

Week of June 20, 2016

**HEADLINES**

**HOUSE PASSES TAX AMNESTY LEGISLATION**

The Pennsylvania House of Representatives passed HB1888 by a vote of 167-28. The legislation establishes a tax amnesty program to allow tax delinquents to come forward and file tax returns in exchange for reduced interest on unpaid tax, abatement on penalties and, in some instances, a limited "look back" in the statute of limitation. The 2010 PA tax amnesty program generated over $250 million in back taxes and supporters of the bill are hopeful that a 2016 tax amnesty program will yield similar results and aid in addressing the current budget deficit. HB1888 has been referred to the Senate Finance Committee for consideration.

**CPA LEGISLATION SECOND CONSIDERATION**

SB1018, which amends the CPA by changing the definition of attest activity to incorporate the Statement on Standards for Attestation Engagements; modifies existing domestic reciprocity provisions related to timing of experience, exempts CPAs practicing in the area of forensic accounting from the requirement to obtain a secondary license under the Private Detective Act of 1953 and permits an office managing partner of a CPA firm to be a non-licensee received its second consideration by the full Senate. The bill has been placed on the Senate calendar for final passage when the Senate returns to voting session the week of June 27th.

**GAMING EXPANSION GAINING TRACTION**

# HB2150, which expands casino-style gambling to airports, bars, off-track betting parlors and casino-run websites, was amended on the House floor and is currently undergoing a fiscal review by the House Appropriations Committee. Despite the best laid plans of supporters of video gaming terminals—also known as VGTs—the House of Representatives Wednesday failed to pass a comprehensive gaming amendment that would have authorized their use in Pennsylvania. Instead, a scaled down gaming amendment that legalizes and licenses iGaming, daily fantasy sports, and slot machines at airports and off track betting sites was adopted by a vote of 115-80. The legislation is expected to be voted from the House Appropriations Committee the week of June 27th, when the House returns to voting session.

# PENSION REFORM UPDATE

# Last week, the Pennsylvania State House passed a pension reform bill (SB1071) by a vote of 136-59 to address the $50 billion-plus pension liability issue. The bill establishes a 401(k)-style pension plan for future state employees: the first $50K of a salary in a defined benefit plan and anything in excess in a defined contribution plan. Yesterday, the Senate voted to non-concur on SB 1071 as amended by the Pennsylvania House by a vote of 31-19. The House will now have to insist upon its amendments in order for a conference committee to be formed. If a conference committee is formed and the House and Senate can find an agreement, then the conference committee report will reflect that agreement and will receive an up or down vote in both the House and Senate.

**HB1871 ON THE MOVE**

HB1871 was amended on the House floor and is undergoing a fiscal review by the House Appropriations Committee. The bill amends the Pennsylvania Constitution to give the General Assembly the power to permit the City of Philadelphia to impose different tax rates on real estate. The amendment, which was unanimously adopted on the House floor, provides that as long as the variance is in effect, the combined rate of taxes on real estate used for business purposes imposed by the city of Philadelphia or authorized by the city for its school district is limited to 15% from the combined rate of taxes on other real estate impose or authorized by the city.

**PITTSBURGH ICA LEGISLATION ADVANCES**

Senate Bill 1221, which reforms the Pittsburgh Intergovernmental Cooperation Authority (ICA), was unanimously voted from the Senate Appropriations Committee and received its second consideration by the full Senate. The ICA is a special administrative body created by the state legislature in 2004 to oversee the finances of the City of Pittsburgh. The bill requires the ICA to adopt a records-retention policy, file monthly financial statements, maintain a website and establish a formal process to determine how state gaming monies can be used in the City’s “best interest.”

**CONTROVERSIAL ABORTION LEGISLATION PASSES THE HOUSE**

Bipartisan legislation that would place further restrictions on abortion in Pennsylvania passed the House by a vote of 132-65. HB1948, which has come under fire for a variety of reasons ranging from legislating medical protocol to being an election year stunt is expected to be vetoed the Governor should the full Senate likewise pass the controversial proposal. The bill would prohibit elective abortions after 20 weeks of pregnancy instead of 24 weeks, as allowed in current law, and outlaw a common medical procedure known as dilation and extraction, that is now being referred to as “dismemberment abortion” except in cases of medical urgency. HB1948 has been referred to the Senate Judiciary Committee.

**RENEWED PUSH FOR LGBT ANTIDISCRIMINATION LAW**

SB1307, which amends the Pennsylvania Human Relations Act to add sex, sexual orientation, gender identity or expression to the list of groups or individuals that are prohibited to be discriminated against, was favorably from the Senate Urban Affairs and Housing Committee by a vote of 7 to 4. The bill would assure equal opportunities to all individuals and safeguards the rights of the Commonwealth’s LGBT community to secure housing accommodation and commercial property regardless of race, color, familial status, religious creed, ancestry, age, sex, sexual orientation, gender identity and or expression, national origin, handicap or disability, use of guide or support animals because of blindness or deafness of the user or because the user is a handler or trainer of guide or support animals. The bill awaits consideration by the full Senate.

**PENNSYLVANIA GENERAL ASSEMBLY SESSION SCHEDULE:**

**2016 SENATE SESSION SCHEDULE**

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| **June** | 27, 28, 29, 30 |

**2016 HOUSE SESSION SCHEDULE**

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| **June** | 27, 28, 29, 30 |

**DEPARTMENT OF REVENUE UPDATES**

None

**IRRC UPDATES**

None