

KRISTIN PHILLIPS HILL
MEMBER
93rd LEGISLATIVE DISTRICT

HARRISBURG OFFICE:
P.O. BOX 202093
HARRISBURG, PA 17120-2093
PHONE: (717) 783-8389



House of Representatives
Commonwealth of Pennsylvania
Harrisburg

DISTRICT OFFICE:
6872 SUSQUEHANNA TRAIL SOUTH
P.O. BOX 277
JACOBUS, PA 17407-0277
PHONE: (717) 428-9889

EMAIL: khill@pahousegop.com
www.RepKristin.com

October 3, 2017

The Honorable Tom Wolf
Office of the Governor
508 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Wolf,

We respectfully request that you immediately expedite the issuance of tax credit approval letters by the Department of Community and Economic Development (Department) under the Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs.

Beginning in mid-August 2017, House members began to hear from their constituents that the Department did not appear to be issuing timely tax credit approvals under the EITC and OSTC programs. When House staff inquired of the Department as to whether the approvals had, in fact, been delayed, House staff were initially told that approvals would be issued near Labor Day per an email dated August 15, 2017. Letters still were not issued in mid-September. On September 19th, House staff were told during a phone conversation that approval letters were being processed but that there continued to be a delay in the sending of approvals which was caused only by a staffing shortage at the Department. During that conversation, the Department expected the letters would be released within 10 to 14 days. Much to our surprise, during a phone conversation with DCED on September 28th, we were told the approvals were not being sent because the Governor did not believe it was prudent to do so without a revenue package.

You will recall in 2016 the General Assembly reformed the EITC and OSTC programs to eliminate any perceived discretion on the part of the Department with respect to the timing of the issuance of tax credit approvals. Section 2005-B of the Public School Code of 1949 provides the Department with clear direction, as follows:

“(g.1) Approval of tax credits.--Unless otherwise requested by the business firm and agreed to by both the business firm and the department, and unless all authorized credits have already been awarded:

- (1) For fiscal year 2016-2017, and each fiscal year thereafter, *the department shall give written notice of its approval to each business firm that submitted a completed application under subsection (g) by*

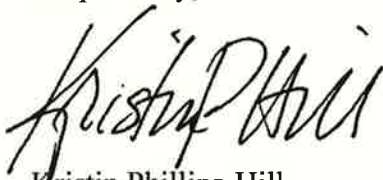
August 15, or 30 days following receipt of the completed application, whichever is later.

- (2) For fiscal year 2016-2017, and each fiscal year thereafter, ***the department shall give written notice of its approval to each business firm that submitted a completed application under subsection (j)(2) within 30 days following receipt of the completed application.***

24 P.S. § 2005-B(g.1) (*emphasis added*). As this provision indicates, the Department is required to issue all tax credit approvals no later than 30 days following the Department's receipt of the tax credit application. The Department has no authority to withhold or delay tax credit approvals for any reason, regardless of whether that reason is a staff shortage or the absence of a fully completed budget agreement. The Department's delay in issuing the letters of approval is clearly a violation of law.

The legislation passed by the General Assembly and signed into law on July 13, 2016, thereby enacted as Act 86 of 2016, is being ignored. The delay in issuing approval letters is harming children, families and businesses. We request you now take immediate action to expedite the issuance of the approval letters for the ETIC and OSTC programs.

Respectfully,



Kristin Phillips-Hill
Member, 93rd District



Jamie Santora
Member, 163rd District



Stan Saylor
Member, 94th District



Mike Turzai
Member, 28th District



Bryan Cutler
Member, 100th District



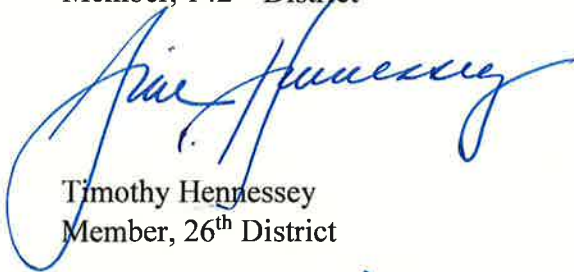
Dave Reed
Member, 62nd District



Frank Farry
Member, 142nd District



Mark Gillen
Member, 128th District



Timothy Hennessey
Member, 26th District



Kerry Benninghoff
Member, 171st District



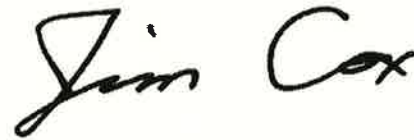
Jonathan Fritz
Member, 111th District



Jack Rader
Member, 178th District



John McGinnis
Member, 79th District



Jim Cox
Member, 129th District



Bud Cook
Member, 49th District



David Maloney
Member, 130th District



Eric Roe
Member, 158th District



Aaron Kaufer
Member, 120th District



Marcy Toepel
Member, 147th District



Tedd Nesbit
Member, 8th District



Brett Miller
Member, 41st District



Brad Roae
Member, 6th District



Judith Ward
Member, 80th District



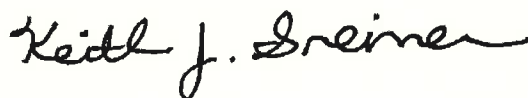
Seth Grove
Member, 196th District



Cris Dush
Member, 66th District



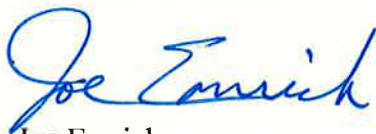
Steve Bloom
Member, 199th District



Keith Greiner
Member, 43rd District



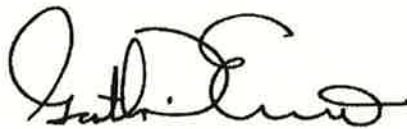
Thomas Quigley
Member, 146th District



Joe Emrick
Member, 137th District



Jeff Pyle
Member, 60th District



Garth Everett
Member, 84th District



Russ Diamond
Member, 102nd District



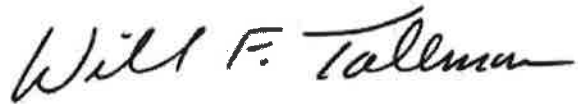
Ryan Mackenzie
Member, 134th District



Jerry Knowles
Member, 124th District



Michael Corr
Member, 150th District



Will Tallman
Member, 193rd District



Dan Moul
Member, 91st District



Dawn Keefer,
Member, 92nd District



Matt Gabler
Member, 75th District



Jason Ortitay
Member, 46th District



Kathy Rapp
Member, 65th District



Martin Causer
Member, 67th District



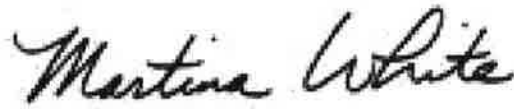
Ron Marsico
Member, 105th District



Paul Schemel
Member, 90th District



Duane Milne
Member, 167th District



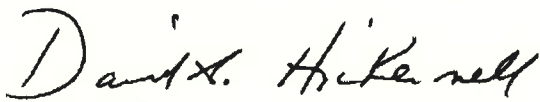
Martina White
Member, 170th District



Rob Kauffman
Member, 89th District



Ryan Warner
Member, 52nd District



Dave Hickernell
Member, 98th District



Aaron Bernstine
Member, 10th District



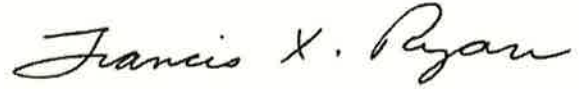
Nick Miccarelli
Member, 162nd District



Becky Corbin
Member, 155th District



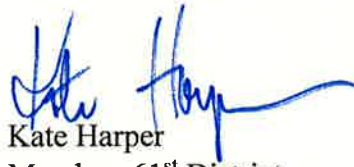
Katharine Watson
Member, 144th District



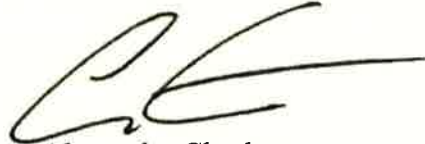
Frank Ryan
Member, 101st District



Greg Rothman
Member, 87th District



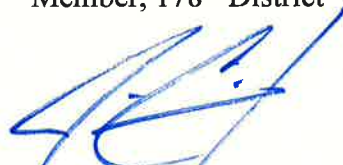
Kate Harper
Member, 61st District



Alexander Charlton
Member, 165th District



Scott Petri
Member, 178th District




Jim Christiana
Member, 15th District



Mindy Fee
Member, 37th District



Kate Klunk
Member, 169th District



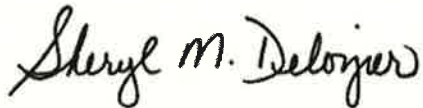
Tom Sankey
Member, 73rd District



Tina Pickett
Member, 110th District



Steven Mentzer
Member, 97th District



Sheryl Delozier
Member, 88th District



Daryl Metcalfe
Member, 12th District



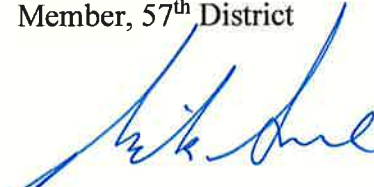
Tom Murt
Member, 152nd District



Eric Nelson
Member, 57th District



Mike Reese
Member, 59th District



Rick Saccone
Member, 39th District



Matthew Dowling
Member, 51st District



R. Lee James
Member, 64th District



Rich Irvin
Member, 81st District



Marguerite Quinn
Member, 143rd District



Chris Quinn
Member, 168th District



Fred Keller
Member, 85th District



Doyle Heffley
Member, 122nd District



Donna Oberlander
Member, 63rd District



Craig Staats
Member, 145th District