County, Mr. Itkin.

Does the gentleman, Mr. Itkin, desire recognition?

Mr. ITKIN. Mr. Speaker, could we return to leaves of absence?

The SPEAKER. Without objection, the Chair returns to leaves of absence.

The Chair recognizes the gentleman.

Mr. ITKIN. I would like to request a leave of absence for the remainder of today's session for the gentleman from Allegheny, Mr. PRESTON.

The SPEAKER. Without objection, the leave will be granted.

The Chair thanks the gentleman.

**CONSIDERATION OF HB 39 CONTINUED**

Mr. BROWNE. Mr. Speaker, I would like to interrogate the maker of the amendment, please.

The SPEAKER. The gentleman, Mr. Stetler, indicates he will stand for interrogation. The gentleman may begin.

Mr. BROWNE. I would like to ask the gentleman whether he has a fiscal note for amendment 330?

Mr. STETLER. I am sorry. It was requested. I have not seen it.

Mr. BROWNE. I would like to end the interrogation at this point.

**PARLIAMENTARY INQUIRY**

Mr. BROWNE. Mr. Speaker, point of parliamentary inquiry.

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

Mr. BROWNE. I would like to know if under rule 19(a), whether a fiscal note has to be distributed before we make a vote on this amendment?

The SPEAKER. Will the gentleman yield.

On the question raised by the gentleman, a reading of the amendment by myself and the Parliamentarian seems to indicate that there is some cost involved which would require a fiscal note. However, unless the gentleman is prepared to show that it is other than a de minimis cost, the cost of mailing out some forms by the department, I am not prepared to rule that a fiscal note is required in this instance.

Now, if you wish to interrogate further the gentleman, Mr. Stetler, and develop that there indeed are costs associated with this amendment, I am prepared to listen closely and perhaps change that ruling.

The Chair recognizes the gentleman.

Mr. BROWNE. Thank you, Mr. Speaker.

I have nothing further.

**PARLIAMENTARY INQUIRY**

Mr. LLOYD. Parliamentary inquiry, Mr. Speaker.

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

Mr. LLOYD. Mr. Speaker, the gentleman, Mr. Stetler, indicated to me that he had requested a fiscal note last week. Would I not be correct that normal procedure is that if a fiscal note has been requested in a timely manner and not received, that then an objection, which is a proper objection, results in having the bill put over until the fiscal note is prepared.

The SPEAKER. Without directly answering your question, it is our recollection that a ruling was made by the Chair some years ago that the Appropriations Committee is not going to be permitted—and I would adopt this—to thwart the will of the House by delaying, by unreasonably delaying, the furnishing of a fiscal note. However, based on what I heard, I am not prepared to say that they have done such a thing. I simply heard that, I asked for a fiscal note and did not get it, and based on that, I am not about to say that that event has taken place. I would assume that you are satisfied with my ruling that I have seen nothing but a de minimis expenditure mentioned in the amendment, and I am prepared to suggest the amendment be voted upon.

Mr. LLOYD. I am satisfied with that, Mr. Speaker.

Just for future reference, certainly we do not want to be in a position in which fiscal notes are requested, and if they are not

provided, then we are denied our opportunity to offer amendments on the grounds that it needs a fiscal note, because the remedy, it seems to me, is to put the bill and the amendment over until such time as a fiscal note is provided. Thank you, Mr. Speaker.

**PARLIAMENTARY INQUIRY**

The SPEAKER. The gentleman, Mr. George, seeks recognition.

Mr. GEORGE. Thank you, Mr. Speaker.

Mr. Speaker, I make a parliamentary inquiry to the Speaker, if I may.

The SPEAKER. The gentleman may proceed.

Mr. GEORGE. Mr. Speaker, a bill of this magnitude in which millions of dollars will be spent or saved regardless, does a bill of this magnitude not only desire, does it insist on a fiscal note, Mr. Speaker?

The SPEAKER. Would the gentleman repeat that.

Mr. GEORGE. With the fact, Mr. Speaker, many millions of dollars will not come into State coffers should this bill go into law and the Stetler amendment not be applied, would that bill then need a fiscal note, Mr. Speaker?

The SPEAKER. It is my understanding that the bill does have a fiscal note.

Mr. GEORGE. Then, Mr. Speaker, with your permission, I would like to interrogate the sponsor of this bill.

The SPEAKER. At the moment, Mr. George, the only thing before the House is the Stetler amendment. I would be happy to recognize you on final passage, which would seem to be a more appropriate time to do that.

Mr. GEORGE. Then if the Speaker would allow, I would like to interrogate the gentleman, Mr. Stetler.

The SPEAKER. On the question of the adoption of the Stetler amendment, the question before the House is the adoption of the Stetler amendment, not final passage.

On that question, the gentleman may proceed.

Mr. GEORGE. Mr. Speaker, you have made your point. I understand clearly what it is you are trying to tell me.

The SPEAKER. We will see.

Mr. GEORGE. Thank you.

Mr. Speaker, do you have any knowledge whatsoever of how many dollars the Commonwealth will lose if your amendment does not go into the bill?

Mr. STETLER. Mr. Speaker, I cannot answer that question with a specific answer, but I can tell you that it would be significant.

Mr. GEORGE. Mr. Speaker, should your amendment not be accepted, is there a possibility that there would even be more individuals who could take advantage of the bill as it is now applied?

Mr. STETLER. Mr. Speaker, if I understand your question and if I may reframe it, you are asking that if my amendment does not go in the bill, will this increase the number of people who would participate in the tax amnesty. Is that correct?

Mr. GEORGE. Yes. Assuming, Mr. Speaker, that I would be one of those individuals that could take advantage of this bill, and that is very laughable, because I do not have the kind of money that I would be concerned about this kind of bill. Everybody laughed but the Speaker.

The SPEAKER. I am glad, Mr. George, you put that in the record, because the record could not reflect the laughter otherwise.

Mr. GEORGE. My question, Mr. Speaker, and I am serious about this in that I know for years we have been attempting, I believe, an amnesty per se if in fact it is fairly dealt, Mr. Speaker, and if in fact just everybody can take advantage of a good thing.

But I am reminded in my own little area where those of my friends that lose their jobs and cannot pay their taxes, they lose their properties. I am also aware, Mr. Speaker, that even in local tax on real estate, there is a 5-percent levy if you are late, and then if you do not meet your commitment, you can be sold out. So what I am trying to ask you, Mr. Speaker, and I am concerned, is this situation that we are dealing with today, even in gathering the most remote possibility that there would be those feeling that this bill would pass within a month or 2 months after it comes back from the Senate, could they delay paying their taxes and take advantage of this situation? That is what I am asking you.

Mr. STETLER. Mr. Speaker, I have two answers to that question for you.

The first is, because of the amendment that we inserted into the bill offered by Mr. Nyce, a good many of the people who file their returns and do not pay taxes are taken care of. They would have to participate in this bill or in this amnesty program if they filed their returns prior to December 31, 1994. So Mr. Nyce's amendment cleared that issue.

On the other side of the coin though—and it goes back to this whole enforcement issue—is the area of people who have not reported, have not filed, and have not paid their taxes. Under my amendment if it is included in the bill, those people who currently have to get licenses with the Department of State to conduct business, they will fall under a tax enforcement program, and those people, whatever number they are who have currently not filed taxes, filed reports or paid their taxes, would then become subject and would become active participants in the tax collection process. So from that perspective, that one side of the group will become good citizens of the Commonwealth.

Mr. GEORGE. Then, Mr. Speaker, very quickly, what advantage would your amendment have should it be placed into this bill?

Mr. STETLER. What this amendment would accomplish is it would put in place an enforcement program, that it would insure that all professional people who go through a license process with the Department of State would be current in filing their tax returns and paying their taxes.

Mr. GEORGE. Thank you, Mr. Speaker.

The SPEAKER. On the question of the adoption of the Stetler amendments, the Chair recognizes, for the second time, the lady from Philadelphia, Ms. Manderino.

Ms. MANDERINO. Thank you, Mr. Speaker.

Mr. Speaker, I am supporting the Stetler amendment because I think it is the only avenue that has been presented to us so far that gives us an enforcement mechanism.

The maker of the bill, in arguing against the Stetler amendment, has told us that an enforcement mechanism is not necessary. Well, to me, a tax amnesty program without a reason to participate is nothing more than a giveaway. If there is no hammer or no penalty to make you come in and voluntarily participate in the amnesty program, then it is nothing more than a giveaway.

But, Mr. Speaker, the reason I chose to rise a second time is because, as an example of a good amnesty program, the maker of the bill cited the Philadelphia amnesty program, and I took the opportunity to check and see, did the Philadelphia amnesty tax program have an enforcement mechanism? And the answer is yes.

If a taxpayer who came in voluntarily during the tax amnesty program and participated—Excuse me. If somebody chose not to come in during the tax amnesty program and participate, when they were caught later, Mr. Speaker, not only did the regular 12-percent penalty apply but the hammer in Philadelphia was now you were hit with a 30-percent penalty. That is more than two times the penalty. It is the hammer that makes sense for allowing a tax amnesty program, and without that, Mr. Speaker, this bill means nothing in terms of the objectives of the Commonwealth as well as the fairness of the issue to all of the citizens and taxpayers of Pennsylvania.

An enforcement mechanism is a must. The Stetler amendment is the way to do it. I urge everyone to vote "yes."

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

Mr. SNYDER. Thank you, Mr. Speaker.

Mr. Speaker, several of our members on the floor had asked about the fiscal impact of amendment 330, and although the request was just put in yesterday a little after 1 o'clock, we did receive a fiscal note on this amendment, and I would just like to read into the record that paragraph that describes the cost of implementation of this particular proposal.

This is dated January 31, 1995, and it reads in part, quote, "The amendment is estimated to increase costs to the Department of Revenue by \$2 Million annually after full phase-in. Costs for the Department of State are estimated to increase by \$250,000. Costs for the Department of Labor and Industry are estimated to increase by \$2 Million. There are no estimates currently available about potential savings to the Commonwealth from increased tax enforcement nor costs to the Commonwealth as a result of increased compliance costs for licensees of the Department of State's professional boards and commissions. Total annual program costs are estimated at \$4.25 Million." Thank you, Mr. Speaker.

The SPEAKER. Does the lady, Ms. Mundy, desire recognition on the amendment?

Ms. MUNDY. Yes, sir, I do.

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

Ms. MUNDY. Thank you, Mr. Speaker.

I would like to ask the sponsor of the amendment a rhetorical question.

What is going to be the cost to the Commonwealth when people out there get the message, do not bother to pay your taxes because if you do not pay your taxes, we are going to do tax amnesty, and not only will there not be stronger enforcement at the end of that period but you can borrow money from the Commonwealth below prime rate? What is the cost to the Commonwealth when people get the message that you do not have to pay your taxes? Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the lady.

On the question of the adoption of the amendment, does the gentleman, Mr. Stetler, desire recognition?

Mr. STETLER. Yes, Mr. Speaker.

The SPEAKER. Is this the gentleman's second or third time?

Mr. STETLER. It is the third, Mr. Speaker. However, I did not have the fiscal note—

The SPEAKER. No. The gentleman is limited to two times.

Mr. STETLER. But I did not have the fiscal note until now.

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

Mr. DeWEESE. Quickly and finally, the gentleman, Mr. Stetler, wishes that the Department of State would require information

relating to the payment of taxes before granting or renewing licenses, permits, certificates, or registrations to practice a trade or a profession or an occupation. This deals with dentists and doctors and engineers and surveyors and so forth.

Now, for all of those men and women in this chamber who have allowed their campaign brochures to be punctuated with the phrases "lean, aggressive government," "shaving some of the bureaucracy"—notwithstanding the comments of the gentleman, Mr. Snyder, when he talked about a fiscal impact, because the fiscal impact of this whole afternoon's proceedings is somewhat foggy—we have a chance to utilize the instruments of government in a very efficient way.

This is an efficiency amendment. What Stephen Stetler of York County is trying to do is make certain that what was done with paternity in the last session is done with scofflaws and tax cheats in this session.

How can you people talk about crime? How can you people talk about government not being efficient when you have a splendid opportunity to inject efficiency into the bureaucracy, to make certain that the radiologist or the engineer or the dentist—that is next—how can you be so smug and content to allow Mr. Stetler's amendment to be sustained with only Democratic votes? It seems to me a very, very inscrutable question.

I would submit for the Speaker and for the members of the chamber that if there was ever a moment to exact efficiency from our bureaucracy as well as echoing the comments of the gentlelady from Philadelphia, Ms. Manderino, relative to enforcement, this is the time. We can become more efficient and we can become more enforcing, and I think those words are apropos, and I think they are central to the argument.

Therefore, I would ask that Mr. Stetler's amendment be supported. Thank you, Mr. Speaker.

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

The following roll call was recorded:

YEAS-98

Battisto	Evans	Markosek	Santoni
Bebko-Jones	Fajt	Mayernik	Scrimenti
Belardi	George	McCall	Shaner
Belfanti	Gigliotti	McGeehan	Staback
Bishop	Gordner	Melio	Steelman
Blaum	Gruitza	Michlovic	Stetler
Boscola	Haluska	Mihalich	Sturla
Butkovitz	Hanna	Mundy	Surra
Buxton	Horsey	Olasz	Tangretti
Caltagirone	Itkin	Oliver	Thomas
Cappabianca	James	Pesci	Tigue
Carn	Jarolin	Petrarca	Travaglio
Cawley	Josephs	Petrone	Trello
Cohen, M.	Kaiser	Pistella	Trich
Colafella	Keller	Ramos	Van Horne
Corpora	Kirkland	Readshaw	Veon
Corrigan	Kukovich	Richardson	Vitali
Cowell	LaGrotta	Rieger	Walko
Coy	Laughlin	Roberts	Washington
Curry	Lederer	Robinson	Williams
Daley	Lescovitz	Roebuck	Wozniak
DeLuca	Levdansky	Rooney	Wright, D. R.
Dermody	Lloyd	Rudy	Yewcic
DeWeese	Lucyk	Sainato	Youngblood
Donatucci	Manderino		

NAYS-102

Adolph	Fairchild	Lynch	Schroder
Allen	Fargo	Maitland	Schuler
Argall	Farmer	Major	Semmel
Armstrong	Feese	Marsico	Serafini
Baker	Fichter	Masland	Sheehan
Bard	Fleagle	McGill	Smith, B.
Barley	Flick	Merry	Smith, S. H.
Birmelin	Gannon	Micozzie	Snyder, D. W.
Boyes	Geist	Miller	Stairs
Brown	Gladeck	Nailor	Steil
Browne	Godshall	Nickol	Stern
Bunt	Gruppo	Nyce	Stish
Carone	Habay	O'Brien	Strittmatter
Chadwick	Harhart	Perzel	Taylor, E. Z.
Civera	Hasay	Pettit	Taylor, J.
Clark	Hennessey	Phillips	True
Clymer	Herman	Piccola	Tulli
Cohen, L. I.	Hershey	Pitts	Vance
Conti	Hess	Platts	Waugh
Cornell	Hutchinson	Raymond	Wogan
Dempsey	Jadlowiec	Reber	Wright, M. N.
Dent	Kenney	Reinard	Zimmerman
DiGirolamo	King	Rohrer	Zug
Druce	Krebs	Rubley	
Durham	Lawless	Sather	Ryan,
Egolf	Leh	Saylor	Speaker

NOT VOTING-0

EXCUSED-3

Colaizzo	Gamble	Preston
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The question was determined in the negative, and the amendment was not agreed to.

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

MOTION TO SUSPEND RULES

The SPEAKER. Is the gentleman, Mr. Stetler, offering amendment 405?

Mr. STETLER. Not yet, Mr. Speaker.

Mr. Speaker, I would request that we would suspend the rules so I could offer amendment A0493.

I would request we suspend the rules for two reasons. One, it was not stamped in in a timely fashion by us and also because the fiscal note that was— I did not request a fiscal note in time, but the fiscal note that accompanied the last amendment, it is identical with one slight change; it is similar with a slight change and would have the same fiscal impact.

Mr. Speaker, why I ask for this is that this amendment is slightly different than the one previously asked—

The SPEAKER. Will the gentleman yield.

The gentleman, Mr. Stetler, moves that House rules 21 and 19(a) be suspended to permit an amendment to be offered by him that was not timely submitted and does not have a fiscal note attached. Is that accurate, Mr. Stetler?



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

The SPEAKER. This is not a debatable motion. However, the gentleman, Mr. DeWeese, if he so chooses, may yield to the gentleman, Mr. Stetler, if he will give up the microphone.

Does the gentleman, Mr. DeWeese, desire recognition on this motion ?

Mr. DeWEESE. Thank you, Mr. Speaker.

Relative to a fiscal note, the fiscal note would be almost exactly the same as the one that was read into the record by the gentleman from Lehigh, Mr. Snyder, so I think that matter is inconsequential.

The second thing I would like to say relative to Mr. Stetler's reason for asking for a suspension of the rules would be that not only would doctors and dentists and engineers and barbers and beauticians be included in the last amendment, but members of the House and Senate also be included. If we are scofflaws, if we are tax cheaters, then we would be included in this amendment.

The gentleman, Mr. Stetler, felt that this was such an imperative maneuver on his part that he thought a suspension of the rules was appropriate. I would join him in that request. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the majority leader.

Mr. PERZEL. Thank you, Mr. Speaker.

Mr. Speaker, we have been attempting to run this House in an orderly fashion. Each and every member has been given every opportunity to put in as many amendments as they would like in a timely manner. We did 100-and-some last week. We have done 30, 40, 50 this week.

Mr. Speaker, everybody knows what is coming up. You have the agenda for next week already. You know what we are doing.

I would urge a "no" vote, Mr. Speaker, and not suspend the rules.

The SPEAKER. The Chair thanks the gentleman.

On the question, the Chair recognizes the gentleman, Mr. DeWeese.

Mr. DeWEESE. I would concede that the gentleman's efficiency to some degree is noteworthy, but from time to time during the last session and every session that the gentleman from Delaware and the gentleman from Greene have been privileged to serve in this chamber, a suspension of the rules occasionally was appropriate.

I think for us to include members of the House and members of the Senate in this kind of amendment to self-govern ourselves, as being attempted in 50 State legislatures across the United States and in the Federal Congress, is not whimsical. It is not derelict. I think it is substantive. I think it was and is put forth by the gentleman from York County as a sturdy effort to strengthen this proposal.

So without any glib prattling, I would like to call for a suspension of the rules.

The SPEAKER. On the question, those in favor of the motion to suspend rules 19(a) and 21 will vote in the affirmative; those opposed to suspension of the rules will vote in the negative.

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

The following roll call was recorded:

YEAS-97

Battisto	Evans	Manderino	Sainato
Bebko-Jones	Fajt	Markosek	Santoni
Belardi	George	Mayernik	Scrimenti
Belfanti	Gigliotti	McCall	Shaner
Bishop	Gordner	McGeehan	Staback
Blaum	Gruitza	Melio	Steelman
Boscola	Haluska	Michlovic	Stetler
Butkovitz	Hanna	Mihalich	Sturla
Buxton	Horsey	Mundy	Surra
Caltagirone	Itkin	Olasz	Tangretti
Cappabianca	James	Oliver	Thomas
Carn	Jarolin	Pesci	Travaglio
Cawley	Josephs	Petrarca	Trello
Cohen, M.	Kaiser	Petrone	Trich
Colaella	Keller	Pistella	Van Horne
Corpora	Kirkland	Ramos	Veon
Corrigan	Kukovich	Readshaw	Vitali
Cowell	LaGrotta	Richardson	Walko
Coy	Laughlin	Rieger	Washington
Curry	Lederer	Roberts	Williams
Daley	Lescovitz	Robinson	Wozniak
DeLuca	Levdansky	Roebuck	Wright, D. R.
Dermody	Lloyd	Rooney	Yewcic
DeWeese	Lucyk	Rudy	Youngblood
Donatucci			

NAYS-102

Adolph	Fairchild	Lynch	Schroder
Allen	Fargo	Maitland	Schuler
Argall	Farmer	Major	Semmel
Armstrong	Feesse	Marsico	Serafini
Baker	Fichter	Masland	Sheehan
Bard	Fleagle	McGill	Smith, B.
Barley	Flick	Merry	Smith, S. H.
Birmelin	Gannon	Micozzie	Snyder, D. W.
Boyes	Goist	Miller	Stairs
Brown	Gladeck	Nailor	Steil
Browne	Godshall	Nickol	Stern
Bunt	Gruppo	Nyce	Stish
Carone	Habay	O'Brien	Strittmatter
Chadwick	Harhart	Perzel	Taylor, E. Z.
Civera	Hasay	Pettit	Taylor, J.
Clark	Hennessey	Phillips	True
Clymer	Herman	Piccola	Tulli
Cohen, L. I.	Hershey	Pitts	Vance
Conti	Hess	Platts	Waugh
Cornell	Hutchinson	Raymond	Wogan
Dempsey	Jadlowiec	Reber	Wright, M. N.
Dent	Kenney	Reinard	Zimmerman
DiGirolamo	King	Rohrer	Zug
Druce	Krebs	Rubley	
Durham	Lawless	Sather	Ryan,
Egolf	Leh	Saylor	Speaker

NOT VOTING-1

Tigue

EXCUSED-3

Colaizzo	Gamble	Preston
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Less than a majority of the members elected to the House having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

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

Mr. STETLER offered the following amendment No. A0405:

- Amend Sec. 11, page 5, line 11, by striking out "90" and inserting within 180
- Amend Sec. 11, page 5, line 18, by removing the period after "tax" and inserting  
by the year of the taxes' liability. In addition, the gross revenues shall be broken down into the following categories:
  - (i) Amounts represented by assessments receivable established by the department on or before the first day of the amnesty period.
  - (ii) Amounts represented by other contacts initiated by the department on or before the last day of the amnesty period. These shall include, but not be limited to, cases under audit or scheduled for audit or investigative work.
  - (iii) All other amounts.

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

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

Mr. STETLER. Mr. Speaker, this should be noncontroversial.

Basically, this amendment extends the time period given to the Department of Revenue for issuing their report on the amnesty program from 90 days to 180 days. It also requires additional information in that report relative to the breakdown of the revenues generated in the program; specifically, a requirement that assessments receivable as well as other amounts attributable to departmental contacts be accounted for separately from new revenues heretofore unknown to the department.

I would ask for your support of this amendment.

The SPEAKER. The gentleman, Mr. Stetler, and the gentleman, Mr. Nyce, come to the rostrum.

Will the majority leader come to the rostrum.

(Conference held at Speaker's podium.)

AMENDMENT WITHDRAWN

The SPEAKER. The Chair recognizes the gentleman, Mr. Stetler, who withdraws his amendment due to technical defects.

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

Mr. LaGROTTA offered the following amendment No. A0484:

- Amend Title, page 1, line 1, by removing the period after "program" and inserting  
and for an independent fiscal review board.
- Amend Bill, page 1, by inserting between lines 3 and 4

CHAPTER 1  
TAX AMNESTY

- Amend Sec. 1, page 1, line 4, by striking out "1" and inserting  
101

- Amend Sec. 2, page 1, line 7, by striking out "2" and inserting  
102
- Amend Sec. 3, page 2, line 18, by striking out "3" and inserting  
103
- Amend Sec. 4, page 2, line 28, by striking out "4" and inserting  
104
- Amend Sec. 5, page 3, line 14, by striking out "5" and inserting  
105
- Amend Sec. 6, page 3, line 25, by striking out "6" and inserting  
106
- Amend Sec. 7, page 4, line 2, by striking out "7" and inserting  
107
- Amend Sec. 8, page 4, line 7, by striking out "8" and inserting  
108
- Amend Sec. 9, page 4, line 11, by striking out "9" and inserting  
109
- Amend Sec. 10, page 4, line 17, by striking out "10" and inserting  
110
- Amend Sec. 11, page 4, line 22, by striking out "11" and inserting  
111
- Amend Sec. 12, page 6, line 1, by striking out "12" and inserting  
112
- Amend Sec. 13, page 6, line 4, by striking out "13" and inserting  
113
- Amend Sec. 14, page 6, line 17, by striking out "14" and inserting  
114
- Amend Sec. 15, page 6, line 22, by striking out "15" and inserting  
115
- Amend Bill, page 7, lines 1 and 2, by striking out all of said lines and inserting

CHAPTER 3

INDEPENDENT FISCAL REVIEW BOARD

Section 301. Legislative purpose.

The General Assembly recognizes the continued need for public services which insure the economic and social well-being of individuals and businesses in this Commonwealth. To that end, the General Assembly hereby finds and declares that the Commonwealth should establish an independent entity to:

- (1) recommend changes which will modernize and reform the State and local revenue system which supports these public services;
- (2) continually monitor this system;
- (3) encourage discussion in a public forum of issues and concerns related to this system; and
- (4) particularly focus on revenue forecasts and legislation affecting the General Fund.

The General Assembly further recognizes that the Commonwealth should establish an independent entity which is composed of professionals who are experts in their fields, experts who can encourage debate on whether our State revenue system equitably distributes the burden of payment, promotes economic efficiency and growth, provides appropriate and timely revenues, is easy to understand and easy to administer, and ensures accountability.

Section 302. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

- "Board." The Independent Fiscal Review Board.
- "Chairs of the Appropriations Committees." The Majority Chair and the Minority Chair of the Appropriations Committee of the Senate and the Majority Chair and the Minority Chair of the Appropriations Committee of the House of Representatives.
- "Council." The Economic Advisory Council.
- "Documented revenue forecast." General Fund revenue estimates for the current and succeeding two fiscal years accompanied by supporting documentation which is sufficient for an individual to independently replicate and verify the forecast. Supporting documentation includes, but is not limited to:

(1) All reference and data sources used to prepare the forecast.

(2) Economic growth assumptions accompanied with supporting rationale.

(3) A printout of all historical and forecast data used, including the effective rate of taxes.

(4) A printout of all adjustments to historical and forecast data accompanied with supporting rationale where the rationale includes, but is not limited to, a discussion of adjustments due to statutory changes, litigation, and administrative practices.

(5) All models used, including econometric, structural and cash flow models.

(6) All formulas and calculations used to be accompanied with supporting rationale.

“General Fund revenue.” The income sources for the General Fund.  
“Official estimate.” The official estimate as required for General Fund revenue.

“Revenue system.” The taxes levied by the various taxing jurisdictions in this Commonwealth.

#### Section 303. Creation of board.

The Independent Fiscal Review Board is hereby created as an independent advisory board.

#### Section 304. Purpose of board.

The Independent Fiscal Review Board shall prepare periodic advisory General Fund revenue estimates and reports, monitor State and local revenue systems and act as an advisor to the Governor, the General Assembly and the public concerning the following:

(1) General Fund revenue forecasts.

(2) Economic conditions in this Commonwealth.

(3) Trends and developments relevant to revenue systems in this Commonwealth.

(4) Other information or analysis related to State and local revenue systems which the Governor or the Chairs of the Appropriations Committees may request or as may be required by law.

#### Section 305. Board membership.

##### (a) Appointment.—

(1) The Independent Fiscal Review Board shall consist of nine members.

(2) The Governor shall appoint one member of the board and each of the Chairs of the Appropriations Committees shall appoint one member of the board. The appointments under this clause shall be made within 30 days of the effective date of this section.

(3) The five appointments under paragraph (2) shall appoint four additional members to the board. The five board appointments must unanimously approve each of the four additional members. The additional four board members shall be appointed within 60 days of the effective date of this section.

(4) The board shall by a vote of six of the nine members elect one of the four additional members to serve as chair of the board.

(5) Whenever a vacancy occurs on the board, whether prior to or at the expiration of a term, the vacancy shall be filled within 60 days. All successors shall be appointed by the same appointing authority as the members whom they are replacing.

##### (b) Qualification.—

(1) All members of the board shall be skilled and knowledgeable in tax policy, and have at least five years' experience in public finance, economics or accounting. At least three members of the board shall have a minimum of five years' professional economic forecasting experience. At least one member shall have a minimum of five years of corporate tax accounting experience.

(2) A member of the board may not be a lobbyist as defined under the act of September 30, 1961 (P.L.1778, No.712), known as the Lobbying Registration and Regulation Act.

(3) A board member may not be an employee of the executive, legislative or judicial branch of State government.

(4) The board members shall not seek or hold a position as any other public official within this Commonwealth or as a party

officer while a member of the board. The board members shall not seek election as public officials or party officers for one year after their service with the board. The board members may serve as appointed public officials any time after their period of service with the board.

(c) Term.—Except as otherwise provided, the board members shall serve a four-year term. Of the nine initial appointments, two shall be appointed for a term of two years, three for a term of three years and four for a term of four years. The chair of the board, whose initial term shall be for four years, shall have the other appointees draw lots to determine which length of initial term each of them shall serve. Any person appointed to fill a vacancy occurring prior to the expiration of a term shall serve the unexpired term. A board member may be reappointed to serve subsequent terms. If the chair shall become vacant, the board shall elect a new chair as provided in subsection (a)(4).

(d) Meetings.—The board shall meet as frequently as it deems appropriate, but at least once during each quarter of the fiscal year. Except as otherwise provided by law, the chair shall be responsible for calling meetings of the board and shall set a date, time and place for such meetings. The member appointed by the Governor shall set a date, time and place for the initial organizational meetings of the board within ten days after the completion of the initial five appointments and within ten days after the completion of the remaining four appointments. In addition, the chair shall call a meeting of the board if a request for such meeting is submitted to the chairperson by at least three members of the board.

##### (e) Quorum.—

(1) The chair shall, when present, preside at all meetings. In the chair's absence, a member designated by the board shall preside. Any actions of the chair are subject in every case to majority approval of the board.

(2) Five of the members who compose the board shall constitute a quorum for the purpose of conducting the business of the board and for all other purposes except as otherwise provided.

(f) Reimbursement.—The members of the board shall receive reimbursement for actual and necessary expenses incurred while performing the business of the board.

#### Section 306. Powers and duties of board.

(a) Expenditures.—The Independent Fiscal Review Board may expend such appropriated funds as are necessary to perform the function provided for in this chapter.

##### (b) Executive director.—

(1) The board shall hire an executive director to aid in carrying out the powers and duties of the board. The chair shall, upon the approval of a majority of the members who compose the board, delegate to the executive director such powers of the board as the chair shall deem necessary to carry out the purposes of the board, subject in every case to the supervision and control of the board. The initial appointment of the executive director shall take place within thirty 30 days after all initial appointments to the board.

(2) The executive director shall not seek or hold a position as any other public official within this Commonwealth or as a party officer while filling the position of executive director. The executive director shall not seek election as a public official or party officer for one year after service with the board. The executive director may serve as an appointed public official any time after his period of service with the board.

(3) The executive director shall hire support staff as deemed necessary to carry out the duties and requests of the board. The initial chair of the board shall use the staff of the Governor's Office until the executive director has hired necessary support staff.

(c) Fiscal review.—The board shall conduct a comprehensive fiscal review and recommend a proposal, within 18 months of the effective date of this chapter, to redesign and modernize the State and local revenue systems as required. The board shall carry out all of its powers and duties imposed by this chapter by first addressing and completing its duties with regard to such comprehensive fiscal review before exercising any of its powers and duties with regard to documented revenue forecasts, fiscal analysis and State and local revenue systems as provided in subsections (d) and (e).

## (d) Revenue forecast.—

(1) The board shall prepare a documented revenue forecast by April 30 and any other time deemed necessary by the board.

(2) The board shall analyze the documented revenue forecasts which the Governor and Chairs of the Appropriations Committees submit to the board as required. The board shall insure that the documented revenue forecasts are a matter of public record.

(3) The board shall analyze how its most recent General Fund revenue forecast compares with the official estimate. Part of the analysis shall include a comparison of the documented revenue forecast with the monthly report of the official estimate. In addition, the board shall also provide to the public a summary of such information presented in a manner which a lay person can understand. The board shall meet to approve such information by a majority vote before the information is released. Except as otherwise provided, the board shall make such information available in printed form to the Governor, Chairs of the Appropriations Committees and the public by the following dates: July 15, October 15, January 15, April 15, June 15 and at any other time that the board deems necessary. For purposes of this subsection, publication in the Pennsylvania Bulletin within one week of the due date shall be sufficient to meet the public reporting requirement.

(4) The board shall act in an advisory capacity and shall develop policies and procedures for maintaining the confidentiality of individual requests concerning General Fund revenue forecasts, General Fund revenue proposals or General Fund revenue analysis upon the request of the Governor or the Chairs of the Appropriations Committees.

## (e) Fiscal analysis.—

(1) The board shall prepare and issue a fiscal analysis for any bill proposing to expand, alter, or reduce General Fund revenue, and for any amendment to a bill proposing to expand, alter, or reduce General Fund revenue. The fiscal analysis shall include policy effects and estimated revenue impacts for the current fiscal year and for each of the two succeeding fiscal years, including all reference and data sources and an explanation of the methodology used to estimate the revenue impacts. When preparing a fiscal analysis, the board shall consider the evaluation criteria set forth in section 308.

(2) Except as otherwise provided in paragraph (3), no bill proposing to expand, alter, or reduce General Fund revenue shall be given second consideration in either House of the General Assembly until the board has attached a fiscal analysis, and no amendment to any bill which proposes amendment to expand, alter, or reduce General Fund revenue shall be considered by either House of the General Assembly until the board has attached a fiscal analysis.

(3) If the board fails to attach a fiscal analysis within 20 legislative days after a bill proposing to expand, alter, or reduce General Fund revenue has received first consideration in either House of the General Assembly, the bill may be further considered in the same manner as if the fiscal analysis had been attached to the bill. If the board fails to attach a fiscal analysis within 20 legislative days after an amendment to a bill proposing to expand, alter, or reduce General Fund revenue has been submitted to the board, the amendment may be considered in the same manner as if the fiscal analysis had been attached to the amendment.

(f) Evaluation.—The board shall periodically monitor and, using the evaluation criteria set forth in section 308, evaluate the relationship of State and local revenue systems to fiscal policy in this Commonwealth and to changes and developments in factors that impact the revenue systems. Such factors that the board should consider include:

- (1) general economic and demographic trends;
- (2) patterns of business methods and organization;
- (3) economic activity;
- (4) Federal and State legislative and administrative actions;
- (5) accounting standards; and
- (6) regulatory requirements.

At its own discretion, or upon request of the Governor or the General Assembly, the board shall evaluate the impact of any factor on the revenue systems in this Commonwealth and recommend any revisions to policy that it deems advisable.

## Section 307. Comprehensive fiscal review.

(a) Purpose.—The purpose of the comprehensive fiscal review is to address the structural problems in the existing revenue systems in this Commonwealth and, in turn, to develop a consensus proposal for making State and local revenue systems straightforward, fair, efficient, and reliable for funding the public programs and services provided in this Commonwealth. It is the intent of the General Assembly that such proposal shall not result in excess revenues.

(b) Revenue system.—Within three months of the effective date of this section, the Independent Fiscal Review Board shall commence a review of the entire structure of State and local revenue systems in this Commonwealth. Using the evaluation criteria set forth in section 308, the board shall make a comprehensive assessment of the revenue systems in this Commonwealth and recommend a proposal to redesign and modernize such systems.

(c) Fiscal report.—No later than 16 months after the effective date of this section, the board shall issue to the Governor and the General Assembly a final report containing its evaluation of the State and local revenue systems and recommended proposal for improving such systems, including supporting analysis, such as rationale and fiscal analyses. Within 90 days of issuing the report, the board shall submit suggested statutory language for implementing its recommendations.

(d) Publication.—Within 105 days of issuing the report required by subsection (b), the board shall publish in the Pennsylvania Bulletin:

- (1) a brief summary of the report;
- (2) a notice of availability of the text of the report, the statutory language for implementing the recommendations set forth in the report, and a fiscal analysis relating to the recommendations; and
- (3) a request for written comments.

## Section 308. Evaluation criteria.

When carrying out its duties under this chapter, when appropriate, the Independent Fiscal Review Board shall take into consideration the following:

- (1) The simplicity of the taxes and the ability of individual taxpayers to easily understand and comply with them.
- (2) The overall mix of taxes.
- (3) Whether the tax burden is distributed fairly among taxpayers in terms of ability to pay and the relationship between benefits received and payments made.
- (4) The need to eliminate subjective interpretation of taxes.
- (5) The reliability of taxes and whether their bases yield automatic growth and cyclical stability in revenues generated.
- (6) The collection and enforcement costs associated with the various taxes and the ability to easily administer the taxes.
- (7) Whether the taxes create incentives for individuals and firms to alter their behavior in order to minimize their tax burden.
- (8) The system of taxation within various jurisdictions and the incentives for households to move and firms to relocate activities to jurisdictions which provide more favorable tax treatment.
- (9) The value of tax incentives and whether they meet the performance requirements on which they are based.
- (10) The responsiveness of revenue systems to economic and social conditions, including the following:

- (i) changes in the economic base, such as the shift from manufacturing to services;
- (ii) changes in the types and forms of business organizations, such as the formation of S corporations and limited liability companies;
- (iii) expansion of interstate and international businesses and transactions, which impacts nexus requirements, apportionment methods and methods of reporting, including combined or separate company reporting;
- (iv) changes in technology and regulations, such as in telecommunications and financial services; and

(v) goals of State economic development policy, such as targeted job creation and public investments.

#### Section 309. Economic Advisory Council.

(a) Establishment.—The Economic Advisory Council is established to act in an advisory capacity to the Independent Fiscal Review Board concerning State and local revenue systems, economic conditions in this Commonwealth and General Fund revenue forecasts whenever the board calls upon them to do so. The council shall meet with the board at least once during each quarter of the fiscal year.

(b) Membership.—The council shall consist of at least seven members. The board shall appoint each member for a two-year term based upon a majority vote. Whenever a vacancy occurs on the council, whether prior to or at the expiration of a term, the vacancy shall be filled within 60 days. Any person appointed to fill a vacancy occurring prior to the expiration of a term shall serve the unexpired term. The council shall at least consist of a representative from each of the following sectors: labor, manufacturing, banking, nonbanking financial services, retail and public utilities.

(c) Restriction.—Members of the council shall not seek or hold a position as any other public official within this Commonwealth or as a party officer while a member of the council. The council members shall not seek election as public officials or party officers for one year after their service with the council. The council members may serve as appointed public officials any time after their period of service with the council. A member of the council may not be a lobbyist as defined under the act of September 30, 1961 (P.L.1778, No.712), known as the Lobbying Registration and Regulation Act. A board member of the council may not be an employee of the executive, legislative or judicial branch of State government.

#### Section 310. Duties of the Governor, Secretary of Revenue and Chairs of the Appropriations Committees.

(a) Revenue forecast.—The Governor shall submit to the Independent Fiscal Review Board a documented revenue forecast with the submission of the Executive Budget and with the official estimate. The Chairs of the Appropriations Committees shall submit to the board a documented revenue forecast when their respective budgets are introduced as required under the act of 1995 (P.L. , No. ) known as the Budget Reform Act.

(b) Regulations.—Notwithstanding any law or regulation regarding confidential information to the contrary, the Secretary of the Budget and the Secretary of Revenue shall provide information which the board requests for purposes of fulfilling its duties under this chapter. The board shall be bound by the same laws and regulations regarding confidentiality as the individual which provides the confidential information to the board.

(c) Information.—In order to facilitate the board in carrying out its duties under section 306(e), the Secretary of the Budget and Secretary of Revenue shall make available to the board all information and reports used for generating General Fund revenue forecasts.

### CHAPTER 5

#### MISCELLANEOUS PROVISIONS

#### Section 501. Effective date.

This act shall take effect immediately.

On the question,

Will the House agree to the amendment ?

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

The gentleman will yield.

Will the members please take their seats. The gentleman, Mr. LaGrotta, is entitled to be heard.

So the House understands the schedule, we will take the LaGrotta amendment, and we will then take up a motion by the gentleman, Mr. Michlovic, who will ask us to suspend the rules in connection with an amendment he wants to offer to HB 39, move back then to HB 38 where we will take amendments and hopefully get to that bill,

and prior to adjournment tonight we will take up on final passage HB 39.

Now, this bill is being withdrawn temporarily to allow the gentleman, Mr. Stetler, an opportunity to redraft the technical defects in the last amendment. However, it is understood that we are going to adjourn slightly earlier tonight than on other occasions, so we would appreciate it if debate be held down to the barest minimum so that we can accomplish one resolution and these two bills, and the longer debate goes, the later we go.

But this is the schedule for tonight, and on that, the Chair recognizes the gentleman, Mr. LaGrotta.

Mr. LaGROTTA. Thank you, Mr. Speaker.

Mr. Speaker, in deference to your comments, I will be brief, and I believe that I can be brief because this should be a relatively easy amendment for both sides of the aisle to vote for since almost 95 percent of the members who were here last session supported the exact same piece of legislation in the form of HB 412.

HB 412, which is now amendment A0484, would create the Fiscal Review Board, which would be the first step to the House and the Senate finding a way to give the people of Pennsylvania meaningful State and local tax reform.

The bill would create the Fiscal Review Board, which would be comprised of nine members, experts in tax policy and public finance, appointed by the Governor and the General Assembly, whose task it would be to report back to the General Assembly with legislative recommendations on how we can best utilize the tax policies both on a State and local level in the Commonwealth of Pennsylvania.

I remind you once again, Mr. Speaker, that most of the members of the General Assembly in the last session supported this exact same measure in the form of HB 412, and I would ask those members to do the exact same thing on this amendment. Thank you.

The SPEAKER. The Chair recognizes, on the question of the adoption of the LaGrotta amendment, the gentleman from Lehigh, Mr. Snyder.

Mr. SNYDER. Thank you.

Mr. Speaker, it was just brought to our attention that this amendment has not been distributed on the House floor.

The SPEAKER. The Chair advises the members of the House that in your packet, LaGrotta amendment 306 contains the substantive language of amendment 484. It was not reproduced, the difference apparently being on the front page in the drafting to a different bill. Is that right, Mr. LaGrotta ?

Mr. LaGROTTA. Yes, Mr. Speaker, it is. That is accurate.

House amendment A306 was drafted to move the language to the Administrative Code bill. The redraft was to amend the freestanding act with the Nyce amendment included in it.

The SPEAKER. But for the purpose of our membership who wants to be in a position to read your amendment and the substance of your amendment, it is contained in 306. Is that not correct ?

Mr. LaGROTTA. Yes. It commences on page 9 under the subheading "POWERS AND DUTIES OF THE INDEPENDENT FISCAL REVIEW BOARD."

The SPEAKER. Is there anyone who objects to this procedure ? If so, we will withdraw it at this time and reproduce and distribute the exact amendment.

On the question, go ahead. The gentleman, Mr. LaGrotta, may proceed.

Mr. LaGROTTA. Mr. Speaker, I have no further comment.

The SPEAKER. Does Mr. Nyce seek recognition ?

Mr. NYCE. Mr. Speaker, would the gentleman stand for interrogation?

The SPEAKER. The gentleman indicates he will stand for interrogation. The gentleman may proceed.

Mr. NYCE. Mr. Speaker, I believe the intent of your amendment creates a new bureaucratic group within the department. Is there any additional cost related to this?

Mr. LaGROTTA. Yes, there is, Mr. Speaker, and the fiscal note has been distributed. It is the exact same cost that was contained in HB 412 which the gentleman voted for in the last session.

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, I have finished my interrogation. I would like to comment on the amendment.

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

Mr. NYCE. Mr. Speaker, this amendment is similar to other amendments that have been offered in that it goes beyond the scope of the intent of the tax amnesty legislation, which will hopefully shortly be before us.

For those reasons and many of the others espoused earlier today, I would suggest that a negative vote is in order. The primary assumption behind many of these amendments has been that when an assessment is rendered by the Department of Revenue, that automatically that tax is due, that there is never an argument over whether they have overextended their limits, whether there is a gray area of interpretation, or anything else. I suggest that that is not true. For 22 years of tax practice, I know it is not true.

Therefore, those assumptions do not correspond with the intent of the legislation, and I urge a negative vote on the amendment.

The SPEAKER. The question recurs, will the House agree to the amendment?

The Chair recognizes the gentleman from Philadelphia, Mr. Evans.

Mr. EVANS. Mr. Speaker, I rise to support the LaGrotta amendment.

Mr. Speaker, this is not a new issue. This issue for the last two sessions has been supported by Democrats and Republicans alike.

What Mr. LaGrotta is raising here is some way to begin to set a tone around the question of our tax policy, and what is unfortunate, Mr. Speaker, is that although we are talking about tax amnesty, we are dealing with it from a piecemeal approach. The approach that Mr. LaGrotta is offering here today is an attempt to deal with local and statewide tax reform and have a commission look and evaluate it. This has been an issue that has been supported by Democrats, Republicans, the Chamber of Commerce, and a number of other people.

Basically, Mr. Speaker, this board would be set up to look at the simplicity of taxes, the ease of administration and compliance, the overall mix of taxes, the distribution of tax burden, the sufficiency and stability of revenues, the accountability and the value of the tax incentives.

Mr. Speaker, just to talk about tax amnesty in a vacuum is a mistake in my view. The gentleman, Mr. LaGrotta, is looking at long term. I would hope, Mr. Speaker, though I have watched the votes over the last hour or two and they have strictly been along partisan lines, that this particular approach that Mr. LaGrotta is offering is something that I believe will not interfere with the tax amnesty bill as you are proposing but basically move it in a direction that we really need to do something about our tax structure.

It certainly will not hurt the tax amnesty approach that the gentleman is pushing, but I would hope you would consider this and not just make it a Democrat-Republican issue. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman and recognizes the gentleman, Mr. Surra.

Mr. SURRA. Thank you, Mr. Speaker.

Briefly, I rise in support of the LaGrotta amendment, Mr. Speaker. This is the direction we should be going in this Commonwealth.

The tax study commission, Mr. Speaker, will give us an independent look at what our taxes are in this State. The whole idea of we have the highest corporate net income tax in the country when 70 percent of the corporations in Pennsylvania are paying no corporate income tax, Mr. Speaker, those are the types of things that we have to look at. And we should be looking at ways to reasonably do tax reform, Mr. Speaker, to help the working people and the senior citizens that are struggling to pay their property taxes. This is what we should be about, not letting tax cheats get off.

Mr. Speaker, we should incorporate the LaGrotta amendment into this piece of legislation, and I encourage everyone, Republican and Democrat, to move the State in that direction. I encourage a positive vote. Thank you.

The SPEAKER. On the question of the adoption of the LaGrotta amendment, the Chair recognizes the gentleman from Chester, Mr. Pitts.

Mr. PITTS. Thank you, Mr. Speaker.

What the gentlemen, Mr. Evans and Mr. LaGrotta, are doing is seeking to clutter the tax amnesty issue with other Administrative Code issues. We will have other opportunities to deal with the Administrative Code issues in the House. What we are trying to do with this bill is to save the Commonwealth revenue, not increase spending for new administrative costs.

I would urge that we defeat this amendment. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

Does the gentleman, Mr. Browne, desire recognition?

Mr. BROWNE. Yes, Mr. Speaker.

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

Mr. BROWNE. I just wanted to reiterate what the gentlemen, Mr. Pitts and Mr. Nyce, have said. We are getting away from the purpose of our bill here - to offer a window of opportunity for people to come forward and to pay their taxes voluntarily.

Therefore, in relation to this amendment as well, I recommend a negative vote.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the Democratic floor leader, Mr. DeWeese. Mr. DeWEESE. Mr. Speaker, thank you very much.

The Republican floor leader again and again the last several days has said, we are here to do business; we are here to get the job done; we are here to make sure our agenda marches forward; we are here to pass bills and pass amendments. Mr. LaGrotta has an amendment that essentially has been embraced by the Pennsylvania Chamber of Commerce, by the Pennsylvania Economy League, and due to the fact that the Republican floor leader not too long ago made an oblique but I took it as a positive reference to the business summit at the palatial setting of Nemaocolin Woodlands, over 100 business men and women, black and white, rich and poor, mostly Republican, attended that event, including our new Secretary of Commerce, Mr. Hagen,

and one of the fundamental decisions of that conclave was to push for Mr. LaGrotta's amendment.

We are trying to help Governor Ridge. We are trying to help Pennsylvania's economy. We think this makes good public sense, good public policy. If it was okay for those guys to shove it down our throat last week and say, let us get moving, let us get going, what is wrong with Mr. LaGrotta's amendment, which has been thought about, discussed, shared, propelled by the Chamber of Commerce, the Business Roundtable, the Speaker's summit, and innumerable other settings?

What Mr. LaGrotta is doing is not something new. It is not even all that novel. But many, many people - intellectuals in the business schools and in corporate Pennsylvania - think it makes sense.

Corporate Pennsylvania backs Frank LaGrotta's amendment. I think you should, too. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The gentleman, Mr. LaGrotta, is recognized.

Mr. LaGROTTA. Thank you, Mr. Speaker.

Mr. Speaker, let me just sum up briefly what I think is happening here.

I think ladies and gentlemen on both sides of the aisle have to realize that in our quest—and it is a quest that we all join together in—to help make Pennsylvania competitive with other States in terms of business and a place to do business, no less an authority than the Pennsylvania Chamber of Business and Industry, as the Democratic leader pointed out, lists at the top of their 1995 legislative priorities the establishment of a tax study commission and taking appropriate action on local tax reform. So I would caution every member of this General Assembly that would vote against this amendment that they would be saying to the Pennsylvania Chamber of Business and Industry that we do not agree that we want to make Pennsylvania competitive for business and we do not agree that a tax reform study commission and local tax reform are important.

But beyond that, several of the speakers who oppose the amendment talked about savings and about how this legislation, HB 39, is designed to save the State of Pennsylvania money. Well, this amendment, Mr. Speaker, is designed exactly and completely with no other intention in mind except to provide a long-term strategy for tax efficiency and tax savings - for our business community, for our personal income tax payers, and most importantly, Mr. Speaker, for the homeowners of Pennsylvania, the local taxpayers of Pennsylvania who have said to each and every one of us in our districts back home, we can no longer afford the property tax increases that we face each and every year on a school district level, a county level, and a municipal level.

Mr. Speaker, this commission is designed specifically to address those needs and to bring back to us not a Democratic answer, not a Republican answer, but a nonpartisan answer for the people of Pennsylvania. A vote against this amendment, Mr. Speaker, is a vote against a nonpartisan solution to the question of tax reform and to the cries of the people of Pennsylvania who have been asking for our help for years.

Mr. Speaker, I ask for an affirmative vote on amendment 0484. Thank you.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS-95

Battisto	Donatucci	Lucyk	Santoni
Bebko-Jones	Evans	Manderino	Scrimenti
Belardi	Fajt	Markosek	Shaner
Belfanti	George	Mayernik	Staback
Bishop	Gigliotti	McCall	Steelman
Blaum	Gordner	McGeehan	Stetler
Boscola	Gruitza	Melio	Sturla
Butkovitz	Haluska	Michlovic	Surra
Buxton	Hanna	Mihalich	Tangretti
Caltagirone	Horsey	Mundy	Thomas
Cappabianca	Itkin	Olasz	Tigue
Carn	James	Oliver	Travaglio
Cawley	Jarolin	Pesci	Trello
Cohen, M.	Josephs	Petrone	Trich
Colafella	Kaiser	Pistella	Van Horne
Corpora	Keller	Ramos	Veon
Corrigan	Kirkland	Readshaw	Vitali
Cowell	Kukovich	Richardson	Walko
Coy	LaGrotta	Rieger	Washington
Curry	Laughlin	Roberts	Williams
Daley	Lederer	Robinson	Wozniak
DeLuca	Lescovitz	Rooney	Yewcic
Dermody	Levdansky	Rudy	Younghlood
DeWeese	Lloyd	Sainato	

NAYS-102

Adolph	Fairchild	Lynch	Schroder
Allen	Fargo	Maitland	Schuler
Argall	Farmer	Major	Semmel
Armstrong	Feese	Marsico	Serafini
Baker	Fichter	Masland	Sheehan
Bard	Fleagle	McGill	Smith, B.
Barley	Flick	Merry	Smith, S. H.
Birmelin	Gannon	Micozzie	Snyder, D. W.
Boyes	Geist	Miller	Stairs
Brown	Gladeck	Nailor	Steil
Browne	Godshall	Nickol	Stern
Bunt	Gruppo	Nyce	Stish
Carone	Habay	O'Brien	Strittmatter
Chadwick	Harhart	Perzel	Taylor, E. Z.
Civera	Hasay	Pettit	Taylor, J.
Clark	Hennessey	Phillips	True
Clymer	Herman	Piccola	Tulli
Cohen, L. I.	Hershey	Pitts	Vance
Conti	Hess	Platta	Waugh
Cornell	Hutchinson	Raymond	Wogan
Dempsey	Jadlowiec	Reber	Wright, M. N.
Dent	Kenney	Reinard	Zimmerman
DiGirolamo	King	Rohrer	Zug
Druce	Krebs	Rubley	
Durham	Lawless	Sather	Ryan,
Egolf	Leh	Saylor	Speaker

NOT VOTING-3

Petrarca	Roebuck	Wright, D. R.
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EXCUSED-3

Colaizzo	Gamble	Preston
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The question was determined in the negative, and the amendment was not agreed to.

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

**MOTION TO SUSPEND RULES**

The SPEAKER. The Chair recognizes the gentleman, Mr. Michlovic. Does the gentleman, Mr. Michlovic, desire recognition?

Mr. MICHLOVIC. Yes, Mr. Speaker.

I do have an amendment. However, I would make a motion to suspend rules 19(a) and 21 for the purpose of offering an amendment, which I discussed with the Parliamentarian about 3:30 yesterday afternoon.

The SPEAKER. The Chair has recognized the gentleman Mr. Michlovic, who has moved that the rules of the House be suspended, rules 19(a) and 21, to permit the offering, the untimely offering, of an amendment without the need for a fiscal note.

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

The SPEAKER. On that question, which is not debatable except by the two floor leaders, unless one of the floor leaders yields. Does the gentleman, Mr. DeWeese, yield to the gentleman, Mr. Michlovic?

Mr. DEWEESE. The gentleman, Mr. DeWeese, would be pleased to yield to the gentleman, Mr. Michlovic.

The SPEAKER. The gentleman, Mr. Michlovic, may begin.

Mr. MICHLOVIC. Thank you, Mr. Speaker.

As I indicated, I had discussed the amendment, could not get it down from the Legislative Reference Bureau until this morning, so I could not even offer it yesterday. But essentially, it is simply an amendment to make public the names of those transgressors of their civic duty and make those names public, anybody to whom we send out the notice of tax delinquency, and that is all taxpayers over \$4,000, as designated in the bill.

So I would ask that the rules be suspended for the purpose of offering the amendment. Thank you.

The SPEAKER. On the question of suspending rules 19(a) and 21, the Chair recognizes the majority leader.

Mr. PERZEL. Thank you, Mr. Speaker.

Mr. Speaker, again, we are attempting to run the House in an orderly fashion. We have already denied one member the opportunity of putting in his amendments. It would not be fair not to do this a second time.

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

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

The following roll call was recorded:

**YEAS-98**

Battisto	Evans	Markosek	Santoni
Bebko-Jones	Fajt	Mayernik	Scrimenti
Belardi	George	McCall	Shaner
Belfanti	Gigliotti	McGeehan	Staback
Bishop	Gordner	Melio	Steelman

Blum	Gruitza	Michlovic	Stetler
Boscola	Haluska	Mihalich	Sturla
Butkovitz	Hanna	Mundy	Surra
Buxton	Horsey	Olasz	Tangretti
Caltagirone	Itkin	Oliver	Thomas
Cappabianca	James	Pesci	Tigue
Carn	Jarolin	Petrarca	Travaglio
Cawley	Josephs	Petrone	Trello
Cohen, M.	Kaiser	Pistella	Trich
Colafella	Keller	Ramos	Van Horne
Corpora	Kirkland	Readshaw	Veon
Corrigan	Kukovich	Richardson	Vitali
Cowell	LaGrotta	Rieger	Walko
Coy	Laughlin	Roberts	Washington
Curry	Lederer	Robinson	Williams
Daley	Lescovitz	Roebuck	Wozniak
DeLuca	Levdansky	Rooney	Wright, D. R.
Dermody	Lloyd	Rudy	Yewcic
DeWeese	Lucyk	Sainato	Youngblood
Donatucci	Manderino		

**NAYS-102**

Adolph	Fairchild	Lynch	Schroder
Allen	Fargo	Maitland	Schuler
Argall	Farmer	Major	Semmel
Armstrong	Feese	Marsico	Serafini
Baker	Fichter	Masland	Sheehan
Bard	Fleagle	McGill	Smith, B.
Barley	Flick	Merry	Smith, S. H.
Birnein	Gannon	Micozzie	Snyder, D. W.
Boyes	Geist	Miller	Stairs
Brown	Gladeck	Nailor	Steil
Browne	Godshall	Nickol	Stern
Bunt	Gruppo	Nyce	Stish
Carone	Habay	O'Brien	Strittmatter
Chadwick	Harhart	Perzel	Taylor, E. Z.
Civera	Hasay	Pettit	Taylor, J.
Clark	Hennessey	Phillips	True
Clymer	Herman	Piccola	Tulli
Cohen, L. I.	Hershey	Pitts	Vance
Conti	Hess	Platts	Waugh
Cornell	Hutchinson	Raymond	Wogan
Dempsey	Jadlowiec	Reber	Wright, M. N.
Dent	Kenney	Reinard	Zimmerman
DiGirolamo	King	Rohrer	Zug
Druce	Krebs	Rubley	
Durham	Lawless	Sather	Ryan, Speaker
Egolf	Leh	Saylor	

**NOT VOTING-0**

**EXCUSED-3**

Colaizzo	Gamble	Preston
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Less than a majority of the members elected to the House having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

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



## BILL PASSED OVER TEMPORARILY

The SPEAKER. At this time we are awaiting the corrected amendment of the gentleman, Mr. Stetler, so without objection, the Chair puts this bill over temporarily.

## SUPPLEMENTAL CALENDAR A

## RESOLUTION

Mr. KENNEY called up **HR 25, PN 306**, entitled:

A Resolution directing the Legislative Budget and Finance Committee to audit the Pennsylvania Minority Business Development Authority and the Minority Business Development Fund.

On the question,  
Will the House adopt the resolution?

Mr. EVANS offered the following amendment No. **A0424**:

Amend Title, page 1, line 3, by removing the period after "Fund" and inserting  
and to conduct a comprehensive review of all economic development programs administered by the Department of Commerce in conjunction with the Economic Development Partnership.

Amend Resolution, page 2, line 9, by striking out "therefore be it" and inserting  
and

WHEREAS, There has never been a comprehensive program evaluation of all economic development programs administered by the Department of Commerce in conjunction with the Economic Development Partnership; therefore be it

Amend First Resolve Clause, page 2, line 14, by inserting after "Fund" and a program evaluation of all economic development programs administered by the Department of Commerce in conjunction with the Economic Development Partnership

Amend Resolution, page 2, by inserting between lines 22 and 23

RESOLVED, That the comprehensive program evaluation of all economic development programs administered by the Department of Commerce in conjunction with the Economic Development Partnership review these programs for:

- (1) Fiscal accountability.
- (2) Program effectiveness.
- (3) The creation and/or retention of jobs within this Commonwealth.
- (4) The effectiveness of job training programs;

and be it further

Amend Third Resolve Clause, page 2, line 25, by inserting after "1995"

and that the comprehensive program evaluation be completed and presented prior to December of 1995 and forwarded to the chairman and minority chairman of the Appropriations Committee of the House of Representatives

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

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

Mr. EVANS. Mr. Speaker, I want to first make it very clear that consistently, as the Democratic chairman of the Appropriations Committee, we have been pushing the aspect of performance measure. Last week, in the mini-Grace Commission, you adopted an

amendment. This particular amendment that we are offering is to conduct a comprehensive review of all economic development programs administered by the Department of Commerce in conjunction with the Economic Development Partnership.

Mr. Speaker, over the last 15 to 20 years, the General Assembly has appropriated almost \$150 million for the General Fund for economic development programs, \$38 million in special funds, and \$42 million in other funds for economic development programs. The Pennsylvania economy has changed significantly over the last 20 years from a manufacturing type of economy to a service economy. Do our economic development programs reflect this?

Governor Ridge, Mr. Speaker, indicated in his campaign platform, he mentioned that he anticipated reducing economic development programs' funding by about \$20 million over the years. This evaluation, Mr. Speaker, would be a starting point from which the new administration could determine the appropriate funding levels for economic development programs in the Department of Commerce.

Mr. Speaker, as you know, certainly as the Democratic chair, we have consistently pushed that the Appropriations Committee agenda foster program accountability. We proposed the evaluation of the economic development program that fits this agenda. This amendment that I offer, Mr. Speaker, is an amendment to look at all the programs. We believe, Mr. Speaker, every program should be under review of the Department of Commerce, and I hope we can get support on both sides of the aisle. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Philadelphia, Mr. Richardson, on the Evans amendment.

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

Mr. Speaker, I would like to know if I can interrogate the prime sponsor of the amendment.

The SPEAKER. The gentleman, Mr. Evans, indicates he will stand for interrogation. You may begin.

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

Mr. EVANS. Mr. Speaker, can we yield for a second, please?

The SPEAKER. Do you want the House to be at ease?

Mr. EVANS. Yes. Can we be at ease for a second, Mr. Speaker?

The SPEAKER. The House will be at ease.

Mr. KENNEY. Mr. Speaker?

The SPEAKER. Does the gentleman, Mr. Richardson, yield to the gentleman, Mr. Kenney?

The gentleman may proceed.

Mr. KENNEY. Thank you, Mr. Speaker.

Mr. Speaker, this side of the aisle agrees to the amendment.

The SPEAKER. Mr. Evans, is your side of the aisle okay?

Mr. EVANS. I hope so, Mr. Speaker.

The SPEAKER. On the question of the adoption of the amendment, those in favor vote "aye"—

Mr. RICHARDSON. Mr. Speaker?

Mr. Speaker, you just yielded the floor to me, and I yielded the floor.

The SPEAKER. I apologize to the gentleman.

The Chair recognizes the gentleman, Mr. Richardson, on what I understood to be an agreed-to amendment.

Mr. RICHARDSON. It is agreed to, and that is understood. I still have a question.

The SPEAKER. Ask your question. You are in order.

Mr. RICHARDSON. Mr. Speaker, I would like to know whether or not the amendment, which is presently agreed to, which deals specifically with, all departments that deal with economic development are included in this package, and I just wanted to make sure for the record that we are speaking of the Pennsylvania Industrial Development Authority. Would that be correct?

Mr. EVANS. Yes, Mr. Speaker.

Mr. RICHARDSON. Would that also include the Tourism Promotion Act?

Mr. EVANS. Yes, Mr. Speaker.

Mr. RICHARDSON. I will just ask all of them, and then you can just tell me if I am right.

The Home Improvement Finance Act, the Economic Development Financing Law, the Pennsylvania Economic Revitalization Act, the Business Infrastructure Development Act, the Capital Loan Fund Act, the Small Business Incubators Act, the Employee-Ownership Assistance Program Act, the Rural Economic Development Program Act, the Hardwoods Development Council Act, the Machinery and Equipment Loan Fund Act, the Industrial Communities Action Program Act, the Pennsylvania Equality Improvement Act, the Pennsylvania Export Partnership Act, and the Ben Franklin/IRC Partnership Act of Pennsylvania.

Mr. EVANS. Yes, Mr. Speaker.

Mr. RICHARDSON. Mr. Speaker, I wanted to ask that question on the record because I am going to withdraw my amendment, and I just wanted to make sure that it included that so I would not have to ask for consideration for our amendment.

I agree to the amendment as well. I ask for a favorable vote on the amendment.

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

Mr. PISTELLA. Has that amendment been distributed, Mr. Speaker? I have received amendment A0483 from Representative Lescovitz, but I do not have any other one.

The SPEAKER. It is my understanding amendment A0424 has been passed out.

Mr. PISTELLA. I see people nodding their heads no and trying to shanghai the copy the gentleman just gave me, Mr. Speaker. We will just say it was a limited distribution. Thank you.

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

The following roll call was recorded:

YEAS-200

Adolph	Evans	Maitland	Saylor
Allen	Fairchild	Major	Schroder
Argall	Fajt	Manderino	Schuler
Armstrong	Fargo	Markosek	Scrimenti
Baker	Farmer	Marsico	Sennel
Bard	Feese	Masland	Serafini
Barley	Fichter	Mayernik	Shaner
Battisto	Fleagle	McCall	Sheehan
Bebko-Jones	Flick	McGeehan	Smith, B.
Belardi	Gannon	McGill	Smith, S. H.
Belfanti	Geist	Melio	Snyder, D. W.
Birmelin	George	Merry	Staback
Bishop	Gigliotti	Michlovic	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boscola	Godshall	Mihalich	Steil
Boyes	Gordner	Miller	Stern

Brown	Gruitza	Mundy	Stetler
Browne	Gruppo	Nailor	Stish
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	Nyce	Sturla
Buxton	Hanna	O'Brien	Surra
Callagirono	Harhart	Olasz	Tangretti
Cappabianca	Hasay	Oliver	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Carone	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsey	Pettit	Trello
Clark	Hutchinson	Phillips	Trich
Clymer	Itkin	Piccola	True
Cohen, L. I.	Jadlowiec	Pistella	Tulli
Cohen, M.	James	Pitts	Vance
Colafella	Jarolin	Platts	Van Horne
Conti	Josephs	Ramos	Veon
Cornell	Kaiser	Raymond	Vitali
Corpora	Keller	Readshaw	Walko
Corrigan	Kenney	Reber	Washington
Cowell	King	Reinard	Waugh
Coy	Kirkland	Richardson	Williams
Curry	Krebs	Rieger	Wogan
Daley	Kukovich	Roberts	Wozniak
DeLuca	LaGrotta	Robinson	Wright, D. R.
Dempsey	Laughlin	Roebuck	Wright, M. N.
Dent	Lawless	Rohrer	Yewcic
Dermody	Lederer	Rooney	Youngblood
DeWeese	Leh	Rubley	Zimmerman
DiGirolamo	Lescovitz	Rudy	Zug
Donatucci	Levdansky	Sainato	
Druce	Lloyd	Santoni	Ryan,
Durham	Lucyk	Sather	Speaker
Egolf	Lynch		

NAYS-0

NOT VOTING-0

EXCUSED-3

Colaizzo	Gamble	Preston
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The question was determined in the affirmative, and the amendment was agreed to.

On the question,  
Will the House adopt the resolution as amended?

Mr. LESCOVITZ offered the following amendment No. A0483:

Amend Sixth Whereas Clause, page 2, line 4, by striking out "a deficit condition"

Amend Sixth Whereas Clause, page 2, line 4, by striking out "\$9" and inserting

\$7.15

Amend Resolution, page 2, by inserting between lines 14 and 15  
RESOLVED, That the audit guidelines shall account for the fact that loans from the Minority Business Development Fund are high-risk loans; and be it further

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

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

Mr. LESCOVITZ. Thank you, Mr. Speaker.

Mr. Speaker, this amendment does three things. First, it takes out, on page 2, the language "a deficit condition." It also puts in the correct appropriation. For 1994-95, instead of \$9 million, it was \$7.15 million. Third, it also puts in there "...That the audit guidelines shall account for the fact that loans from the Minority Business Development Fund are high-risk loans..."

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Kenney.

Mr. KENNEY. Thank you, Mr. Speaker.

Mr. Speaker, this side of the aisle agrees to the amendment.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS-200

Adolph	Evans	Maitland	Saylor
Allen	Fairchild	Major	Schroder
Argall	Fajt	Manderino	Schuler
Armstrong	Fargo	Markosek	Scrimenti
Baker	Farmer	Marsico	Semmel
Bard	Feese	Masland	Serafini
Barley	Fichter	Mayernik	Shaner
Battisto	Fleagle	McCall	Sheehan
Bebko-Jones	Flick	McGeehan	Smith, B.
Belardi	Gannon	McGill	Smith, S. H.
Belfanti	Geist	Melio	Snyder, D. W.
Birmelin	George	Merry	Staback
Bishop	Gigliotti	Michlovic	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boscola	Godshall	Mihalich	Steil
Boyes	Gordner	Miller	Stern
Brown	Gruitzza	Mundy	Stetler
Browne	Gruppo	Nailor	Stish
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	Nyce	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhart	Ojasz	Tangretti
Cappabianca	Hasay	Oliver	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Carone	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsey	Pettit	Trello
Clark	Hutchinson	Phillips	Trich
Clymer	Itkin	Piccola	True
Cohen, L. I.	Jadlowiec	Pistella	Tulli
Cohen, M.	James	Pitts	Vance
Colafella	Jarolin	Platts	Van Horne
Conti	Josephs	Ramos	Veon
Cornell	Kaiser	Raymond	Vitali
Corpora	Keller	Readshaw	Walko
Corrigan	Kenney	Reber	Washington
Cowell	King	Reinard	Waugh
Coy	Kirkland	Richardson	Williams
Curry	Krebs	Rieger	Wogan
Daley	Kukovich	Roberts	Wozniak
DeLuca	LaGrotta	Robinson	Wright, D. R.
Dempsey	Laughlin	Roebuck	Wright, M. N.
Dent	Lawless	Rohrer	Yewcic
Dermody	Lederer	Rooney	Youngblood
DeWeese	Leh	Rublely	Zimmerman
DiGirolamo	Lescovitz	Rudy	Zug
Donatucci	Levdansky	Sainato	

Druce	Lloyd	Santoni	Ryan,
Durham	Lucyk	Sather	Speaker
Egolf	Lynch		

NAYS-0

NOT VOTING-0

EXCUSED-3

Colaizzo	Gamble	Preston
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The question was determined in the affirmative, and the amendment was agreed to.

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

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

Mr. RICHARDSON. Mr. Speaker, I would like to be recognized on final passage of the resolution.

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

Mr. RICHARDSON. Thank you very much.

Mr. Speaker, in checking with Representative Evans, I want to indicate that the Home Improvement Finance Act and I think they said the Small Business Incubators Act are not in fact included, and I wanted to make sure that that was cited for the members of the House, and then I want to speak to HR 25 as amended.

Mr. Speaker, I would like to cite for the record that PMBDA (Pennsylvania Minority Business Development Authority) has been in existence now since 1974. In this resolution there have been several concerns that have been raised, and I want to make sure, for the record, that there is not a misunderstanding of the kind of service and support that in fact has been given to minority companies throughout the Commonwealth of Pennsylvania, who have in fact been very helpful in creating more than 9,700 jobs.

One of the concerns that I saw immediately upon looking at this resolution was that they were going directly after PMBDA and that there were not other agencies that in fact have a similar situation. So what I did was, I was able to get, for the record, Mr. Speaker, a copy of the actual audit that was done by the Legislative Budget and Finance Committee for PMBDA of September of 1986. I will not read that. I also received the audit that was done by the Office of the Auditor General, signed by Ms. Barbara Hafer, our Auditor General, dealing with the operational review, an audit from September 28, 1987, through June 30 of 1991. I also would like to have that pointed out for the record.

Then, Mr. Speaker, I would like to submit that in fact there are several program components of PMBDA that were not enumerated here on the floor of this House that talk about the importance and the impact of what it actually deals with. In fact, you will find, Mr. Speaker, in Pennsylvania counties with over 100 or more minority-owned businesses, and they include counties such as Allegheny, Beaver, Berks, Bucks, Chester, Cumberland, Dauphin, Delaware, Erie, Lancaster, Lehigh, Luzerne, Montgomery, Northampton, Philadelphia, and York, so people can see that this is a comprehensive program across this entire Commonwealth and that

there have been a number of regional offices that have in fact been set up.

But just for those who think that it is just a loan program by itself, I want the record to reflect and indicate that that is not so. It also deals with direct loan programs, technical assistance programs, loan guarantee programs. It deals with the Minority Export Development Technical Assistance Program and the Youth Entrepreneurship Program. I want to put those in the record, Mr. Speaker, to indicate to you that it is more than just a particular loan program only that seems to have some problems, only because of the fact that this agency is under the Department of Commerce. Unfortunately, a lot of people did not recognize that when they introduced the piece of legislation today, and I want to indicate to you that there has not been an audit of the Department of Commerce, which we need to go after, because this is where all these businesses are, if you are really concerned about looking into finding out what has been happening with the public dollars and not just PMBDA.

So I would cite to you that as of January 23, there was in fact an audit that has been done for 1994 but has not yet been approved by all of those who are involved in the system so therefore has not been signed off. I would also submit this, Mr. Speaker, for the record.

Then I would point out that there are rules and regulations set up under the commerce and trade division of the Pennsylvania Minority Business Development Authority that outline specifically what the board's responsibilities are and their regulations and their findings and the actual responsibility of the lack of capital, the lack of business experience, and the lack of staff that is required to actually handle the kind of work that needs to be done on behalf of PMBDA.

I would further note, Mr. Speaker, that when loans are approved in certain programs for PMBDA, up until recently, I would indicate to you, after the approval of many of these minority awards and grants for implementation, that in fact we found that there were several individual groups that in fact had to wait 9 months after the approval of the board to receive their money because there has been a lot of red tape that has been fixed into guaranteeing those loans in a timely fashion. Since the new executive director has come on board, Ms. Isabelle Smith, I would indicate to you that those loans now have a guarantee that they have to be approved and finalized within 120 days, and I can begin to share with you that a lot of the work that was necessary in order to make sure those things were being followed up on was very important.

I raise those points, Mr. Speaker, as points of reasons of why I now support the resolution, and with the rest of the information that we have shared, I would indicate, finally, that PMBDA, out of all of the groups that I named in the structure in interrogating Representative Evans, I would note that PMBDA's budget annually is around \$2 million, but the Pennsylvania Ben Franklin Partnership Act receives \$25 million. They have not been audited either. So when you want to talk about auditing, it is important that everybody recognizes and understands that the Evans amendment makes sure that we audit everybody and not just single out PMBDA. Thank you.

The SPEAKER. The Chair recognizes the gentleman, Mr. James. Mr. JAMES. Thank you, Mr. Speaker.

Mr. Speaker, just for the record, in regards to the counties that Representative Richardson mentioned, in each of those counties there are at least 100 minority businesses, in each of those counties, and for the record, Mr. Speaker, I would just like to add that there have been minority business loans approved in Allegheny County, 104; Berks County, 16; Bucks County, 17; Chester County, 15; Dauphin County, 77; Delaware County, 20; Erie County, 34; Lancaster County, 15;

Montgomery County, 30; and Philadelphia, 222. That is just to name part of the 33 counties in which loans were approved as far back as 1993, and I would just like that submitted on the record, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

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

The following roll call was recorded:

YEAS-200

Adolph	Evans	Maitland	Saylor
Allen	Fairchild	Major	Schroder
Argall	Fajt	Manderino	Schuler
Armstrong	Fargo	Markosek	Scrimenti
Baker	Farmer	Marsico	Semmel
Bard	Feese	Masland	Serafini
Barley	Fichter	Mayernik	Shaner
Battisto	Fleagle	McCall	Sheehan
Bebko-Jones	Flick	McGechan	Smith, B.
Belardi	Gannon	McGill	Smith, S. H.
Belfanti	Geist	Melio	Snyder, D. W.
Birmelin	George	Merry	Staback
Bishop	Gigliotti	Michlovic	Stairs
Blaum	Gladeck	Micozzie	Steelman
Boscola	Godshall	Mihalich	Steil
Boyes	Gordner	Miller	Stern
Brown	Gruitza	Mundy	Stetler
Browne	Gruppo	Nailor	Stish
Bunt	Habay	Nickol	Strittmatter
Butkovitz	Haluska	Nyce	Sturla
Buxton	Hanna	O'Brien	Surra
Caltagirone	Harhart	Olasz	Tangretti
Cappabianca	Hasay	Oliver	Taylor, E. Z.
Carn	Hennessey	Perzel	Taylor, J.
Carone	Herman	Pesci	Thomas
Cawley	Hershey	Petrarca	Tigue
Chadwick	Hess	Petrone	Travaglio
Civera	Horsely	Pettit	Trello
Clark	Hutchinson	Phillips	Trich
Clymer	Itkin	Piccola	True
Cohen, L. I.	Jadlowiec	Pistella	Tulli
Cohen, M.	James	Pitts	Vance
Colafella	Jarolin	Platts	Van Horne
Conti	Josephs	Ramos	Veon
Cornell	Kaiser	Raymond	Vitali
Corpora	Keller	Readshaw	Walko
Corrigan	Kenney	Reber	Washington
Cowell	King	Reinard	Waugh
Coy	Kirkland	Richardson	Williams
Curry	Krebs	Rieger	Wogan
Daley	Kukovich	Roberts	Wozniak
DeLuca	LaGrotta	Robinson	Wright, D. R.
Dempsey	Laughlin	Roebuck	Wright, M. N.
Dent	Lawless	Rohrer	Yewcic
Dermody	Lederer	Rooney	Youngblood
DeWeese	Leh	Ruble	Zimmerman
DiGirolamo	Lescovitz	Rudy	Zug
Donatucci	Levdansky	Sainato	
Druce	Lloyd	Santoni	Ryan,
Durham	Lucyk	Sather	Speaker
Egolf	Lynch		

NAYS-0

NOT VOTING-0

## EXCUSED-3

Colaizzo

Gamble

Preston

The question was determined in the affirmative, and the resolution as amended was adopted.

## VOTE CORRECTIONS

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

Mr. HALUSKA. Mr. Speaker, on HB 39, amendment 336, I am marked as not voting, and I would like to correct that with an affirmative vote.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

Are there any further corrections to today's record?

The gentleman, Mr. Roebuck.

Mr. ROEBUCK. Thank you, Mr. Speaker.

On amendment A0484 to HB 39, I was recorded as not voting. I wish to be recorded in the affirmative.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

## CALENDAR CONTINUED

## CONSIDERATION OF HB 39 CONTINUED

The SPEAKER. The Stetler amendment is being distributed at this time.

On the question recurring,

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

Mr. STETLER offered the following amendment No. A0501:

Amend Sec. 11, page 5, line 18, by inserting after the period in addition, the gross revenues shall be broken down into the following categories:

(i) Amounts represented by assessments receivable established by the department on or before the first day of the amnesty period.

(ii) Amounts represented by other contacts initiated by the department on or before the last day of the amnesty period. These shall include, but not be limited to, cases under audit or scheduled for audit or investigative work.

(iii) All other amounts.

On the question,

Will the House agree to the amendment?

The SPEAKER. The Chair recognizes the gentleman, Mr. Stetler. Mr. Stetler, as a matter of courtesy to the members, would you describe briefly the difference between the last amendment and this amendment before you go into the merits.

Mr. STETLER. Thank you, Mr. Speaker.

I appreciate the indulgence of the Speaker in allowing us to go over this amendment so that a technical correction could be made. Mr. Speaker, this amendment had to be corrected because of an amendment offered previously by Representative Nyce which already corrected- If you looked at the original amendment I had offered, I had included as part of the language "within 180 days" for the report being issued by the Department of Revenue. Mr. Nyce's amendment had already accomplished that, and so I needed to redraft mine. We worded it in such a fashion that it could be included.

Basically, the amendment addresses the reporting issue that the Department of Revenue will go through with regards to the final product of amnesty. What this report asks is that the department identify to us not by name but by tax, type of tax, what kind of taxes were collected during the amnesty program. It will also ask us to identify what taxes were already identified and assessed and those taxes that were not.

I think it is an important amendment so that each of us can realize what this amnesty program did, and I would urge your support. Thank you, sir.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Nyce.

Mr. NYCE. Thank you, Mr. Speaker.

Would the maker of the amendment stand for a brief interrogation?

The SPEAKER. The gentleman indicates he will. The gentleman, Mr. Nyce, may proceed.

Mr. NYCE. Mr. Speaker, currently the amnesty program as written provides for an eligibility date of anyone who is delinquent as of December 31, 1994.

I believe the gentleman is having trouble hearing me, Mr. Speaker. Mr. Speaker, I will repeat my inquiry.

Mr. STETLER. Thank you.

Mr. NYCE. Mr. Speaker, currently the legislation provides for an eligibility date of December 31, 1994, as to have already had been determined delinquent by the Department of Revenue. I am wondering why the need for this other disclosure as proposed in your amendment. Can you please explain to me why you are asking for this additional information in items (i), (ii), and (iii)?

Mr. STETLER. Thank you, Mr. Speaker.

The reasons are really obvious. We would like to know, as a result of this process, which moneys were already identified and which moneys are new.

Now, going back to the arguments all afternoon and while my amendments failed in terms of enforcement, I still believe that an amnesty program tries to accomplish more than just bring deadbeats to get them to pay their taxes.

I believe that an amnesty program, if properly structured and properly written, will also cause people to come forward who have not filed their tax returns and have not paid their taxes, and I am curious if this program will have any success in that area.

Mr. NYCE. Mr. Speaker, could I have your indulgence for one moment, please?

Mr. Speaker, I have ended my interrogation. I would like to comment on the amendment.

Mr. Speaker, part of the amendment that I made earlier to the bill requests the department-

The SPEAKER. Does the gentleman desire recognition?

Mr. NYCE. Yes, I do, Mr. Speaker.

The SPEAKER. The gentleman is recognized.

Mr. NYCE. Mr. Speaker, I have ended my interrogation. I would like to comment on the amendment.

The SPEAKER. The gentleman is in order.

Mr. NYCE. Mr. Speaker, part of the amendment that I offered earlier and which passed the House provides for the department to provide us with information pertinent to the periods, the tax periods, relevant to the proceeds generated under the amnesty program. I think that is vital information to all of us. We would like to know which tax periods were responsible for generating those receipts.

However, I suppose and I propose that right now the department has already identified all of what Mr. Stetler is asking for here. If these assessments have already been rendered, they in fact are on the books of the department. However, they are unable to tell us right now the amounts per period, the amounts per taxpayer, the amounts per type of tax that are currently outstanding.

I do not believe there is anything in the bill that provides them the additional wherewithal to come up with this information. I think it is an onerous request on the department, and I think that their statistics in and of the gathering itself will in fact be available in the department. I see no need to legislate it. We do not legislate how they report any of the other information to us that is currently gathered, and I see no reason to include it in this bill.

I urge a negative vote on the amendment.

The SPEAKER. The Chair thanks the gentleman.

Does the gentleman, Mr. Stetler— The gentleman is in order and may proceed.

Mr. STETLER. Thank you, Mr. Speaker.

I think right here we have just seen the whole issue mapped out for us. Earlier in the afternoon I indicated to you that this tax amnesty will present several things to us when the whole thing is completed, and I contend to you today that the majority of taxes collected under this amnesty - late taxes without penalties and with below-prime interest - the majority of that income will be from corporation taxes.

Now, if this amendment is not included, who is to tell? Who cares what periods are involved in the tax delinquencies? We are going to know— Well, let us see. The third quarter of 1993 we collected \$1,000. The fourth quarter of 1992 we collected \$1,500. I do not see the relevance of that to us in this whole process of amnesty. The relevance is what taxes have been collected? Who were the deadbeats that came forward and paid their taxes? That is the issue, and I do not believe that asking the Department of Revenue to provide that information slows down the freight train that is in process here right now, nor does it ask for an impossible bit of information.

I spent 13 years in the Department of Revenue, and I can tell you that the department with very little effort can provide that information. They can break down by taxes the collections that are received. Do not buy into the argument that they cannot do this and they cannot do that. It is bogus, as have been most of the arguments against all of the amendments here today; they have been bogus. Take a step off the train for a second, look around, enjoy the scenery, and think about what you are voting on. All this amendment does is educate you. It might scare you, but it is going to educate you.

I ask for your support.

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

The following roll call was recorded:

YEAS-98

Battisto	Evans	Markosek	Santoni
Bebko-Jones	Fajt	Mayermik	Scrimenti
Belardi	George	McCall	Shaner
Belfanti	Gigliotti	McGeehan	Staback
Bishop	Gordner	Melio	Steelman
Blaum	Gruitza	Michlovic	Stetler
Boscola	Haluska	Mihalich	Sturla
Butkovitz	Hanna	Mundy	Surra
Buxton	Horsey	Olasz	Tangretti
Caltagirone	Itkin	Oliver	Thomas
Cappabianca	James	Pesci	Tigue
Carn	Jarolin	Petrarca	Travaglio
Cawley	Josephs	Petrone	Trello
Cohen, M.	Kaiser	Pistella	Trich
Colafella	Keller	Ramos	Van Home
Corpora	Kirkland	Readshaw	Veon
Corrigan	Kukovich	Richardson	Vitali
Cowell	LaGrotta	Rieger	Walko
Coy	Laughlin	Roberts	Washington
Curry	Lederer	Robinson	Williams
Daley	Lescovitz	Roebuck	Wozniak
DeLuca	Levdansky	Rooney	Wright, D. R.
Dermody	Lloyd	Rudy	Yewcic
DeWeese	Lucyk	Sainato	Youngblood
Donatucci	Manderino		

NAYS-102

Adolph	Fairchild	Lynch	Schroder
Allen	Fargo	Maitland	Schuler
Argall	Farmer	Major	Semmel
Armstrong	Feese	Marsico	Serafini
Baker	Fichter	Masland	Sheehan
Bard	Fleagle	McGill	Smith, B.
Barley	Flick	Merry	Smith, S. H.
Birmelin	Gannon	Micozzie	Snyder, D. W.
Boyes	Geist	Miller	Stairs
Brown	Gladeck	Nailor	Steil
Browne	Godshall	Nickol	Stern
Bunt	Gruppo	Nyce	Stish
Carone	Habay	O'Brien	Strittmatter
Chadwick	Harhart	Perzel	Taylor, E. Z.
Civera	Hasay	Pettit	Taylor, J.
Clark	Hennessey	Phillips	True
Clymer	Herman	Piccola	Tulli
Cohen, L. I.	Hershey	Pitts	Vance
Conti	Hess	Platts	Waugh
Cornell	Hutchinson	Raymond	Wogan
Dempsey	Jadlowiec	Reber	Wright, M. N.
Dent	Kenney	Reinard	Zimmerman
DiGirolamo	King	Rohrer	Zug
Druce	Krebs	Rubley	
Durham	Lawless	Sather	Ryan,
Egolf	Leh	Saylor	Speaker

NOT VOTING-0

EXCUSED-3

Colaizzo	Gamble	Preston
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The question was determined in the negative, and the amendment was not agreed to.

On the question recurring,

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

Bill as amended was agreed to.

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

The Chair recognizes, on final passage, the gentleman, Mr. Evans.

Mr. EVANS. Mr. Speaker, after the gentleman from York, in my view, did such a great job and asked the question about, would we just step off the train for a second, I would just like to put some information on the record about the last 8 years on tax collection and tax enforcement and really just show you how there is no need for this particular bill.

Mr. Speaker, Pennsylvania is cited as a national model for collecting delinquent taxes by the U.S. General Accounting Office. Mr. Speaker, in 1993 the Pennsylvania Revenue Department entered into an agreement with the Internal Revenue to allow the Internal Revenue employees to work here in order to learn from the State enforcement office. Mr. Speaker, beginning in fiscal 1988, the Discovery Project tracked down corporate nonfilers through computer matching of records and cold calls to computer companies mentioned in business and trade journals. In 1991, Mr. Speaker, the Discovery Division was established. The Casey administration, Mr. Speaker, initiated the Delinquent Enforcement Business Tax Service System, which increased certain tax delinquent and annual collection about 90 percent, from \$171 million in fiscal 1989 to \$320 million by June 1994. Mr. Speaker, Act 22 of 1991 requires all businesses collecting sales tax to renew their licenses and undergo a clearance to assure that they owe no delinquent taxes. Mr. Speaker, Act 22 of 1991 permits the Pennsylvania Revenue Department to use automation data processing and statistical techniques in order to gather information.

Mr. Speaker, as the gentleman said before, the record speaks for itself. There has been an increase around the issue of enforcement in terms of collecting dollars. Mr. Speaker, I am saying to you that this is really just campaign rhetoric. This is not about the business of solving the problem. You can see it for yourself that the amendment that was offered here today would have, would have gone a long way in adding some teeth to this so-called amnesty. The reality of it is, it just sends a bad message. It sends a message to all of the taxpayers who are paying their taxes legitimately every single day that if you are in a certain category, that you do not have to worry about paying your taxes.

Mr. Speaker, we have got two different numbers. The House Republican Appropriations Committee says that we will make \$160-some million. Governor Ridge says we will make \$115 million. Who is right, Mr. Speaker?

I am saying to you today that this is not going to make one single difference but except send the wrong message, and that message is, if you do not want to pay your taxes, come to Pennsylvania.

We should be "no" on this bill, Mr. Speaker. Thank you.

The SPEAKER. The Chair recognizes the gentleman, Mr. Cowell, from Allegheny County.

Mr. COWELL. Thank you, Mr. Speaker.

Mr. Speaker, I, too, would urge that we vote in the negative on HB 39.

I have had a chance to look at the fiscal note and have listened to some of the conversation that has gone on back and forth about what the Commonwealth is going to save or what revenues are going to be generated. The fact is, when you get to the bottom line, this tax amnesty legislation costs the State money and it costs State taxpayers money, those taxpayers who have paid their taxes on time and who in the future will be asked to pay their taxes on time. This is a net loser, not a gainer. Tax amnesty has to do with cash-flow needs of the State perhaps, but it does not generate extra money for the Commonwealth.

If you look around this State and this country when there have been discussions about amnesty programs, they have typically occurred in a context where the government needed money, needed money real quick to balance a budget. That is not the case here in Pennsylvania in 1995. This legislation will not put the money into the General Fund when it does come in. It goes to the Rainy Day Fund. It is further evidence that we do not need this money now to balance our budget, and that is the only reason for the State and honest taxpayers to give a bit of a free ride, if you will, or give a bit of forgiveness to those who are delinquent, when we get something back in return, and that is an addressing of our cash-flow needs. We do not have that problem, and so there is no need to do tax amnesty today. The money may come in slower, it may come in in future years, but it is owed us. Why should we forgive any piece of it now to the detriment of Pennsylvania taxpayers?

Mr. Speaker, somebody else said much earlier today that this sends all the wrong messages. We are in the middle of a special session on crime. We are getting tough on crime, unless your crime was to not pay your taxes, and in those circumstances we are going to say, okay, it is all right; we are not only going to forgive you the penalty, but for those of you who were smart enough to not pay your taxes, we are going to also forgive you some of the interest that is owed us.

Mr. Speaker, we ought to keep in mind the difference between penalties and interest. It is one thing to forgive the penalty; it is one thing to say we are not going to punish you, but when we charge interest to the delinquent purchaser or, in this case, the delinquent taxpayer, it is for using our money; it is for using the money of the other taxpayers of the Commonwealth. That is why we charge them interest. And what we are effectively doing in not only forgiving the penalty but forgiving half the interest that has accrued is to say, if you cheated, we are going to reward you. If you were smart enough to keep on using our money - that is, the money of the honest taxpayers of Pennsylvania - if you were smart enough to use their money for an extended period of time and not pay your taxes, we are now going to reward you because you are only going to pay 50 percent of the interest that was due and none of the penalty.

The folks who are the winners here are the people who cheated, the people who violated the law, and the more they cheated and the more they violated the law, the bigger they will be a winner, because we are not only forgiving them the penalty, but the more they cheated and the more they failed to pay on time, the more they save now when we forgive them 50 percent of the interest which had accrued.

Mr. Speaker, what is particularly onerous about this, this is not going to help much the little guy; it is not going to help much the small or the individual taxpayer who owes a couple of hundred bucks maybe for 1 year if they did not pay anything. We are giving special treatment to those who owe a lot of money, those who we already know to be very much in debt to the Commonwealth - \$4,000 or more. We are going to make a special effort to call these people up

or to write to them and notify them of this amnesty program. A prosecutor ought to be going after them, not somebody sending them a letter saying, we have got a break for you because you cheated so much; we are going to forgive you 50 percent of the interest that you owe the State and you owe the other taxpayers of the Commonwealth.

This is a particularly beneficial bill for those who are the biggest cheats. The more you cheated, the more you did not pay your taxes, and especially if you were a big cheat and a big tax avoider, you get special treatment; you get notice, and then you get 50 percent of the interest and all of the penalty forgiven.

Mr. Speaker, why were people afraid of the last Stetler amendment? The last Stetler amendment would have required that documentation be gathered about how much found money would be obtained through this amnesty program. I say "found money"; I mean from people who owe taxes where we do not know they owe it. Somehow they got away; they escaped the system. In contrast to those, where it is not going to be found money, we already know who they are; we already know how much they owe; we know that a lot of them owe more than \$4,000. Why would we give these people a break at the same time that we struggle about whether we are going to tax this item or whether or not we can afford a tax reduction on that item? We are making those struggles and those questions so much more difficult to deal with when we go to the known cheats, particularly the big cheats, and say we are going to give you a big break.

Mr. Speaker, this is entirely the wrong message to send. We do not need the cash right now. There is no crisis in terms of balancing the budget in Pennsylvania. The typical motivation to do tax amnesty does not exist here in Pennsylvania in 1995, and the effect of this, when we are supposed to be getting tough on criminals, is to treat with preferential treatment, special consideration, special financial breaks, those who have cheated the system. The message to every other taxpayer in this State, big and small alike, for the future is going to be, do not pay your taxes. Do not worry about the penalty. They will forgive it, and do not even worry about the interest that might accrue. Keep our money, use our money, use the money of the other taxpayers, and someday we will come along and we will forgive you, and we will especially forgive you if you cheat a lot and you wait a lot and you go a lot of years without paying your taxes. That is dumb, Mr. Speaker. It is dumb and it is wrong. How are we going to go back to the men and women and the individual citizens, young and old alike, in this State who pay their taxes on time, and when they failed to pay it in the past, they paid the \$10 interest or the \$20 interest and all of the penalty? Now we are saying, if you owe more than \$4,000, right off the bat you are guaranteed a \$2,000 break on the interest; right off the bat those taxpayers are guaranteed \$2,000 of the money of other taxpayers of the Commonwealth, because they cheated big enough and they cheated long enough.

Mr. Speaker, I urge that we defeat this bill.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Smith.

Mr. S. H. SMITH. Mr. Speaker, would the gentleman, Mr. Nyce, stand for a brief interrogation?

The SPEAKER. The gentleman, Mr. Nyce, indicates he will stand for interrogation. The gentleman, Mr. Smith, may proceed.

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

Mr. Speaker, the bill as amended by your amendment, I believe it was A0443, changed a little bit about the eligibility, and I just wanted to clarify something.

Would a person who currently is under a deferred payment plan or in the process of developing a deferred payment plan through the department, would they be eligible to take advantage of this tax amnesty program?

Mr. NYCE. If they are not delinquent at 12/31/94, they would not be eligible.

Mr. S. H. SMITH. So your interpretation then of the department's definition of "delinquency" would be, if they have engaged a taxpayer in some form of collection process or planned to pay back, that that would not be, quote, "delinquent" as of that date.

Mr. NYCE. That would be up to the department, but my opinion is they would not be delinquent at that date.

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

That is all I have.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the lady from Philadelphia, Ms. Josephs.

Ms. JOSEPHS. Thank you, Mr. Speaker.

I rise to urge a "no" vote on this bill and to again comment on how it seems every single one of my colleagues on the Republican side is undercutting his or her Governor and again to speak as a fiscal conservative, a responsible member of the Appropriations Committee.

What are the differences between what the Republican Governor, our new Governor, has proposed and what will pass here? Well, the Governor said he would reduce business taxes with the proceeds of this tax amnesty money. Our bill adds this money to the Rainy Day Fund. The Governor said that we would bring in some \$115 million with this program. The Republicans in the House say we will bring in some \$167 million. But most significantly, the Governor was talking about vigorous enforcement after the program ends, and we have shown here today by the rejection of all of the amendments which would supply a hammer, a stick, as well as a carrot, that the Republicans in this House are not interested in really increasing the collections onto this program.

These amendments, the amendments that were rejected, would have made the program more effective and would have increased collections perhaps beyond the \$167 million projected by the House Republicans. Rejection of these amendments has to lead you to believe that increased revenue is not the object of this bill. What is the object? Apparently doing favors for one's friends, for one's contributors, and as an aside, I thought briefly about offering an amendment which would make ineligible any businessperson in this State who had made a contribution to a political campaign in an amount over \$4,000.

I ask you, what is the Governor going to do when this program is a bust? How many of those of you who have voted against these amendments and for the bill, how are you going to explain that to the voters? And finally, how are we going to run this State if we keep on passing legislation designed to bust the budget?

Again, if you are being responsible, if you are acting responsible, you will vote "no," and I suggest that members on both sides of the aisle would join me in rejecting this bill. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the lady.

For the information of the members, I am advised that the House will have no further votes after this particular matter is concluded, but at the moment I have seven members who wish to be recognized on this particular bill, and I know that at least some of the members have an early engagement tonight. So I am giving due notice that I think it is in the best interest of a good many of the members that the



debate should be shortened, because we will stay until this bill is voted.

The Chair recognizes the minority whip, Mr. Itkin.

Mr. ITKIN. Mr. Speaker, I wonder if the prime sponsor of the bill would consent to interrogation?

The SPEAKER. The gentleman, Mr. Browne, consents to interrogation. The gentleman, Mr. Itkin, may begin.

Mr. ITKIN. Mr. Speaker, good fiscal policy should not be a partisan issue. A good tax program should not be a partisan issue, but all throughout this afternoon I have heard, Mr. Speaker, a lot of reasons why we should not support this legislation.

I am wondering if the sponsor could give me some good reasons to convince me to support the measure.

Mr. BROWNE. All during this debate we focused on the purpose of the amendment, the purpose of the bill, and the purpose of the bill is to provide a window of opportunity for those individuals in the majority of cases whose taxes have been identified by the Department of Revenue to be delinquent, but in these cases most of these individuals have taken positions on their returns and in their payments that are built on gray areas of the law. These are legitimate differences with the Department of Revenue.

A lot of times these claims are held up in judicial and administrative proceedings for years, and it costs the Department of Revenue a significant amount of money in order to adjudicate these claims. What this will do is allow these people to come forward and pay their tax. It will offer more money for the Commonwealth but also cut costs by cutting down the judicial proceedings.

In addition, for those people who are not filers, this bill does not offer them any incentive besides coming forward and paying their tax. It will keep them on the rolls as soon as they are identified, and once they are identified, they will be good taxpaying citizens.

So the purpose for the bill is to not only generate revenue but for fairness for people who have legitimate claims against the Department of Revenue and bring more people on the rolls.

I think we have focused on that issue today, and we have only turned down amendments because they did not relate to that issue, and that is why I think it is a fair bill and why we should support it.

Mr. ITKIN. Mr. Speaker, are you aware of the fact—and this is my reading of the bill—that the taxpayer referred to in the legislation not only includes someone who pays taxes but someone who collects taxes as well, and that persons who have the responsibility to, for example, collect sales taxes, because the business that they are in requires them to collect sales taxes, that their failure to remit those taxes is also under this amnesty program? Are you aware of that fact?

Mr. BROWNE. Yes, I am aware of that fact, but the facts are that these people are involuntary agents of the Department of Revenue. They have to do this function at the behest of the Department of Revenue and are offered very little incentive to do so. They are actually penalized by doing it, because the commissions that are being paid to them are very limited. So that is true, but we have to remember that they are doing this involuntarily, and to offer them an incentive to come forward is not unreasonable.

Mr. ITKIN. Mr. Speaker, are you also aware that the current interest rate, for example, under the sales tax, failure to remit sales tax, is three-quarters of a percent per month, so that on an annualized basis we are talking about interest of 9 percent and that your legislation forgives all of the penalty. But let us deal with the interest. It forgives 50 percent of the interest, so that would mean that

someone who had the responsibility to collect dollars, the State's dollars, and who fails to remit them to the State and perhaps even uses it for their own personal benefit, that the way you have structured this bill, they would only be responsible for paying an annualized interest rate of 4 1/2 percent. Are you aware of that, Mr. Speaker?

Mr. BROWNE. Yes, I am.

I think based on the fact that there are also gray areas in the payment of sales tax, that we should offer an incentive for them to come forward and pay, in addition to the fact that it will identify additional individuals who owe sales tax. This is in fact the same provision that was in the bill that 197 of us, me not being here at the time since I am a freshman, supported, in addition to the fact that the speaker endorsed the same provision in 1991 as well.

Mr. ITKIN. Mr. Speaker, are you also aware of the fact that any legitimate businessman who goes out and tries to raise money for the conduct of his business, even if he borrowed at the prime rate, would then be required to pay a far higher interest rate than what you are now permitting these persons who collect taxes and who owe them not to pay? So in essence, it is an incentive. It is an incentive for people who collect sales taxes not to remit them to the State but to use them for their own personal benefit, accept the interest and the penalty, and then wait for an amnesty program like this one which basically eliminates the penalty, reduces the interest payment to one-half, and so that there is a windfall of an opportunity. In essence, the State is becoming a lending agency in providing a privileged banker to people who collect sales taxes in this State. Is this something that does not bother you?

Mr. BROWNE. It is not something that bothers me, because again, these people are involuntary agents of the State. In a lot of cases, these penalties are arbitrary; they are not based on how late somebody was. I had an instance in my current employment that somebody was fined \$1,000 because they were a half-hour late. We have to realize that we are dealing with fairness here, allowing people to come forward and pay their tax.

It is not going to be an inducement for reducing voluntary compliance in the future, because it is a one-time effort, a 90-day effort, and that is it. So it is not going to be an inducement for voluntary incompliance. The date has been fixed for who qualifies, at the end of 1994, so that people cannot anticipate the amnesty period for which to take advantage of.

So the facts are that this is something that will offer fairness to these people who are asked by the State to do this at very little compensation. I think we should offer that incentive for people based on the fact that a lot of these liabilities are in gray areas of the law.

Mr. ITKIN. Mr. Speaker, that concludes my interrogation. I would like to make some brief comments, please.

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

Mr. ITKIN. Mr. Speaker, after hearing the gentleman respond to my inquiries, I am not convinced. I am not convinced that this is a good piece of legislation that we ought to support.

As I said before, this should not be a partisan issue. A good fiscal policy is something that should be above partisanship. But all of us here in this chamber would like to see that the State's moneys are dutifully paid and that we do not encourage people not to pay their taxes.

It becomes especially egregious when you find people who are responsible for collecting sales taxes and you offer them an incentive system not to pay those taxes but to use that money for their own personal benefit and gain, only to hope that somewhere along the line

some member of the General Assembly is going to provide for an amnesty program that is basically going to make it beneficial and lucrative for them not to pay their State's taxes in a timely fashion.

Mr. Speaker, I think that this is something that we ought not to be doing, and I encourage members of the House on both sides of the aisle not to support and vote for this legislation at this time. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

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

Mr. FAJT. Thank you, Mr. Speaker.

Mr. Speaker, I also rise to oppose HB 39, but I think it is important that we recap what this bill does.

Basically it says that if you owe taxes in Pennsylvania, you have to pay that tax, but you only have to pay one-half of the interest on that tax and you do not have to pay any of the penalty.

And I heard my colleague, Mr. Cowell, say earlier that this benefits people who have high tax bills, and that is absolutely correct. In essence we are saying to them that we are giving you a reduced-rate interest loan, and as Ivan said earlier, if the interest rate is 9 percent on delinquent sales taxes, these people are getting a loan with 4 1/2-percent interest. Nobody can get that kind of loan. The higher the tax liability, the more you are getting off of the State government.

Last week we voted on welfare reform, a very contentious issue in this chamber. I personally struggled with a lot of the amendments, but basically the message that we sent the people on welfare was that we in the General Assembly want you to understand that you have to be personally responsible for the actions that you take. If you want to have another child, you have to take personal responsibility for funding that child. We are going to cut you off. We are not going to give you \$87 a month anymore for each additional child that you have.

We are stressing personal responsibility. If you want to go on welfare, you have to get up in the morning and get a job. We will provide the jobs for you, but we want personal responsibility out of you by showing up at some public-works project and going to work, working a fair day's work for a fair day's wages. That was an issue, a concept, that I supported. I think that we do need to stress personal responsibility to people in Pennsylvania.

But now we flip over this week and we are dealing with a bill that is going to benefit basically the rich, basically the rich people in Pennsylvania, and we are saying to them that you do not have to be personally responsible. If you have not paid your taxes, that is okay, because we are in charge now. We are going to take care of you. We are going to reduce your interest that you have to pay. We are going to waive the penalty. Just pay your taxes, one-half of the interest, and you are going to be okay. You do not have to be personally responsible. But those people on welfare, we sent them a message last week and we told them, personal responsibility is the way of the land in Pennsylvania today.

I voted for the welfare reform bill because, again, I said that I believe we do need to stress personal responsibility, but I really think that we are being inconsistent. We are being hypocritical from one week to the next in this chamber.

Nobody has a better voting record on this side of the aisle for the business community than I do. I take pride in that, but at the same time, I am willing to stand up here and say enough is enough. We cannot give business this kind of tax break, the rich people this kind

of tax break in Pennsylvania, and turn around and penalize the poor people in this State.

I ask that you vote "no" on final passage. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Lawrence, Mr. Sainato.

Mr. SAINATO. Mr. Speaker, I rise today, too, to oppose this piece of legislation. I think it is incomprehensible this House can consider this considering our special session on crime, which began 2 weeks ago.

In my personal opinion, Mr. Speaker, this bill should be part of the crime bill. This bill should be part of the crime bill because we are dealing with criminals, people who have stolen money out of our State Treasury. They have taken money away from our senior citizens because of their illegal act of not paying their taxes. They forced people in this body—when I was not here—a few years back to increase taxes because of these people who did not pay their taxes. Do not forget those tax increases that some people had to vote for because of these tax cheats.

Somewhere down the line we have got to send a message. When the economy gets bad again, we may have to make that tough vote again. But me as a freshman being here, how can I make a tough vote like that when we are letting the criminals walk free?

I support the crime bill, and I have cosponsored many parts of Governor Ridge's crime bill and I am proud of that, but I think it is important that we send the message today to all criminals - rich, poor, it does not matter. We have deprived businesses, small businesses, this opportunity because of the tax increases because of these criminals. These are criminals; these are not people.

Four thousand dollars was the threshold we talked about today; \$4,000. They will be getting a notice telling them about the program. The only notice these people need is a summons to go to court, and if you do not pay your tax, you go to jail. We must expose these people, whether it is through the newspapers by putting their pictures in the paper. Let the people see these criminals. And the third time, as you say, the third time, send them to jail for 10 years. Think about it.

But my opposition is strong, Mr. Speaker; I am only a freshman. What I have seen the last couple of weeks has been very disturbing to me, because we have got to send a message. We must send a consistent message. When we debate the crime bill, we need bipartisan support to debate this crime bill, because we all have areas of agreement, and I will be there to fight for our crime bill.

But the crime bill starts today, friends. Vote "no" on this tax-cheater-relief bill. Thank you.

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

Mr. PISTELLA. Mr. Speaker, I wonder if the prime sponsor would stand for a brief interrogation, please.

The SPEAKER. The gentleman agrees to be interrogated. You may proceed.

Mr. PISTELLA. Thank you, Mr. Speaker.

Mr. Speaker, I followed the debate today and the discussion, and I do not believe this question was asked or answered. In your exchange with the minority whip, the question, I believe, was answered by you in which you said that this legislation would cover the agents that collect sales taxes and other revenues for the Department of Revenue. Am I correct?

Mr. BROWNE. Yes; that is correct.

Mr. PISTELLA. Okay.

My question to you, Mr. Speaker, is this: If I go to an auto dealer to purchase a motor vehicle from them, they have not paid back to the Department of Revenue the sales tax on that purchase. As I understand it, I cannot get title to my vehicle. Under your legislation, does the participation of that agent, that seller of the motor vehicle, allow me - participation in your amnesty program - allow me then to receive my title when he enrolls in that program?

Mr. BROWNE. Once the person enters the program and pays his taxes, he is no longer considered delinquent. You know, it probably would result in-

Mr. PISTELLA. I am sorry, Mr. Speaker. I am having a difficult time hearing you.

Mr. BROWNE. I am sorry.

Mr. PISTELLA. It is not your fault.

The SPEAKER. Will the gentleman yield.

The enthusiastic group to the immediate rear of the gentleman, Mr. Pistella, still cheering on the prior speaker, if they could be brought under control, perhaps the gentleman, Mr. Pistella, could- Go ahead, Mr. Pistella. We will try.

Mr. PISTELLA. Thank you.

If you could, sir, I was following your answer. You said that once the individual begins to pay under the payment plan and completes the payment, they would be considered to be-

Mr. BROWNE. They would be considered to be nondeficient anymore, because if they do not pay the tax, they would be considered deficient. Once they pay the tax, under the amnesty program, they would no longer be considered deficient. So thereby, the person would probably entertain a civil action against the auto dealer, you know, in relation to the fact that he could not issue the title because he did not pay the tax. But once he pays the tax, then he could issue the license or issue the title.

Mr. PISTELLA. Well, I just want to make sure I understand, because what you are suggesting then is if I walk in and purchase the vehicle, give my check for the sales tax to the owner-he is in your program-under your program, what you are establishing then is I have one of two courses of action from what you have said. One is to sue the operator of that auto dealership, which I do not think would satisfy my getting that title from the Department of Transportation, or second, I have to wait then until they complete the payment plan under your program to then receive from the Department of Transportation my title. Is that correct?

Mr. BROWNE. As far as I know, once they start paying, they will be considered nondeficient. Once they make a contract with the Department of Revenue, they will not be deficient any longer and they will receive their title.

Mr. PISTELLA. Well, wait a minute, Mr. Speaker. You gave me two answers to the same question. The first answer you gave me was they were considered not to be delinquent upon completion. Now you are saying once they start the program, they are considered to be not deficient. What is the answer?

Mr. BROWNE. As soon as they enter into a contract with the Department of Revenue. There is a provision in this bill that deals with installment payments.

Mr. PISTELLA. I understand.

Mr. BROWNE. Right. Once they enter into the contract under the installment-payment agreement, they are not considered deficient, thereby being able to release title to that vehicle.

Mr. PISTELLA. Okay. Great. That is what I was trying to get at. Thank you very much, Mr. Speaker. I appreciate it.

If I am in order, Mr. Speaker, I would like to comment on this bill.

The SPEAKER. The gentleman may proceed.

Mr. PISTELLA. Thank you.

With all due respect to the prime sponsor's answering of the questions that I had, there are some concerns that I have about this legislation.

I followed the debate today. I listened to the prime interest rate, what it is. I listened to what the interest rate would be if you sign up for the installment plan, tried to follow that, what it would mean for investment. That was all very good, but what I would like to rely upon to make a decision is something that the majority leader gave to me.

In a memo dated January 10, 1995, that I received 2 days later, the majority leader was gracious enough to send me something that is called "Taking Charge for Change. The House Republican Majority: Blueprint for the First 100 Days." With all due respect, Mr. Speaker, your name is on here as the author and the House Republican leader in the fall of 1994. I realize this is the document that you are using to institute change, to create opportunity, to have Pennsylvanians live up to their responsibility, and to provide for accountability.

Now, this is a very ambitious document, and I am sure that much of what is being proposed in this may in fact be adopted by members of both parties. The problem that I have with this piece of legislation, however, is, under the title "Opportunity...Creating Jobs," there is a bullet that says "Continue Tax Relief." Number one is to control government spending to create a competitive business climate, and number two is to adopt a tax amnesty program. The problem that I have is that I do not think this particular piece of legislation satisfies that goal of creating jobs in Pennsylvania. Those are not my words, Mr. Speaker; those are the words of the Republican Caucus and Mr. Matthew Ryan, the Speaker.

This piece of legislation provides two things with the money that is collected. Number one, it will go to pay for the costs of administering this program. I feel that that is in fact noble and appropriate. The second part of the money that is collected, however, will go to the State tax fund that we refer to as the Rainy Day Fund.

I, unlike some of you, was here when we adopted the Rainy Day Fund a number of years ago. The purpose of that program was not to create jobs. It was not to help build railroad sitings for industry. It was not to help in job training the way the Sunny Day Fund was. The purpose of this fund, the Rainy Day Fund, was to use this money at some time when we faced an economic crisis.

We have faced, since I have been in this General Assembly, starting in 1979 with the adoption of this legislation, what three-quarters of the members of this General Assembly by law under that act have identified as an economic crisis, and that was in 1991 when our revenue projections were far under what we had anticipated, and we in turn had to take money from that fund to pay for our General Fund budget.

I recall last week, as has been alluded to, the characterization that Pennsylvanians that cheat on welfare should be treated as criminals. I think everyone in this room would agree that if there was someone in our district that was out perpetrating fraud against our senior citizens, they in fact would be Pennsylvanians that we would call criminals. But today men and women from that side of the aisle have stood up and attempted to characterize men and women that wear suit coats and carry briefcases, that do not pay their taxes in Pennsylvania,

as law-abiding citizens that are oppressed by the onerous State government. That is false. That is a lie. That is a sham.

I do not intend to vote for this legislation, because I do not think the responsibility that that party wishes me to stand up to and hold my constituents accountable for, whether they are welfare recipients or whether they are corporate executives, is what we should be doing with this particular piece of legislation.

I intend to take the microphone over the course of the next 100 days and to remind the majority party what they say they stand for in this State and what they propose in this legislature, and if they are wrong, if they are attempting to mislead the public, I intend to hold them accountable.

In summation, Mr. Speaker, as somebody had once said to me at another time before I served in the legislature, there is more money stolen every day with a briefcase than there is with a gun. Those men and women that have not paid their taxes owe that responsibility to you, to me, and to our constituency.

I intend to vote "no" on HB 39 and look forward to more discussions on "Taking Charge for Change" in Pennsylvania. Thank you.

The SPEAKER. The Chair recognizes the gentleman from Luzerne County, Mr. Blaum.

Mr. BLAUM. Thank you, Mr. Speaker.

Mr. Speaker, I spoke earlier on this bill on recommittal, so I do not want to repeat a lot of what I said, but I cannot believe that we are moving so fast on this piece of legislation, which is, I believe, contrary to everything we have been working on these past several months.

We are, as I said earlier, embarking on a special session on crime, and here all of us, sitting as the pardons board for tax cheats throughout Pennsylvania, are with one fell swoop going to pardon every single one of them, not knowing who they are, not knowing what they did, not knowing how big a tax cheat they are or what their particular circumstance was. I do not think that is wise. From what I know of Tom Ridge, I do not believe he thinks it is wise. I think he will do what Bob Casey did. I think he will veto this legislation. But if it ever becomes law and the names are revealed as to who is getting off the hook in Pennsylvania—and believe me, I think the media will find out who they are—I think people that vote for this bill are going to be embarrassed.

I ask for a negative vote, Mr. Speaker. If this makes it through, believe me, I will be writing a letter to Governor Ridge asking him to do exactly what Governor Casey did and veto this legislation to prevent it from becoming law. Thank you.

The SPEAKER. The Chair thanks the gentleman.

On the question, the Chair recognizes the gentleman from Philadelphia, Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I rise in opposition to HB 39.

Like the former speaker mentioned, I, too, have a copy of the Republican agenda for the first 100 days. I, too, am very familiar with one of those goals in creating jobs and opportunities for Pennsylvanians. Mr. Speaker, I think that it is fundamentally wrong to offer this tax amnesty program as a vehicle for creating jobs. Nowhere in this legislation is there a commitment from one business, from one business, to hire one Pennsylvanian that is unemployed or underemployed. Nowhere in this legislation is there a commitment from one business to take the savings arising out of the deferred interest and/or other penalties and put those savings back into job creation. So, Mr. Speaker, to offer this legislation to substantiate a

goal for the first 100 days is wrong, deceitful, and we are sending the wrong message to Pennsylvanians.

Secondly, Mr. Speaker, it is clear that either a man or woman stands for something or they will fall for anything. Mr. Speaker, a line is being drawn in the sand this evening. A very clear line is being drawn in terms of what we are willing to stand for and what we are willing to stand against.

Mr. Speaker, I say that this bill must fall, this bill must be rejected, in the absence of a firm commitment to use this as an opportunity to provide child care for the many children that are in need of child-care services. Without a firm commitment to the creation of real jobs for the unemployed and underemployed in Pennsylvania, this bill is a sham. Without a real commitment to use the savings arising out of this bill to do something about the problem of children and violence in the Commonwealth of Pennsylvania, this bill is a sham, and it must be rejected. Mr. Speaker, in the absence of a real commitment to provide decent and affordable housing, not a handout but a hand up to the homeless, to the first-time couples that want to own a home, in the absence of a commitment to take the savings from this bill and produce decent and affordable housing, this bill is a sham, and it must be rejected.

Mr. Speaker, I stand with those who want amnesty for real people who are in trouble in Pennsylvania. I stand for those who need amnesty against the violent criminals on the streets of Pennsylvania. I stand with those who need amnesty in having access to decent and affordable housing. Mr. Speaker, I stand with those who need amnesty in jobs and economic opportunity.

That is what I stand for, Mr. Speaker, and to stand for that, you must stand against HB 39 and its fictitious commitment to create jobs. No jobs will ever be created from this bill. The only thing that will be created from HB 39 is an opportunity for those who are already robbing the Commonwealth of Pennsylvania to mask themselves under this disguise of amnesty and avoid their real responsibility to the people of the Commonwealth of Pennsylvania. That is the only thing that HB 39 is designed to do, and I say that we must stand against it, we must reject it now, and we must reject it any time it raises its ugly head. Thank you.

The SPEAKER. The Chair thanks the gentleman.

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

Mr. MICHLOVIC. Thank you, Mr. Speaker.

Mr. Speaker, this is a deadbeat's dream bill. It may be a sad day for honest taxpayers of Pennsylvania, and it is certainly going to be shocking news for those hard-working, taxpaying businessmen across the Commonwealth, but despite my leader's admonition about partisan discussion and legislating today, I cannot help but be delighted that this vote is taking place today, because there is nothing that I can say, there is nothing the Democratic Party can say that more separates that side of the aisle from this side of the aisle. That 4-foot distance that separates us might as well be 4 miles long, because on this vote, if the record of votes taken on the amendments is any indication, this vote is going to be one board red and one board green, and I think that is going to be a statement to the people of the Commonwealth of what the true stripes of the Republican Party in Pennsylvania is all about.

It was said in the thirties and forties and through the fifties and sixties that the Republican Party was always for the rich. Even today, in the halls of Congress, the leadership of your party is attempting to get out from under that guise, and 2 weeks into your control of this House, you are giving breaks to the wrong people - to the rich, to the

people with influence, to the wealthy. More than that, you do not even have the courage to let people know who is getting that break nor to let anybody know which of the professionals that are associated in the Commonwealth of Pennsylvania are getting that break, even if some of them may be us. Those kinds of policies are going to mark you, and I suggest to you that long after this bill leaves this floor, you are going to smell this bill, you are going to taste this bill.

Let us get on with the vote on HB 39. I am voting against it. Thank you.

The SPEAKER. The Chair recognizes the lady from Philadelphia County, Ms. Manderino.

Ms. MANDERINO. Thank you, Mr. Speaker.

Would the maker of the bill submit to a brief interrogation?

The SPEAKER. The gentleman consents to interrogation. The lady may proceed.

Ms. MANDERINO. Thank you, Mr. Speaker.

Mr. Speaker, I listened with great interest to your response to the interrogation of the minority whip, and I just want to make sure that I heard something correctly. The minority whip asked for you to give him a reason to vote for this, and my understanding—and correct me if I am wrong—is that the focus of this is that there are areas where there are gray areas of the law where people are involved in a fight with the department on what they consider to be legitimate issues of whether or not the taxes are actually owed, and these are the people whom we are looking to give a window of opportunity to. Am I correct in that that was your response?

Mr. BROWNE. Yes; that is correct.

Ms. MANDERINO. Thank you, Mr. Speaker.

I have finished my interrogation and would like to speak on final passage.

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

Ms. MANDERINO. Mr. Speaker, we left a group out of the mix. This is not just for deadbeats; this is not just for tax cheats. This is a bill, if you heard the response to the last question, which is really for the gamblers among us, because what we have just said is that those who chose voluntarily to litigate a matter before the department, to get involved in fighting the department on whether or not they thought there was a gray area of the law, who knew the risks when they entered into that, that they may win but they may lose, and still voluntarily chose to get involved in the fight, these are the people whom the window of opportunity is for.

If you wanted to be a gambler and you went into it with your eyes open but all of a sudden you find out that you are losing, you are losing either because 1 year or 2 or 3 or 4 years afterwards your attorney comes in and tells you, I do not think our case is as strong as it used to be, or you look at those legal bills and you say, gee, my legal bills are amounting now to what my tax liability would have been if I only had paid it up front, these are the people whom we have decided we need to give the window of opportunity to in Pennsylvania.

Well, I do not know about you, Mr. Speaker. Gamblers are not my favorite people. I am not willing to forgive people who voluntarily chose that risk, and I hope that the members of this chamber are not in a forgiving mood either. Vote “no” on HB 39.

The SPEAKER. The Chair recognizes the gentleman from Bucks County, Mr. Clymer.

Mr. CLYMER. Thank you, Mr. Speaker.

Mr. Speaker, very briefly, I rise in support of HB 39.

The impression given today, and I am not going to deny that, is that there are people—and I am going to speak of that portion of the

bill dealing with the business community, the small business community—who undoubtedly are deadbeats, have tried to connive a way not to pay their fair share of taxes. That certainly is true, but that is not the whole reason or all the reasons why some people, why some of our small businesses, have accumulated a debt to the government. What has contributed has been the negative fiscal policies of government in general, forcing taxes on businesses that are very difficult to pay.

I offer some other scenarios to the General Assembly here as to why you should support this bill.

What would you say to a company whereby, for a number of years, it was very sluggish, it could not grow, it did not have the proper leadership, and we will say that five, six, seven quarters of the fiscal year they owed debt, they could not pay the taxes. You bring in new leadership. That leadership is able to keep those 40 to 50 people employed, that leadership has now paid their taxes up front, but yes, they owe those six or seven quarters. Does it not make sound fiscal policy to help them get that debt off their back? They are going to pay the full principal, and they are going to pay half the interest. That makes sense to me.

What about competition? You talk about the small businesses, and we all know that there is competition, stiff competition. Is it not possible that some of them could have, in the competitive race, not been able to sell their products; a new product came out and they could not meet that competition right away and they fell into arrears?

What about loss of contracts? There are changes at the Federal level. Many businesses in Pennsylvania are dependent upon those contracts, but they now drop off, they now cease. They cannot get those contracts from government, and it does not necessarily have to be at the Federal level. It could be a larger company that has given them contracts. Now they are in a position where they want to meet the payroll, they want to keep the employees there, but they do become delinquent in their taxes; no doubt about it. Do we say that, well, too bad you had to work 60, 70, 80 hours trying to make the company a go, but hey, the law is the law, and we are going to get every nickel and dime from you. I think it is reasonable to try to help those people who are trying to help Pennsylvanians.

What about the increase in the raw products? I did not hear anyone say today that when you have a finished product, the point whereby that product goes into the market is based on raw materials - cotton products, wool products, leather products. What about when that increase comes through and the small businessperson has to then increase their product? That could put them out of competition.

Again, the point is that some of the problems involved here are simply because these businesses wanted to pay probably their personal income tax, pay their other taxes, and yes, they did fall behind in paying their other taxes.

I do not say that we can brush every business, every small business that is in Pennsylvania, and say, you are irresponsible, that you have tried to dodge your fiscal responsibility to the State, and therefore, we are going to give you no mercy. I think there is a time that we can provide a small window of opportunity and tell them to come back on board.

I will tell you this: One of the things that is a burden on the small business community is that they do not want taxes. The deadbeats, I grant you, the people who want to try to be dishonest, yes, they are not going to pay the taxes, but the legitimate small businessperson, corporation, will try to pay those taxes. They want to be responsible people. It hurts them; it hurts them with their ratings. I mean, why not

give them a chance to continue forward? The only alternative is chapter 11 and bankruptcy. I mean, have we considered that? Have we considered the fact that in Pennsylvania we have lost 220,000 manufacturing jobs in the last 20 years?

I do not say that HB 39 is a great panacea and that it is everything that I would want it to be, but I think it is part of a sound economic package to help Pennsylvania businesses, and, Mr. Speaker, I urge support of this bill.

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

Mr. MIHALICH. Thank you, Mr. Speaker.

I would like to interrogate the prime sponsor very, very briefly. I only have one or two questions.

The SPEAKER. The gentleman consents to interrogation. The gentleman may proceed.

Mr. MIHALICH. Thank you, Mr. Speaker.

I want to ask one or two short questions, but my questions are based upon a presumption, and let me state my presumption first, and then you can tell me if I am incorrect.

There have been various estimates here telling us how much we are going to save because of this amnesty, and also, I heard that \$4,000 threshold being bantered about several times today. Am I to assume that somebody looked at a list and said, here is a convenient spot to cut it off, at \$4,000, and everything above that \$4,000 obligation, let us total that up, and we can come up to \$115 million or \$165 million, whatever that number is. Is that the way it was done?

Mr. BROWNE. Mr. Speaker, the \$4,000 is to serve as a trigger mechanism for individuals who will receive notice of the amnesty program. We want to make sure that people who have a significant liability outstanding that has been identified know of the amnesty program and can take advantage of it. The Department of Revenue will do publicity on the amnesty program. In a lot of cases, publicity does not get to everybody, so in relation to people who owe a significant amount - in relation to individuals, small businesses, corporations, anybody - they will get notice of this program and can take advantage of it.

Mr. MIHALICH. Thank you, Mr. Speaker.

Then my assumption is that somebody looked at a list somewhere down the line—and I am not quarreling with the \$4,000 figure—but somebody looked at a list somewhere, and on that assumption, let me ask this question: Are you personally aware or is anybody else in this House that you might know of aware of any of these liabilities that exceed \$1 million?

Mr. BROWNE. I cannot speak for any particular liabilities that are on the Department of Revenue's records.

Mr. MIHALICH. Or \$5 million or \$10 million? I do not know, Mr. Speaker, and that is why I voted to recommit this bill, so that we might get those answers.

I would like to know if there are individual companies or individuals out there who owe this Commonwealth \$1 million, \$5, \$10, \$20, \$30 million, and that is a possibility, Mr. Speaker, and these are questions that should be answered, especially when we are asked to cast votes on something that might have an outcome on the basis of this legislation.

Mr. BROWNE. Mr. Speaker, excuse me. Are you asking a question of whether the members know of any individual companies or associations that owe a certain amount of money?

Mr. MIHALICH. Above \$1 million.

Mr. BROWNE. The Department of Revenue will not issue that information. That is confidential information.

Mr. MIHALICH. We do not want to know their names. We just want to know if such an account exists.

Mr. BROWNE. They did not have that information available to us. We know there are several hundred million dollars outstanding, based on the fact of States of equal size that have these types of outstanding liabilities and these types of programs, but we have no particular knowledge of any individual liabilities of the amounts that you stated.

Mr. MIHALICH. Thank you.

I have concluded my interrogation, Mr. Speaker. May I make one statement?

The SPEAKER. The gentleman is in order.

Mr. MIHALICH. For the reasons established here in this short interrogation, I think we ought to vote this measure down until we acquire more information. We do not have to break confidentiality by knowing names or companies, but I think we ought to know how many individual accounts are out there that owe maybe \$1 million or \$5 or \$10 million, if there are any or if there are not any. I think that is significant information for us to have before we vote on this bill.

Mr. Speaker, I ask all of my colleagues, on both sides of the aisle, to reject this bill at this time. It is never too late to revisit it and perhaps revisit it in another form. Thank you very much.

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

Mr. OLASZ. Thank you, Mr. Speaker.

One of the previous members alluded to how much money is involved, how many millions, and especially on our side, we are derelict in the performance of our duties in that we should have probably gone to the city treasurers to see actually how much money is owed by these major corporations, and you can never put a corporation in jail, and I think all of you would be astounded to find the amounts of money that they owe. If any of you have been around and on the streets, you know how the game is played. You let the taxes lapse, and in the third year, you go and pay the previous 1 year, so you always have that 2-year leeway to play with.

It is convenient how we go back to "mom and pop" when we are really sticking it to them. We watch all these tax breaks that we have been talking about, and believe me, contrary to what is said, Pennsylvania has been and is still competitive with all the States around us, regardless of all the baloney that has been thrown around in here. Has this helped us to keep USAir from reducing? Has this helped us to keep Westinghouse from cutting back? Has this helped us to keep AT&T and all these other companies from cutting back drastically? Go look at what is happening in Washington. As I said earlier in the day, I am not here to bail out the peso because these guys went down and invested there; I am here representing the little guy in my district, the guy where all the signs are out, "obey or pay." The message you are sending out there today is, "don't obey and don't pay."

You think about it when you cast this vote, and go back and look your constituents in the eye that pay their taxes religiously, have done the proper thing, and say, hey, how could you give them this Christmas present on January 31? Think about it, and vote against it. Thank you very much.

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

Mr. NYCE. Thank you, Mr. Speaker.

Mr. Speaker, on the bill, there have been a number of accusations on the floor today that everyone who owes taxes or who has been assessed, even more appropriately, who has been assessed taxes by

the Department of Revenue is either a cheat, a liar, a delinquent. I have heard names I never thought I would hear on this floor about our constituents.

I have only been in the House 4 years, but I have had phone calls on several occasions from people asking me for relief from these onerous penalties that are put upon them for being as little as a day late with a payment of taxes that they are required to collect involuntarily by the Department of Revenue simply because they are in business, whether it be personal income taxes from their employees, sales taxes from their customers, or their corporate income tax installments. It does not matter to the department. You miss it 1 day, and you get hit with a huge penalty.

In addition, the Department of Revenue does not always, as we know here, interpret the regulations in a fair way. In 1991, when we passed the tax bill in this House, we had to come back and pass legislation to rein in the Department of Revenue because of the overextending of their regulatory interpretations. That is what this is about. There are no criminals in this bill. They are specifically excluded. These are the law-abiding taxpayers who have been put upon with interest and penalties that they simply cannot afford to pay or they are arguing with the department over an interpretation of law.

No one is protecting criminals. I will not protect criminals. I do not think any of us should. But to make the kinds of accusations about our taxpaying citizens who can occasionally get caught in a financial bind and unable to make a payment, that they should be put up against this sort of bureaucracy, is absolutely wrong. We are going to give them a window of opportunity with this bill. We are going to say, if it is not a substantial issue to you and you are willing to forgive your issue, step forward, pay your taxes; pay your taxes and half the interest, and we will forgive you; you are not a criminal; you are a taxpayer. There is a difference.

I submit we should support the bill. Thank you very much.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. DeWeese.

Mr. DeWEESE. In conclusion, Mr. Speaker, a very, very quick couple of questions to Representative Browne.

The SPEAKER. The gentleman, Mr. Browne, consents to interrogation.

Mr. DeWEESE. Mr. Speaker, the people that will be paying more than \$4,000 will receive a direct communication from the Commonwealth. What will be the methodology for other people to learn of this program?

Mr. BROWNE. Under the bill, the Department of Revenue is given the authority to publicize the program, either through notices or through earned media, whatever they think is the most efficient way to do so. Outside of the \$4,000 threshold, the Department of Revenue has the discretion on how to publicize the program.

Mr. DeWEESE. Does the gentleman have any idea how much this will cost, this statewide publicizing in radio and newspaper venues?

Mr. BROWNE. I am not totally sure, but in States of equal size that have paid for publicity, it has been in the area of several hundred thousand dollars. Under the bill, the first issue that is taken care of, once the program is finalized, is reimbursing the Department of Revenue from the proceeds of the tax amnesty program.

Mr. DeWEESE. One other question for the gentleman: Why does your bill not contain any additional penalties for folks who decide not to take advantage of this amnesty opportunity that you are proffering?

Mr. BROWNE. Anybody who is involved in tax accounting will know the amount of penalties that the Department of Revenue has in relation to sales taxes, in relation to personal income taxes, in relation to corporate income taxes is very extensive. These penalties—

The SPEAKER. Will the gentleman, Mr. Browne, yield.

Conferences in the vicinity of the gentleman, Mr. Browne, break up.

Mr. DeWEESE. Maybe Mr. Nyce could answer these questions instead of Mr. Browne.

The SPEAKER. Will the gentleman yield.

The gentleman, Mr. Browne, is doing fine.

The gentleman, Mr. Browne, may continue. He is a C.P.A. (certified public accountant).

Mr. DeWEESE. I hope my C.P.A. has an adviser here in a couple of weeks also.

The SPEAKER. The gentleman may continue his interrogation.

Mr. BROWNE. Should I continue the response?

Mr. DeWEESE. That is probably not necessary, with all due respect.

Mr. BROWNE. Okay.

Mr. DeWEESE. But I appreciate your effort.

One last question to the gentleman: Do you think there will be any more aggressive enforcement from the Department of Revenue after this proposal if it does succeed in the Senate and be signed by the Governor and becomes law?

Mr. BROWNE. It is our hope that the Department of Revenue will continue with their enforcement and will continue with a strong enforcement against anyone who would not comply with the law. There is no reason to think, based on this one-time window, this 90-day window, that the Department of Revenue's enforcement will decrease because of the tax amnesty.

Mr. DeWEESE. The Chair thanks the gentleman.

If I might be recognized for 1 minute.

The SPEAKER. The Chair recognizes the Democratic floor leader.

Mr. DeWEESE. Last week we attempted to, I believe, not with my vote but with a majority of votes, experiment with some kind of behavioral modification for men and women of our Commonwealth who are receiving traditional welfare payments. It seems to me that the gentleman, Mr. Browne, who has prime-sponsored this proposal, has decided to not, to not engage in any behavioral modification when it comes to corporate welfare, because although Mr. Michlovic indicated this is a bad dream or some kind of a dream—I will not allow my Freudian proclivities to come forward—but anyway, I am convinced that this is corporate welfare, and I am convinced that the great phalanx of members on that side of the aisle are going to accede to this measure and that many men and women in our State, primarily corporate people—I think Dick Olasz once referred to them as pinstripe potentates—are going to be the beneficiaries of this action. Corporate welfare - that is what you are acceding to today.

In Governor Robert Patrick Casey's veto message, the same Governor that Governor Ridge used in a very positive light in his advertisements and the same Governor that most all of us agree, regardless of our political perspective, had unflinching integrity, remarked when he vetoed this bill that the bill tends toward being a pure giveaway for known tax cheats and therefore is highly unfair to the vast majority of law-abiding, taxpaying Pennsylvanians.

In the spirit of Governor Casey's veto message, I would ask that Mr. Browne's proposal be denied. Thank you.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the majority leader, Mr. Perzel.

Mr. PERZEL. Thank you, Mr. Speaker.

Some members on the Democrat side of the aisle seem to be saying that the bureaucrats and the bureaucracy can do a better job of collecting taxes than every other State has done through a tax amnesty program, Mr. Speaker, 37 of them, to be exact. This is no change, mainstay, the status quo. That is not good enough, Mr. Speaker.

Governor Ridge in his campaign said that he stood for a tax amnesty. The members of this General Assembly, almost everyone that spoke, not the freshmen and the sophomores, back in 1991, with the exception of Mr. Olasz, all voted for this. It went 197 to 5. It was not like it was a close vote. This is the same bill.

Now, I want to say something because this is important. I had a gentleman come to see me 2 weeks ago, and I will only use his first name, Barry. He borrowed money on his house, and he went to the bank, and he built a pet shop up in Bucks County. Things did not go too well, Mr. Speaker, in 1991, the depression, when you had to raise taxes \$3 billion. Things did not go too well, and Barry went bankrupt. He lost everything he had. He sold his house, his car, and he lives in my district with his mother. But he went to the Department of Revenue and said, you know, I would really like to make amends for what I owe. He owed \$3,000, Mr. Speaker, but they said with interest and penalty he owed \$10,000, and they said to him—he went to his mother to borrow the \$3,000—they said, you go back to your mother and tell her to come up with the rest of the money. That is what they said; that is what those nice guys said.

This man is legitimately trying to pay his tax by borrowing the money from his mother. His father was a friend of mine, who passed away not too long ago. This man does not carry a briefcase. This is no white-collar criminal; he is not a cheat. He is trying to pay what he owes, but he does not have \$10,000.

You know, this is a sham. This is a game you have been playing now for 2 weeks. The people of Pennsylvania want a change; they want an opportunity. Tom Ridge needs this as part of the puzzle of taking care of Pennsylvania's problems.

We are asking for a "yes" vote. We believe in what we are trying to do here. That man is trying to pay. Give him a chance.

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

Mr. DeWEESE. Mr. Speaker, Mr. Stetler's proposal, at least one of them, would have allowed us to make sure that people like Barry would have come to our attention, because obviously we are probably not as anxious to counter Mr. Barry's predicament as we are the people with the briefcases, people that do owe a lot of taxes.

We tried to make sure that this proposal was strengthened and fortified, and I believe that if some of Mr. Stetler's amendments would have been acceded to, we would probably have had several tens of votes from this side of the aisle be forthcoming.

The bottom line, Mr. Speaker, is that in 1991 we were facing a fiscal crisis. Although the Republican floor leader indicated that I had supported the additional revenue that we raised, there were a few other people in this chamber that supported that same effort. So if his vituperation is going to be directed against me, I think it should be shared by several of the rest of us on both sides of the aisle.

We do not have the same fiscal crisis impending in our Commonwealth tonight that we did in 1991, and I will say again for the record, we do not have the same kind of tax collection system or State income tax that most of the States that have this kind of amnesty proposal have had.

So there are differentiations that should be made clear, and I think they are enough of a differentiation to not support the proposal. Thank you very much.

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

Mr. LLOYD. Mr. Speaker, I was not going to get up to talk about this bill because most of the points I was going to make have already been made, but the majority leader's point about Barry is one which I think needs to be addressed, because as I searched over the weekend—I mean, I went home thinking I am going to vote for this bill; I voted for it before—and I read the bill, I kept asking myself a question I used to ask Bob O'Donnell all the time my first 2 years here: Why are we doing this? And I kept searching for some overarching public policy justification. In 1991 we needed the cash flow, and so we voted for it, and the Governor vetoed it, so that situation does not exist now. We can argue about how big the surplus is, but clearly there is a surplus. We could argue that we had some special project - we are building a new Capitol Building, we are building a new highway, or we are giving out some money for college students, or whatever - but that is not what is being done with this money. This money is going into the Rainy Day Fund. It takes a two-thirds vote to get money out of the Rainy Day Fund, so that is not the public policy reason.

We could argue that we are trying, as some people on the other side have said, to create jobs, and that might be a— It is kind of a rough Sunny Day Fund. We are saying that the majority of people who owe these taxes are businesses, and if we relieve them of part of that burden, what they are going to do is to invest in creating jobs. But nobody knows who these people are, and so that cannot be the public policy reason, because we do not know whether these are people who are going to create jobs or not create jobs.

So then we heard the argument that what we really need to do is to give the Department of Revenue a heart, and that is an argument that makes some sense. The problem is that once this tax amnesty period has passed—and I think it is 180 days—once that tax amnesty period has passed, what happens to the next Barry? He is going to be in exactly the same predicament.

This bill does not lower the penalties; it does not tell the Department of Revenue to have a heart in the future; it does not lower the interest that is owed in the future.

What is sacrosanct about your status as of December 31, 1994? Why are those people more entitled to be taken care of than the people who were in that same predicament on June 30 of 1994 but borrowed the money and paid their taxes or those people who are going to be in that same predicament on December 31 of 1995 and will have missed the amnesty? Mr. Speaker, if there is a need to give the Department of Revenue a heart, then let us get about it.

I remember in my first 2 years here supporting bills sponsored by the gentleman, Ben Wilson, and most of us voted for, to raise penalties because interest rates were such that it was actually cheaper not to pay your taxes and to use the State's money to carry your business, and we said that was not right. I do not know that we want to reverse that policy, but if we do, let us address that issue.

This reminds me of something that Nancy Kassebaum was quoted as having said a week ago: This is a bad idea whose time has come. I guess with 102 votes tonight the time has come, but I think we are going to look back a year or 2 years from now and ask ourselves why we took care of those people and we are not willing to take care of the other sob story sitting in our office who we think, gee, we would like to do something to help.

I am going to vote "no."



The SPEAKER. The Chair recognizes the gentleman from Philadelphia, Mr. Horsey.

Mr. HORSEY. Mr. Speaker, I rise to say let us defeat HB 39.

The SPEAKER. The Chair thanks the gentleman.

Mr. HORSEY. Thank you. Thank you.

Primarily because, Mr. Speaker, we are giving tax amnesty to a protected class here of business people who do not really need it.

We passed HB 2 the other day which involved primarily welfare folks, folks receiving human services, and not in any of their legislation did we talk about giving them or granting them any type of amnesty. As a matter of fact, we were talking about tightening the screws up on those folks. This bill does nothing but protect an already protected class where I come from, an already protected class, and that is business people, and it is not needed, Mr. Speaker.

I rise to oppose HB 39. Mike Horsey.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman from Luzerne, Mr. Tigue.

Mr. TIGUE. Thank you, Mr. Speaker.

Mr. Speaker, as Mr. Lloyd, I did not intend to rise because most of my comments have been said previously, but the majority leader stood up and said in 1991 we all voted for tax amnesty. That is false. I was here in 1991. I voted for a tax increase. I voted against tax amnesty. I supported the Governor in his veto because I think it was wrong then and it is wrong now to allow people who evade taxation, law breakers, people who break the law, from being rewarded.

It has been said earlier today that last week we discussed welfare. We talked about people accepting responsibility for their actions. I voted for welfare reform. I am a strong proponent of individual responsibility.

I and most of my constituents pay my taxes in a timely fashion. I heard today some comments that were put forth about sales tax, that small business people were put upon because they did not submit their sales tax and they paid a penalty. It is not their sales tax; it is my sales tax. I gave these people my money and they embezzled it. They do not have that money; it is not their money. It is the money of the people of the Commonwealth.

Mr. Perzel talked about his friend, Barry. Earlier in the evening Mr. Smith had a question. He asked Mr. Nyce or Mr. Browne—I cannot recall which one—about, what happens if someone entered into an agreement and they are paying off in installments? The answer was, if this gentleman friend of Mr. Perzel, Barry, was trying to pay off his debt as of December 31 of 1994 and he was making installment payments in a timely fashion, Mr. Speaker, he is not eligible for this amnesty. That is wrong.

When we talk about who are these people or businesses who will be allowed to get away with breaking the law, the answer is, or has been all day, we do not know.

Mr. Blaum's analogy about the prison board, we are giving parole, probation, forgiveness to those we do not know why they owe; we do not know how much they owe; we do not know if they had a valid reason for not paying their taxes, or if in fact they were just plain tax cheats. No one on the other side has answered that question, because they cannot, they do not, and they will not.

It is simple; individual responsibility, we are going to hear next week on crime, when we talk about the Governor's special session, and I will predict that most of us in this chamber, by and large, probably two-thirds, will vote for the criminal package, the crime package.

I just read recently in a newspaper about a major league baseball player named Darryl Strawberry, who did not file income tax for

money he received for signing autographs. He went to the IRS (Internal Revenue Service). Guess what his deal is? He is going to jail. Darryl Strawberry is going to jail because he deserves it. Do we have a Darryl Strawberry in the Commonwealth of Pennsylvania who did not file his income tax whom we now are going to forgive? Suppose it is a Philadelphia Phillie player or a Pittsburgh Steeler? So we are going to say, that is okay; let Strawberry go to jail; we in Pennsylvania will forgive you.

You talk about \$4,000. Let us notify those people who owe \$4,000. Mathematics, quick mathematics, indicates that to owe \$4,000 in personal income or subchapter S corporation, the principal had to be over \$140,000. We, the legislature, both chambers, along with the Governor, who signed—and I believe it was Governor Thornburgh, as Mr. Lloyd said—set the rates for interest and penalties. The Department of Revenue did not do that.

I hear from the other side that government is out of control; they are too large; they are inefficient. But yet I heard today the Department of Revenue has been too zealous in enforcing the laws that we made. Something is inconsistent here.

I will not go back to my constituents and say to them, you are fools; you paid your taxes and now we have enough money so we can let someone else off the hook. I refuse to do that.

I did not vote for tax amnesty, Mr. Speaker, in 1991, and I will not vote for it today, tomorrow, next year, or next century. It is wrong; it is not the thing to do. I would ask my colleagues on the other side to consider what you are doing. You say you are tough on crime, but you seem to want to be selective of who the criminals are.

Vote "no" on HB 39. Thank you.

The SPEAKER. The Chair recognizes the gentleman, Mr. James, then Mr. Gannon, then Mr. Adolph, then Mr. Kukovich.

Mr. JAMES. Thank you, Mr. Speaker.

Mr. Speaker, last week I asked my colleagues to vote "no" on a mean-spirited welfare reform. Today I am asking my colleagues to vote "no" on wealthy reform. Thank you, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from Delaware, Mr. Gannon.

Mr. GANNON. Thank you, Mr. Speaker.

Mr. Speaker, throughout the debate against this bill in the course of the day, you picked up a thread, an argumentative thread, that you hear and have heard over the past several months, maybe a year, from the Democrat Party, and that argument is that there is some type of a class warfare going on in this country, that it is the rich against the poor, and the theme is, and you should look back to the election where the people of this country and the people of this State rejected that argument, that we are engaged in some type of class warfare.

I heard a prior speaker talk about how this bill coddled criminals, and I opened the bill up and I read the first page where it specifically excludes anyone involved in any criminal prosecution for tax evasion, and he tried to analogize this bill to Mr. Strawberry, who failed to declare taxes that he earned as a result of signing his name on baseball cards. It is not the same analogy.

Another member just mentioned something to me that is worth noting, and that is where you see these folks come out and say, well, we have to have these gun turn-ins. Where people have guns on the street, we want them to voluntarily turn them in, no questions asked, no prosecution, and that is good. Yet when we stand here today and are asked to pass a bill to have people that owe this Commonwealth taxes and we are saying, pay those taxes, no questions asked; in fact, we will give you a discount on the interest, then that seems to be bad.

Turn in your guns, good; pay your taxes, bad. That does not make sense, Mr. Speaker.

We are talking about individuals out there that we do not even know about. There are folks out there we do not even know about that have not paid their taxes. This bill gives them an opportunity to get back on track, become good citizens of this Commonwealth, lets them pay those taxes without fear of prosecution, makes them pay half the interest, avoids the penalty.

This is a good bill. This is a good time to pass this bill. The bill goes into a good place, the Sunny Day Fund, which is not starting and paying for some new social welfare program; it is not going to spend money on useless and wasteless projects. What it is going to do, it is money that is going to protect the taxpayers of this State for the future, and that time is always good to do that.

I ask for a "yes" vote on the bill.

The SPEAKER. The Chair thanks the gentleman.

The Chair recognizes the gentleman, Mr. Adolph.

Mr. ADOLPH. Thank you, Mr. Speaker.

I would like to address a couple statements that Representative Tigie made regarding the tax cheats.

I prepared Pennsylvania personal tax returns for a living for the last 25 years, and I will tell you a couple of the situations that average people get involved in when they are preparing their personal income tax in Pennsylvania.

If you sell a house, your house, maybe you got transferred, or maybe you needed a bigger house or whatever, and you owned that house for about 20 years, and because of appreciation in the value of that property, you have a substantial gain in the value of the property, but you take that money and you put it and you buy another house. You did not take 1 cent; you did not put 1 cent in your pocket, and you can end up owing the Pennsylvania Department of Revenue thousands and thousands of dollars. Now, you do not have any money; you do not have any money. You are being taxed 2.8, Mr. Speaker, on money that you have never touched, and there are hundreds and there are thousands of examples of this injustice in our tax system, Mr. Speaker, and we are trying to help these people. That is the tax criminal, that is the tax cheater that you do not want to give a break to.

Second point, second point: I want to talk about collection. I really believe Representative Tigie. When he believes in something, he talks from his heart, and I admire Representative Tigie for those statements, but tax amnesty, you have to understand it. It is good for both sides; it is good for both sides.

As the governing body, we are trying to bring in more revenue from money we will never collect. We will never collect this money if a deal is not made, and the deal is amnesty, cut the interest in half with no penalties. At the end of this period, we are going to have more money in our coffers so taxes do not go up in this Commonwealth.

I support the Browne bill. Thank you, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

On the question recurring,

Shall the bill pass finally?

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

(Members proceeded to vote.)

Mr. DeWEESE. Mr. Speaker?

The SPEAKER. There is nothing in order but the taking of the roll.

Mr. DeWEESE. How long have we expended, sir? With all due respect, Mr. Speaker.

The SPEAKER. With all due respect, we have now expended 2 minutes and 27 seconds.

Mr. DeWEESE. Thank you, Mr. Speaker.

Mr. Speaker, would it be possible for everyone to take their seats so we could insure that only people in their seats are voting?

The SPEAKER. Only those in their seats are permitted to vote. Members will please take their seats.

Mr. DeWEESE. Mr. Speaker? How much time remains, sir?

The SPEAKER. Eight minutes and fifteen seconds have expired.

Mr. DeWEESE. The Chair thanks the gentleman. I mean, the gentleman thanks the Chair.

The SPEAKER. Together with the majority leader.

On the question recurring,  
Shall the bill pass finally?

The following roll call was recorded:

YEAS-101

Adolph	Fairchild	Maitland	Schuler
Allen	Fargo	Major	Semmel
Argall	Farmer	Marsico	Serafini
Armstrong	Fesse	Masland	Sheehan
Baker	Fichter	McGill	Smith, B.
Bard	Fleagle	Merry	Smith, S. H.
Barley	Flick	Micozzie	Snyder, D. W.
Birmelin	Gannon	Miller	Stairs
Boyes	Geist	Nailor	Steil
Brown	Gladeck	Nickol	Stern
Browne	Godshall	Nyce	Stish
Bunt	Gruppo	O'Brien	Strittmatter
Carone	Habay	Perzel	Taylor, E. Z.
Chadwick	Harhart	Pettit	Taylor, J.
Civera	Hasay	Phillips	True
Clark	Hennessey	Piccola	Tulli
Clymer	Herman	Pitts	Vance
Cohen, L. I.	Hershey	Platts	Waugh
Conti	Hess	Raymond	Wogan
Cornell	Hutchinson	Reber	Wright, M. N.
Dempsey	Jadlowiec	Reinard	Zimmerman
Dent	Kenney	Rohrer	Zug
DiGirolamo	King	Rublely	
Druce	Lawless	Sather	Ryan,
Durham	Leh	Saylor	Speaker
Egolf	Lynch	Schroder	

NAYS-99

Battisto	Evans	Manderino	Santoni
Bebko-Jones	Fajt	Markosek	Scrimenti
Belardi	George	Mayernik	Shaner
Belfanti	Gigliotti	McCall	Staback
Bishop	Gordner	McGeehan	Steelman
Blaum	Gruitza	Melio	Stetler
Boscola	Haluska	Michlovic	Sturla
Butkovitz	Hanna	Mihalich	Surra
Buxton	Horsey	Mundy	Tangretti
Caltagirone	Itkin	Olasz	Thomas
Cappabianca	James	Oliver	Tigie
Carn	Jarolin	Pesci	Travaglio

Cawley	Josephs	Petrarca	Trello
Cohen, M.	Kaiser	Petrone	Trich
Colafella	Keller	Pistella	Van Horne
Corpora	Kirkland	Ramos	Veon
Corrigan	Krebs	Readshaw	Vitali
Cowell	Kukovich	Richardson	Walko
Coy	LaGrotta	Rieger	Washington
Curry	Laughlin	Roberts	Williams
Daley	Lederer	Robinson	Wozniak
DeLuca	Lescovitz	Roebuck	Wright, D. R.
Dermody	Levdansky	Rooney	Yewcic
DeWeese	Lloyd	Rudy	Youngblood
Donatucci	Lucy	Sainato	

NOT VOTING-0

EXCUSED-3

Colaizzo                      Gamble                      Preston

Less than the majority required by the Constitution having voted in the affirmative, the question was determined in the negative and the bill fell.

**HOUSE SCHEDULE**

The SPEAKER. The Chair recognizes the gentleman, Mr. Perzel. Mr. PERZEL. Thank you, Mr. Speaker.

Mr. Speaker, just for the information of the members, on Monday in special session we will be running HB's 1, 14, and 18, and in regular session HB 4.

I would suggest that the House come in tomorrow morning at 9 a.m. and we go through until we do our calendar, Mr. Speaker.

The SPEAKER. The Chair thanks the gentleman.

There will be no further votes. There will be no further votes in the regular session. The special session will open and close for the purpose of taking reports of committees, and we will also be moving bills in special session.

**SUNSHINE NOTICE**

The SPEAKER. Notice is hereby given, in accordance with the Act of July 3, 1986, P.L. 388, No. 84, that the House of Representatives will convene in open session in the Hall of the House on the following date and time:

Regular Session, Wednesday, February 1, 1995 at 9:05 a.m.

This notice is given of the House session time pursuant to the sunshine laws.

**LETTER SUBMITTED FOR THE RECORD**

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

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

Mr. Speaker, I have a submission for the record on HR 23 from the Office of the Treasurer. I would like to have it submitted to be placed in the record for today.

The SPEAKER. The gentleman will submit his statement for the record.

Mr. RICHARDSON submitted a letter for the Legislative Journal.

(For letter, see Appendix.)

**VOTE CORRECTION**

The SPEAKER. The gentleman, Mr. Horsey, is recognized.

Mr. HORSEY. Mr. Speaker, on amendment 324, Mr. Stetler's amendment, there is a recording of a "nay" on Mr. Horsey. It was a clerical mistake. My button must not have been working. There should have been a "yes" posted on that amendment for me.

The SPEAKER. The remarks of the gentleman will be spread upon the record.

Mr. HORSEY. Thank you, Mr. Speaker.

**URBAN AFFAIRS COMMITTEE MEETING**

The SPEAKER. The Urban Affairs Committee meeting scheduled for tomorrow morning will be held at the first recess in the regular session tomorrow morning.

Is there any further business from the majority or minority leader or any other notices in connection with the regular session?

**PARLIAMENTARY INQUIRY**

The SPEAKER. The Chair recognizes the gentleman, Mr. James. Mr. JAMES. Mr. Speaker, just a question in regard to special session.

When will special session start again where I can introduce some legislation in special session?

The SPEAKER. In about 2 minutes.

Mr. JAMES. Thank you.

The SPEAKER. Is there any further business in connection with the regular session?

**ADJOURNMENT**

The SPEAKER. Hearing none, the Chair recognizes the gentleman from Lycoming, Mr. Feese.

Mr. FEESE. Mr. Speaker, I move that this House do now adjourn until Wednesday, February 1, 1995, at 9:05 a.m., e.s.t., unless sooner recalled by the Speaker.

On the question,

Will the House agree to the motion?

Motion was agreed to, and at 6:31 p.m., e.s.t., the House adjourned.