

January 17, 2017

The Honorable Aaron Bernstine
5 East Wing, PO Box 202010
Harrisburg, PA 17120-2010

Dear Representative Bernstine:

RE: Request to meet regarding potential tax legislation

Congratulations on your election to the Pennsylvania state House of Representatives. We write collectively on behalf of our organizations representing diverse sectors of Pennsylvania's economy and employers throughout the Commonwealth.

The 2017-18 legislative session represents an opportunity for the General Assembly to pursue an agenda that will help grow the economy, encourage investment and strengthen communities. Advancing a forward-thinking, robust agenda for Pennsylvania is necessary not only to achieve near-term goals, but is critically important to prepare for the future and long-term trends – economic, demographic, etc. – that are likely to challenge policymakers and budgets in the years to come.

The Independent Fiscal Office issued its annual economic and budget outlook report this past November, which described a number of alarming economic indicators and projections for Pennsylvania, including a declining population of residents ages 40 to 59: a key demographic not just for our tax base, but for our overall economic and employment well-being. A thoughtful, constructive legislative agenda – particularly with respect to tax policy – must not facilitate a tax structure that further exacerbates these challenges.

We understand and agree with those who believe addressing school property taxes ought to be part of this agenda. Many areas of the Commonwealth have consistently experienced precipitous school property tax increases – much of which are often precipitated by rising costs and mandates beyond the control of local school boards and administrators. The agenda for state policymakers should help mitigate costs to the extent possible and we stand ready to lend our support.

What we do not support, and what the agenda for state policymakers should not include, is legislation to simply shift any responsibility for supporting public schools from local property owners to other taxpayers. While well-intentioned, these proposals call for raising taxes on small businesses, working Pennsylvanians and families, only to send billions of additional dollars to Harrisburg and destabilize public education funding.

It is possible to achieve key objectives of property tax reform without triggering unintended but very real and damaging consequences.

We look forward to working with you and respectfully request an opportunity to meet and further discuss this important matter.

Sincerely,

American Institute of Architects Pennsylvania
Insurance Federation of Pennsylvania
National Federation of Independent Business
Pennsylvania Bar Association
Pennsylvania Credit Union Association
Pennsylvania Food Merchants Association
Pennsylvania Institute of Certified Public Accountants
Pennsylvania NewsMedia Association
Pennsylvania School Boards Association

Insurance Agents and Brokers of Pennsylvania
Manufacturer & Business Association
Pennsylvania Bankers Association
Pennsylvania Chamber of Business and Industry
Pennsylvania Defense Institute
Pennsylvania Independent Automobile Dealers Association
Pennsylvania Manufacturers' Association
Pennsylvania Retailers Association
Philadelphia Bar Association