



The Monthly Report

From the Senate Appropriations Committee

Robert J. Thompson, Chairman

February, 2005

SENATE APPROPRIATIONS COMMITTEE STAFF

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*Fiscal Notes, Capital Budget,
Pension/Retirement Issues*

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*Treasury, Community & Economic Development,
Revenue, Revenue Projections/Tax Matters,
Lottery, Local Government*

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Governor's Office,

Executive Offices including:

Human Relations Commission

PA Council on the Arts

PA Commission on Crime & Delinquency

Agriculture, Banking, Civil Service Commission,

Consumer Advocate, Corrections,

Historical & Museum Commission, Judiciary,

Liquor Control Board,

Military & Veterans Affairs,

Milk Marketing Board, Probation & Parole,

Public Utility Commission,

Securities Commission,

State Police, Transportation

Russ Miller 783-3466

Education, General Services, PHEAA,

Public Television Network,

State Tax Equalization Board, Libraries

Lori Taylor 783-8235

Attorney General, Auditor General,

Conservation & Natural Resources,

Emergency Management Agency,

Environmental Protection, Ethics Commission,

Fish Commission, Game Commission,

Housing Finance Agency, Labor & Industry,

PennVEST,

Legislature including:

Health Care Cost Containment Council

Budget, Gaming, and Property Tax Relief Enacted

In July, the General Assembly approved long anticipated legislation allowing slot machines at several venues across the Commonwealth, and providing for a mechanism to lower property taxes for Pennsylvania homeowners. House Bill 2330, passed by the Senate on July 1, creates the Pennsylvania Race Horse Development and Gaming Act. This bill became Act 71 of 2004 when Governor Rendell signed it on July 5. Act 71 establishes the PA Gaming Control Board, which would oversee the operation of the slot machines at all locations. The State Gaming Fund is also created, and would receive 34 percent of gross revenue for distribution as set up in the law.

Senate Bill 100 creates the Homeowner Tax Relief Act, establishing the formula for the distribution of state property tax relief funds generated from the taxation of slot machine revenues. This bill, passed by the Senate on July 2, became Act 72 of 2004 when signed by the

Governor on July 5. The provisions of Act 72 also contain a back end referendum requiring voter approval of property tax increases above the increase in the average weekly wage and employment cost index. The act, however, allows for nine exceptions from the back-end referendum, including emergencies, court orders, and special education costs.

The Senate also adopted the conference committee report on House Bill 2579, the General Appropriation Act of 2004 on July 4. This bill appropriated \$22.8 billion from the General Fund for fiscal year 2004-05 state government operations. The governor signed this bill as Act 7A of 2004 the same day.

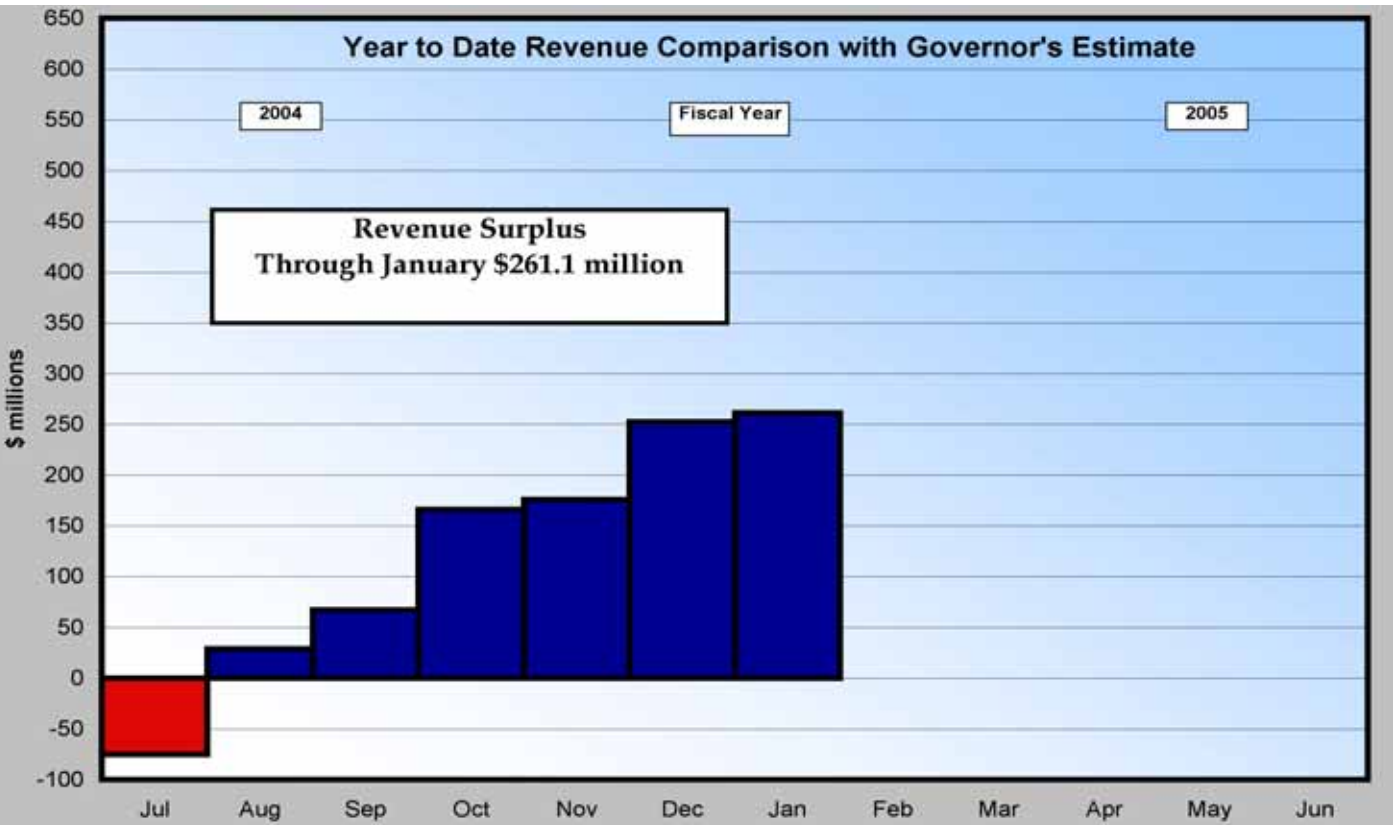
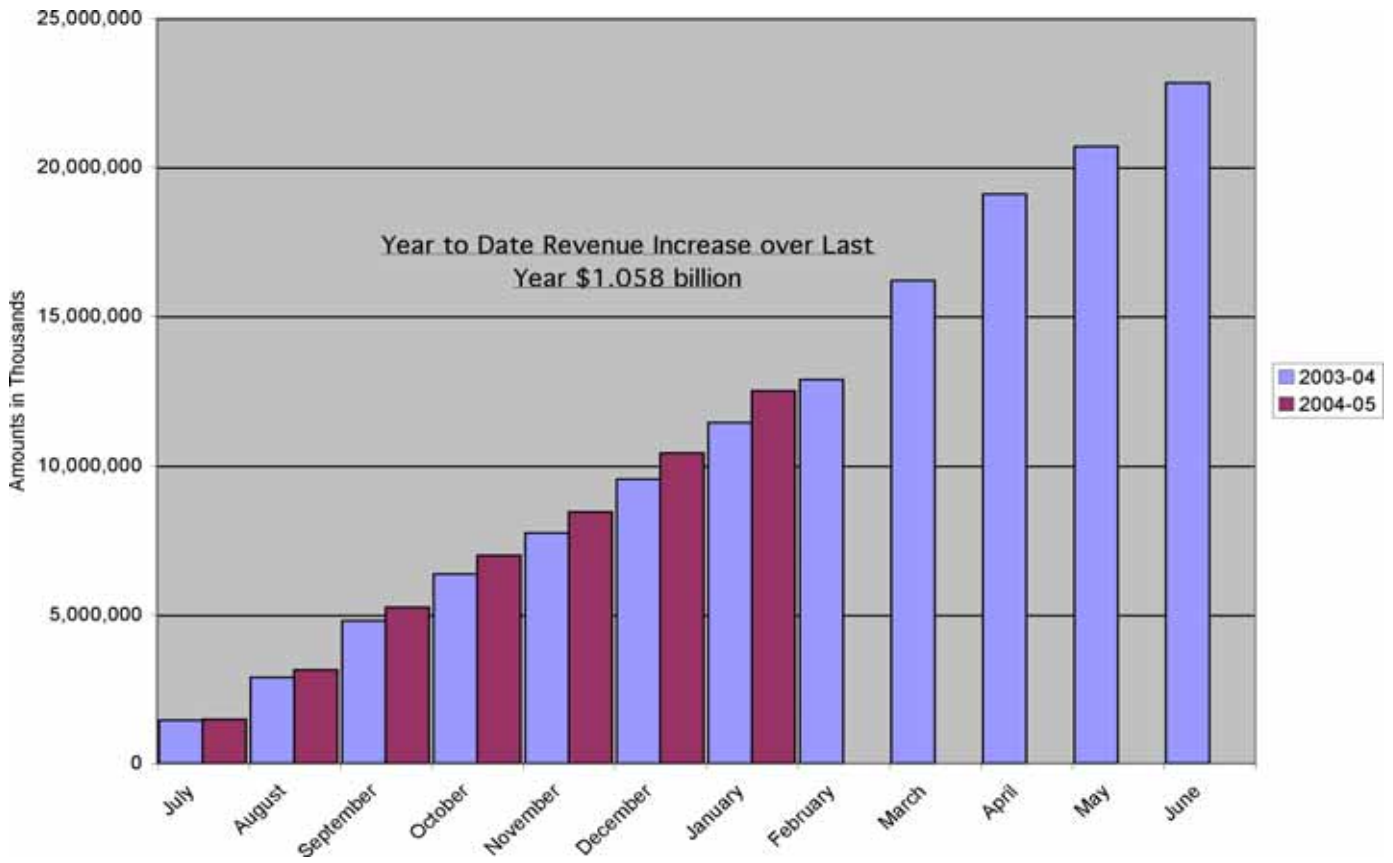
Highlights of Act 7A include \$150 million, or 3.6 percent, increase for basic education funding and \$24.5 million additional for special education. The fiscal year 2004-05 accountability grants, which were funded at \$175 million as part of last

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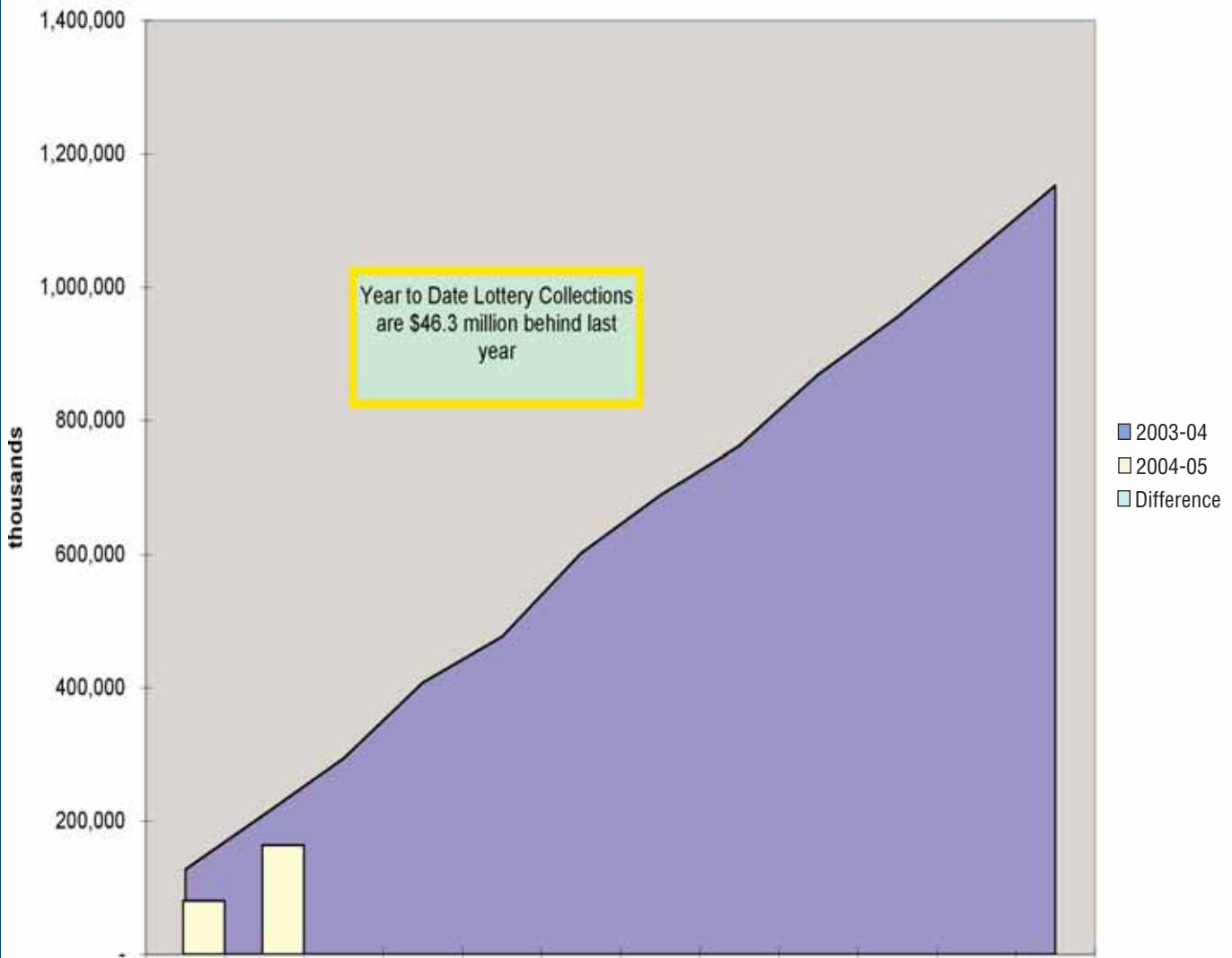




Appropriations Committee Monthly Revenue Report

Monday, February 28, 2005	Revenue 2003-04	(data in thousands of dollars)					
		For the month of February			For the year through February		
		thru February	Revenue	Official Estimate	Surplus (Deficit)	Revenue	Official Estimate
Account:							
CORPORATE TAXES:							
Clearing Account	\$18,142	(\$4,443)	\$0	(\$4,443)	\$11,701	\$0	\$11,701
Corp. Net Income	\$763,577	\$22,831	\$28,400	(\$5,569)	\$904,471	\$841,600	\$62,871
Cap. Stock & Franchise	\$453,139	\$22,700	\$12,800	\$9,900	\$477,915	\$474,800	\$3,115
Gross Receipts	\$7,640	\$936	\$2,000	(\$1,064)	\$35,038	\$32,700	\$2,338
PURTA	\$2,112	\$77	\$0	\$77	\$1,970	\$5,300	(\$3,330)
Insurance Premiums	\$37,019	\$24,269	\$17,800	\$6,469	\$31,592	\$27,600	\$3,992
Financial Institutions	\$15,234	\$1,741	\$700	\$1,041	\$16,684	\$13,000	\$3,684
Other Selective Bus. Taxes	\$5,471	\$588	\$500	\$88	\$5,502	\$4,400	\$1,102
CORPORATE TAX TOTAL	\$1,302,335	\$68,700	\$62,200	\$6,500	\$1,484,873	\$1,399,400	\$85,473
CONSUMPTION TAXES:							
Sales, Use & Occupation Tax	\$5,163,704	\$547,400	\$564,500	(\$17,100)	\$5,365,111	\$5,344,600	\$20,511
-Motor Vehicle Sales	\$826,466	\$72,784	\$82,000	(\$9,216)	\$798,164	\$805,900	(\$7,736)
-General (net of transfers)	\$4,337,237	\$474,615	\$482,500	(\$7,885)	\$4,566,947	\$4,538,700	\$28,247
Cigarette Tax	\$533,299	\$58,189	\$68,000	(\$9,811)	\$505,958	\$545,700	(\$39,742)
Malt Beverage Tax	\$17,451	\$1,855	\$1,900	(\$45)	\$16,810	\$16,300	\$510
Liquor Tax	\$124,341	\$11,648	\$13,000	(\$1,352)	\$134,117	\$129,100	\$5,017
CONSUMPTION TAX TOTAL	\$5,838,795	\$619,092	\$647,400	(\$28,308)	\$6,021,996	\$6,035,700	(\$13,704)
OTHER TAXES:							
Personal Income Tax	\$4,640,314	\$597,140	\$592,200	\$4,940	\$5,247,301	\$5,185,000	\$62,301
-Withheld PIT	\$3,993,067	\$569,449	\$564,700	\$4,749	\$4,498,773	\$4,456,900	\$41,873
-Quarterly & Annual PIT	\$647,247	\$27,691	\$27,500	\$191	\$748,528	\$728,100	\$20,428
Realty Transfer Tax	\$268,136	\$28,116	\$22,600	\$5,516	\$313,985	\$263,800	\$50,185
Inheritance & Estate Tax	\$484,389	\$47,017	\$57,500	(\$10,483)	\$454,425	\$501,100	(\$46,675)
Minor & Repealed	\$5,737	\$57	\$100	(\$43)	(\$6,727)	(\$4,100)	(\$2,627)
OTHER TAXES TOTAL	\$5,398,575	\$672,330	\$672,400	(\$70)	\$6,008,984	\$5,945,800	\$63,184
GENERAL FUND TAXES	\$12,539,705	\$1,360,122	\$1,382,000	(\$21,878)	\$13,515,852	\$13,380,900	\$134,952
NON-TAX REVENUES	\$317,682	\$9,157	\$44,300	(\$35,143)	\$330,654	\$261,500	\$69,154
GENERAL FUND	\$12,857,387	\$1,369,279	\$1,426,300	-\$57,021	\$13,846,506	\$13,642,400	\$204,106
MOTOR LICENSE FUND:							
Liquid Fuels Tax	\$490,496	\$49,757	\$46,880	\$2,877	\$515,323	\$503,550	\$11,773
Fuels Use Tax	\$90,566	\$13,627	\$11,860	\$1,767	\$92,194	\$91,380	\$814
Motor Carriers Road Tax	\$20,322	\$1,131	\$2,970	(\$1,839)	\$17,341	\$21,580	(\$4,239)
Alternate Fuels	\$192	\$51	\$60	(\$9)	\$225	\$200	\$25
Clearing Account	\$0	\$2,323	\$0	\$2,323	(\$8)	\$0	(\$8)
Gross Receipts Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oil Company Franchise Tax	\$201,340	\$30,652	\$34,290	(\$3,638)	\$206,123	\$213,070	(\$6,947)
Licenses and Fees	\$491,985	\$60,765	\$59,100	\$1,665	\$511,763	\$496,160	\$15,603
Vehicle Code Fines	\$27,317	\$2,216	\$3,500	(\$1,284)	\$28,940	\$30,520	(\$1,580)
Miscellaneous	\$46,894	\$10,682	\$4,220	\$6,462	\$65,250	\$38,290	\$26,960
MOTOR FUND	\$1,369,112	\$171,204	\$162,880	\$8,324	\$1,437,151	\$1,394,750	\$42,401

Comparison of Lottery Ticket Deposits



Budget, Gaming

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year’s budget agreement, were increased by \$2.5 million. Charter school reimbursement was also increased by \$2.5 million. Approved private schools were provided with a \$30 million increase to meet ongoing costs and to help pay for prior years’ audit resolutions. The overall increase for the fiscal

year 2004-05 General Fund budget from the previous fiscal year is 4.3 percent.

Several other programs, including grants to libraries, State Police, human service programs in the Department of Public Welfare, and mass transit all received increases above the Governor’s proposed budget.

In addition, House Bill 1634, the Capital Budget Project Itemization Act of 2003, was passed by both the Senate and House in late June, and was approved by the Governor as Act 40 of 2004 on June 22. This bill authorized \$13.1 billion in capital projects.