Roll Call – A quorum was established.

Delegates Present: A. Memmi, Derry Township; T. Houck, Lower Paxton Township; J. Fisher, Middle Paxton Township; K. Thoma representing Berrysburg Borough, Elizabethville Borough, Gratz Borough, Jefferson Township, Lykens Twp., Mifflin Township, Pillow Borough, Washington Township and Upper Dauphin School District; K. McConnell, Central Dauphin School District; M. Shuler, Lower Dauphin School District; D. Franklin, Middletown Area SD; R. Wentzel representing Halifax Township, Jackson Township, Wayne Township, and Halifax Area School District; B. Harris, South Hanover Township; A. Jackson, Millersburg Borough; G. Painter, Conewago Twp.; D. Hummer, Hummelstown Borough; M. Simonetti, Steelton-Highspire SD; R. Smith, East Hanover Township; D. Rosario, West Hanover Township; J. Fosselman, Swatara Township; R. Hepner, Upper Paxton Township; C. Artz, Millersburg Area School District; L. Shaw, Derry Township School District.

Solicitor: G. Beneventano

Guests: Joseph Lazzaro, Keystone Collections; Representative Tom Mehaffie, 106th Legislative District; Representative Sue Helm 104th Legislative District; Representative Francis Ryan, 101st Legislative District; Ron Fouche – Delegate, Lebanon County TCC

The Chairman called the meeting to order.

Mr. Fouche from the Lebanon County Tax Collection Committee discussed PA House Resolution 291 with the committee. House Resolution 291 requests that the PA Department of Revenue look into having state-wide EIT collections versus county-wide. Mr. Fouche has contacted all of the tax collection committees in Pennsylvania and reports that all are happy with Act 32. Mr. Fouche has concerns about the risk of state-wide collections through the Department of Revenue. He urged the delegates to contact their state representatives and state senators about HR 291 and explain why they are happy with Act 32.

Mr. Lazzaro from Keystone Collections reported that he is hearing concerns from the TCCs that they collect EIT for. Act 32 started out a bit rough for some TCCs, but is now working smoothly for nearly all TCCs. He reported that crediting provisions changed this year. There used to be a limit as to what you could claim against the EIT you would have owed in PA based on work undertaken outside of the state. Now, an out-of-state worker can claim all the way up to the full-earned income tax imposed in the resident’s municipality. Mr. Lazzaro shared portions of letters and resolutions (from Keystone’s taxing districts) sent to the Department of Revenue regarding HR 291.
State Representative Francis Ryan was then asked to speak. Representative Ryan reported that he is about to sponsor a bill that will significantly enhance the earned income tax to allow for the elimination of property taxes so that the money goes through you (i.e., the TCC) directly to the schools, rather than through the state. (Editor’s note: if Representative Ryan wishes to see passage of such a bill, he must introduce it in January because the current legislature will adjourn sine die this month.) He is concerned that the independent fiscal office reports that show younger people are leaving the state and the increase in retirees. He also stated that House Resolution 291 did not do what it was supposed to do – get input from all the taxing districts. After speaking to fellow legislators in Dauphin, Lancaster, York and Lebanon counties, Representative Ryan said there is no real interest in changing Act 32.

State Representative Sue Helm stated that the resolution was just asking if the state could do anything better than Act 32. She also stated that she will not do anything to hurt either the Dauphin County or Lebanon County TCC.

State Representative Tom Mehaffie reported that he was able to speak with State Representative Mike Peifer who was the prime sponsor of the resolution. Before Act 32 was enacted, the Department of Revenue could not do the work of Act 32 because of antiquated computer systems. Representative Peifer wanted the study to see ten (10) years later where the Department of Revenue stands and whether it can save taxpayers money. He stated that the Department of Revenue’s study must be completed. He also stated that the legislature needs input from all the taxing authorities.

Chairman Memmi stated that HR 291 was never fully explained to the Committee. The Committee saw it as the Department of Revenue taking over a process that is currently working. The TCCs have not been part of the review process and they should be. Mr. Fouche from Lebanon County TCC stated that the Department Revenue claimed it didn’t have the funds to meet or discuss this with all the TCCs. There was a meeting with some of the tax collectors and the Department of Revenue in July. Mr. Fouche reported that the Department of Revenue would not give him the results of that meeting. He had to get it from his tax collector. Representative Ryan stated that he reached out to Andrew Moser from the Department of Revenue and they assert that they met with the appropriate individuals, but Ryan has since found out that that was not the case. Since the Department of Revenue did not meet with those individuals/groups as stated in the resolution, there could be a question about the credibility of the study. Representative Mehaffie stated that it would be his recommendation that if this committee is unhappy about the Department of Revenue’s process, a joint letter with Lebanon County sent to your representatives is in order. Representative Mehaffie will also reach out to Representative Peifer regarding this issue as well as Andrew Moser at the Department of Revenue.

The delegate from Middletown Area School District stated that it will not be effective for the state to develop a new system for EIT collections. School districts have Act 80 processing every year in regard to school codes. The school districts have the burden of going through their databases if taxpayers put down the wrong school code. If the
Department of Revenue takes over EIT taxes, then taxing authorities may have take on the burden if information is not correct. Representative Ryan stated that this is an excellent question. The study, if done correctly by the Department of Revenue, should show what is working well with Act 32 and what is not, and if taxes can be better handled through the state.

- After the state legislators were excused from the meeting, Chairman Memmi reviewed the resolution in support of current earned income tax collections, as defined by Act 32, and in opposition to legislative initiatives to mandate centralized services. A draft copy of the resolution was emailed to all delegates prior to this meeting. A motion was made and seconded to approve Resolution 2018-2, as revised and approved by the TCC Chairman. **MOTION APPROVED.**

- Summary Minutes from June 2018 meeting – A motion was made and seconded to approve the summary minutes --accepted and APPROVED.

- Financial report as of August 2018 – accepted and APPROVED.

- Mr. Lazzaro from Keystone Collections reported that there are no concerns about revenue flow. At the end of August, the TCC tax collection was at $77,743,216.00. This is up 1.64% and revenues are ahead of last year at this time.

  He also reviewed out-of-state crediting issues. From their study of the issue, only counties that have “occupational elimination taxes or an add-on over” will be impacted.

  Mr. Lazzaro also stated that Keystone has information regarding storm water management fees. Please contact Mr. Lazzaro if you have questions.

- Meeting was adjourned at 8:09 P.M.