

**FINANCE COMMITTEE UPDATE
FALL 2022**



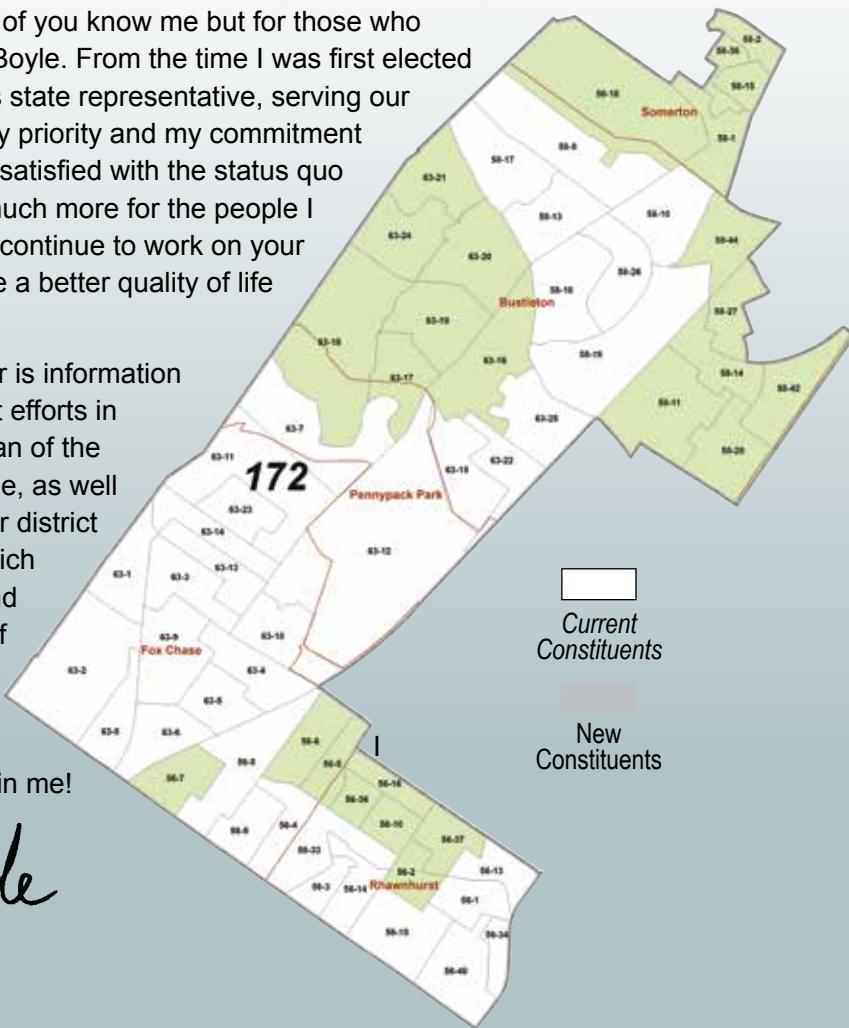
Democratic Chairman, House Finance Committee

Rep. Kevin Boyle

Welcome to the new 172nd!

For those I've had the pleasure to represent over many years, along with constituents who are new to the district because of legislative redistricting that happens every 10 years after a census, I want to welcome everyone to the newly drawn 172nd Legislative District. Many of you know me but for those who don't, my name is Kevin Boyle. From the time I was first elected in 2010 to be the district's state representative, serving our communities has been my priority and my commitment to each of you. I'm never satisfied with the status quo and want to achieve so much more for the people I represent, which is why I continue to work on your behalf each day to ensure a better quality of life for our communities.

Included in this newsletter is information regarding my most recent efforts in Harrisburg as the chairman of the House Finance Committee, as well as events held around our district and the many ways in which my office can help you and your family. Regardless of political views or political party, I represent every citizen of our district and value the trust you place in me!



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Wishing our young athletes a great baseball season on Fox-Rox Opening Day.



Proud to support local schools like Father Judge through the state's Educational Improvement Tax Credit Program.

“Why Finance?”

For the current 2021-2022 Legislative Session I accepted a new chairmanship as the Democratic Chair of the House Finance Committee. I also served on this committee for several terms as a rank-and-file member. Last session, upon reaching the seniority needed to become a chairman, I asked to serve as the Chair of the House State Government Committee. When COVID hit our nation, I felt the State Government Committee was an opportunity to contribute most by fighting against political interests and by following science and medical professionals to guide us through the many critical decisions we had to make during a worldwide pandemic. I am proud of the work we did during that time, as the State Government Committee was one of the most active legislative bodies in the entire nation amidst so much uncertainty.

This session, I accepted the Finance Committee chairmanship because I believed I could have the biggest impact by focusing on our post-COVID economic recovery. The Finance Committee determines tax policy and how we generate state revenue, which is exactly where I wanted to be. It was my belief that it would be crucial to focus on helping the working class, as well as local and small business owners, in these critical years following the pandemic. Considering the state just ended Fiscal Year 2021-22 with historic revenue totals and the highest surplus in generations, I believe my decision to move to the Finance Committee was the right one.

Please know, I continue to make every effort to identify where I can make the most impact as I represent you in Harrisburg.

Finance Committee Accomplishments in 2021-2022



As Finance Committee Democratic Chairman, I have tirelessly promoted responsible fiscal stewardship when it comes to tax policy. I know it's not easy to get excited when you hear the phrase “tax policy” but at the end of the day, this is something we all feel in our paychecks and as we pay our taxes in April every year! Behind every program and critical service and initiative our state government provides is the need to pay for it. As your State Representative, it is never lost on me that no matter how present those services or programs are in your individual lives, we are paying for them – and that part definitely matters to you.

The following shows tax code changes made over the last two years. These are bills that pass through the Finance Committee and end up in the final budget. The Finance Committee is responsible for ensuring these proposals are feasible and responsible before the entire body votes to include them in the Tax Code. Although it is difficult in the minority party because we want to include much more – for example, an earned income tax credit for workers and a deduction for employed individuals’ health care expenses not paid for by an employer health care plan – I believe the volume of work the Finance Committee has undertaken over the last two years will speak for itself:

Tax Topic	Description
Helicopter simulators and software sales tax exemption	Sales tax exemption on software exclusively for use in helicopters and flight simulators, training materials and operational documents, as well as the lease of helicopters.
Multipurpose agricultural vehicle sales tax exemption	Sales tax exemption on multipurpose agricultural vehicles used for broader farming purposes, such as trucks used for fence repairs or ATVs.
Breast feeding supplies sales tax exemption	Sales tax exemption for items manufactured to support or sustain breast feeding.
Crop insurance	Allows farmers the option to defer income proceeds from crop insurance by one year, in alignment with federal law.
Electronic payment threshold	Requires electronic payment of personal income tax for payments more than \$15,000 (excluding withholding payments). Penalty for non-compliance capped at \$500.
Federal conformity of personal income tax forms	Conforms to federal filing requirements for small business non-employee compensation to align with changes in 2020 related to forms 1099-MISC and 1099-NEC.
Manufacturing innovation and reinvestment deduction	The deduction shall be applied to a taxpayer's taxable income to reduce the liability following the allocation and apportionment of income instead of calculating before the apportionment of income.
Tax credit integrity	Improves reporting and auditing procedures for tax credits in response to a 2019 grand jury investigation into fraudulent use of tax credits.
Research & Development tax credit	Moves application date from Sept. 15 to Dec. 1 and notification of approval from Dec. 15 to May 1 of the following year, as well as timing changes related to the carryover and reporting.
Multifilm production tax credit	Gives special consideration for a series of films produced over one to four years. This is part of the current film tax credit and does not increase the overall program cap.
Concert tour tax credit	In response to COVID-19 shutdowns of concerts, these changes allow for unused tax credits to be utilized in the future and allows for broader use by qualified rehearsal facilities for streaming performances, broadcasting companies and personal protective equipment.
Local Resource Manufacturing Tax Credit	Within the program cap, no more than two taxpayers shall receive a credit up to \$6.67 million. The remainder of the \$26.67 million program cap shall go to no more than one taxpayer that makes a capital investment of at least \$1 billion and 1,800 new and permanent jobs.

Tax Topic

Description

KOEZ extension	5-year extension for Keystone Opportunity Enhancement Zones.
KOEZ application	Changes the application date from Oct. 1, 2021 to Oct. 1, 2022 and requires the DCED to act on the application by Dec. 31, 2022.
Mixed-Use Development Tax Credit	Increases the cap of the program from \$3 million to \$4.5 million.
KIZ	Application timing changes for Keystone Innovation Zone tax credits.
Housing tax credit	Allows for a total of \$10 million in credits per year (no more than \$1.5 million per taxpayer) for qualified low-income housing projects.
Table games tax	Repeals the expiration of the additional 2% table games tax that was set to expire Aug. 1, 2021, making the additional 2% tax permanent.
Computer data centers	Establishes a sales tax exemption for computer data center equipment purchases.
Bad check fees	Reduces the maximum fee for bad checks for tax payments to \$100 instead of \$1,000. The minimum fee remains \$25.
Rideshare	Adds a 6% sales tax and \$2/day car rental tax to peer-to-peer carsharing programs and marketplace programs.
Deduction for manufacturing equipment	Couples the personal income tax deduction for pass-through entities to the federal IRC Section 179, which ties the rate to future changes.
Like-kind exchange	Allows deferral of tax on gains from like-kind exchange of property for personal income tax purposes (IRC Section 1031), which is a timing change.
Paycheck Protection Loans	Exempts Paycheck Protection Loans under the CARES Act from taxable income (which are currently exempt).
COVID-19 emergency filing due dates	Repeals language that allowed DCED to control local tax filing deadlines.
CNIT market-based sourcing, nexus	Expands the Corporate Net Income Tax base by sourcing sales of intangibles and interest from loans tied to PA. Brings in more taxpayers by establishing business nexus for corporations dealing with intangibles in PA and loans tied to PA. Lowers the CNIT rate from 9.99% to 4.99% gradually until 2031.
Insurance premiums tax	Restructures the deposit of funds to provide hold-harmless funding levels to the Fire Insurance Tax Fund (for firemen's pension and retirement purposes) and Municipal Pension Aid Fund (for police pension, retirement or disability purposes).
Research and Development Tax Credit	Increases cap from \$55 million to \$60 million. Of that, the portion for small businesses increases from \$11 million to \$12 million.
Film production tax credit	Increases the film tax credit from \$70 million to \$100 million and provides extra incentives for multi-film productions that are multi-year commitments. Within the overall \$70 million cap, the concert tour cap is increased from \$8 million to \$24 million. Provides additional benefits for Pennsylvania film producers and sets aside \$5 million of the total cap.
City Revitalization Improvement Zones	Minor changes regarding notification of violations and to the use of a zone report or certification. For certain uses of money, allows for grants in addition to loans.
Neighborhood Improvement Zones	Provides access to tax information to the contracting authority regarding use of money.
Keystone Opportunity Zones	Makes changes regarding expiration of extended parcels and extends application deadline for additional KOEZs from Oct. 1, 2022 to Oct. 1, 2023.
Airport Land Development Zones	Establishes Airport Land Development Zone tax credits as a credit of \$2,100 per new job created for 10 years between 2022 and 2041.
Dependent and Child Care Enhancement Program	Refundable tax credit for child and dependent care expenses. Eligibility is tied to the federal tax credit. The maximum credit at income of \$15k is \$315 for one child and \$630 for two or more children.
Inheritance Tax - Active Duty Military	Tax exemption on property transferred when a military member dies during active duty. Minimal fiscal impact.

National Night Out

In August I joined the community in recognizing the good work of the 2nd and 7th Police Districts here in Northeast Philadelphia during National Night Out. We also had a table full of information on state programs and services available to residents.



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My office can help you with:

- Car registrations, special tags, handicap placards, titles and driver's license applications
- Information on financial assistance for higher education
- Obtaining and completing state forms of all kinds
- Voter registration and absentee ballot applications
- Unemployment compensation, disability and workers' compensation
- Birth and death certificates
- Issues with the Department of Human Services (food stamps, medical and income assistance)
- Pennsylvania income tax questions or problems
- Requests for literature of all kinds – bills, regulations, statutes, Pennsylvania maps, senior citizen information
- Inquiries about utilities and the Public Utility Commission
- Citations from the Pennsylvania House of Representatives for outstanding accomplishments and family milestones
- Issues with insurance companies
- Renewal of state-issued licenses or certifications
- Property Tax/Rent Rebate Program problems or questions
- PACE prescription-drug cards for senior citizens
- Consumer complaints
- Liquor Control Board concerns or questions
- Tours of the state Capitol for individuals or groups
- Information about federal, state and local government agencies

IF YOU NEED HELP WITH ANY STATE OR GOVERNMENT-RELATED SERVICES,
PLEASE CONTACT MY OFFICE AT (215) 695-1016 FOR ASSISTANCE.

My Vote to Investigate Krasner

As many of you may know, the House of Representatives recently approved House Resolution 216, which establishes a Select Committee on Restoring Law and Order to investigate, review and make findings and recommendations concerning rising rates of crime, law enforcement, and the enforcement of crime victim rights in Philadelphia. Not only as your State Representative, but as a Philadelphian myself, I am appalled by the rising homicide rate in our city. I understand many factors go into arrests and convictions, but my job is to take the pulse of my constituents and our district and represent those views in Harrisburg. While there is no doubt District Attorney Larry Krasner's record and actions as DA will be a significant focus, the Select Committee's findings will not be the end all, be all. Their main purpose is to provide recommendations based on significant investigation and fact-finding. I believe that is fair, and that it will help our city make important decisions going forward.

2022 Senior Fair

