

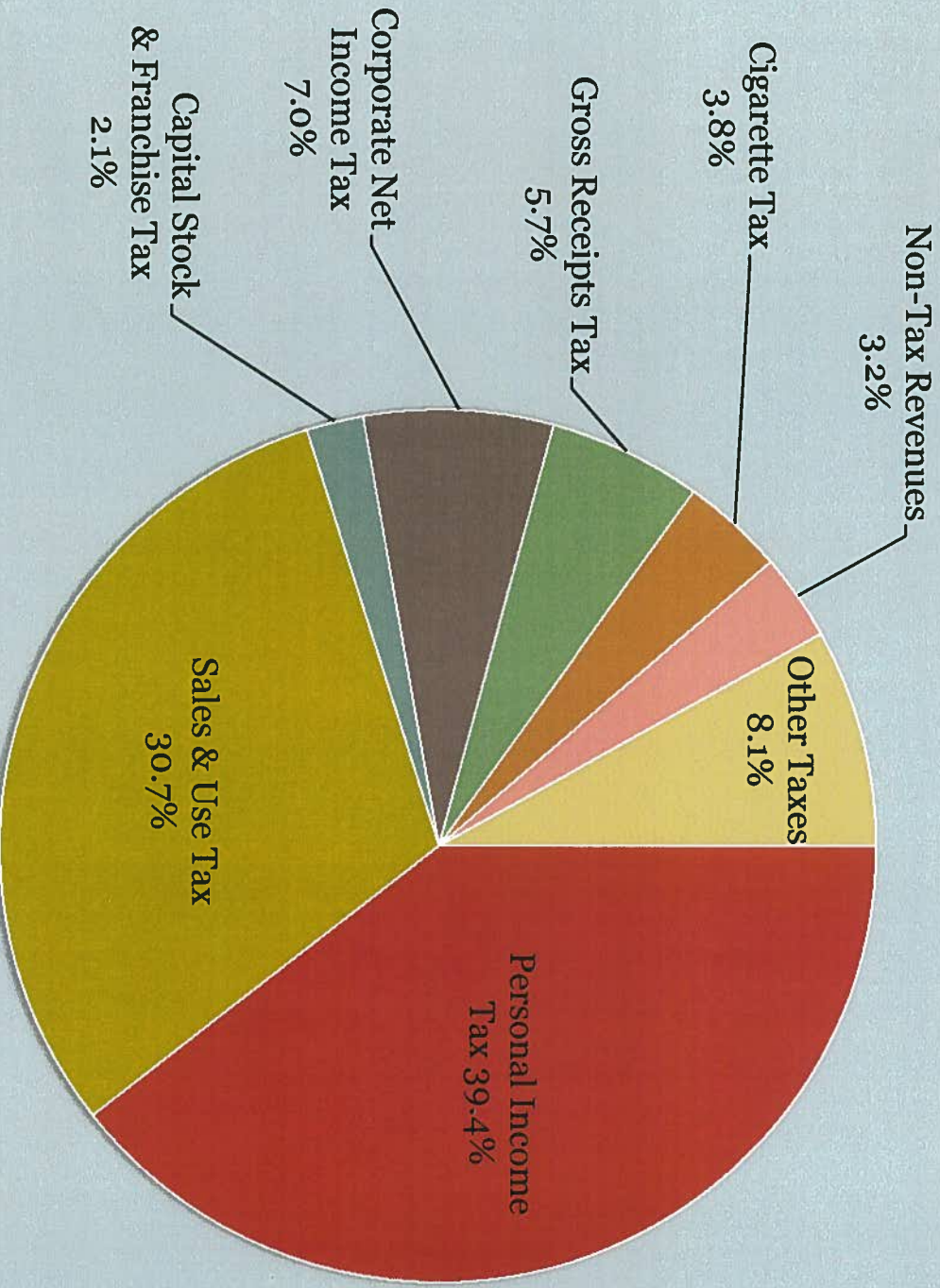
Governor Rendell's Proposed Tax and Fee Increases

<i>Annual Cost of Tax and Fee Increases Proposed in FY 2009-10 Budget</i>						
Tax or Fee Type	Increase	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
1	Severance Tax	A new tax on the severance of natural gas within the commonwealth is proposed. The tax base is the value of the natural gas when severed. The rate is 5% of the value of the natural gas at the wellhead plus \$0.047 per thousand cubic feet of natural gas severed. The tax is effective October 1, 2009.	\$ -	\$ 107,200,000	\$ 236,000,000	\$ 353,500,000
2	Sales and Use Tax	The one percent discount for the timely remittance of sales tax collected by licensed vendors is proposed to be eliminated.	\$ -	\$ 74,900,000	\$ 77,500,000	\$ 79,594,791
3	Cigarette Tax	10 cents per pack of 20.	\$ -	\$ 60,800,000	\$ 66,400,000	\$ 65,072,000
4	Other Tobacco Products Tax	36 cents per ounce for smokeless and loose tobacco and the equivalent of 36 cents per 10 sticks of cigars and cigarillos. The tax is effective October 1, 2009.	\$ -	\$ 37,900,000	\$ 53,400,000	\$ 56,500,000
5	Sales and Use Tax	Provide counties with the option to impose a 1% local sales tax. A one percent rate increase represents a 17% tax increase. The money from this tax increase would not be available to the State's General Fund but would remain with the locals. Details have not been released.	\$ -	\$ 1,219,832,084	\$ 1,304,794,583	\$ 1,340,062,573
6	Sales and Use Tax	Require semi-monthly payments for licensed vendors whose quarterly SUT liability is at least \$25,000.	\$ -	\$ -	\$ 250,200,000	\$ -
7	Personal Income Tax	Conform the remittance of withheld PIT to match the federal filing requirements.	\$ -	\$ -	\$ 175,000,000	\$ -
8	Escheats	Reduce holding period to 3 years.	\$ -	\$ -	\$ 100,000,000	\$?
9	Oil and Gas Well Permitting Fees	DEP proposes to increase permitting fees from \$100 to an average of \$2,600 per well.	\$ -	\$ 7,391,050	\$ 10,356,400	\$ 15,473,600
Total:			\$ -	\$ 1,508,023,134	\$ 2,273,650,983	\$ 1,910,202,964

Governor Rendell's Proposed Transfers

<i>Proposed Transfers in the FY 2009-10 Budget</i>						
Transfer From:	Description	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
1	Oil and Gas Lease Fund	Transfer of the proceeds of the Marcellus Shale lease payments to the General Fund.	\$ 174,000,000	-	\$ 150,000,000	?
2	Budget Stabilization Reserve Fund	Transfer the balance of the Rainy Day Fund to the General Fund over a three-year period.	\$ 250,000,000	\$ 375,000,000	\$ 125,000,000	-
3	Health Care Provider Retention Account	Transfer a portion of the balance in the HCPRA to the General Fund.	-	\$ 350,000,000	-	-
4	Health Care Provider Retention Account	Eliminate the 18.52% transfer of the cigarette tax to the Health Care Provider Retention Account and redirect it to the General Fund.	-	\$ 198,900,000	\$ 199,900,000	\$ 195,902,000
Total:			\$ 424,000,000	\$ 923,900,000	\$ 474,900,000	\$ 195,902,000

2009-10 General Fund Revenue Sources



More than two-thirds (70%) of General Fund revenues are derived from the Personal Income Tax and the Sales & Use Tax.