

# Investing in Pennsylvanians-House Republican Tax Cuts

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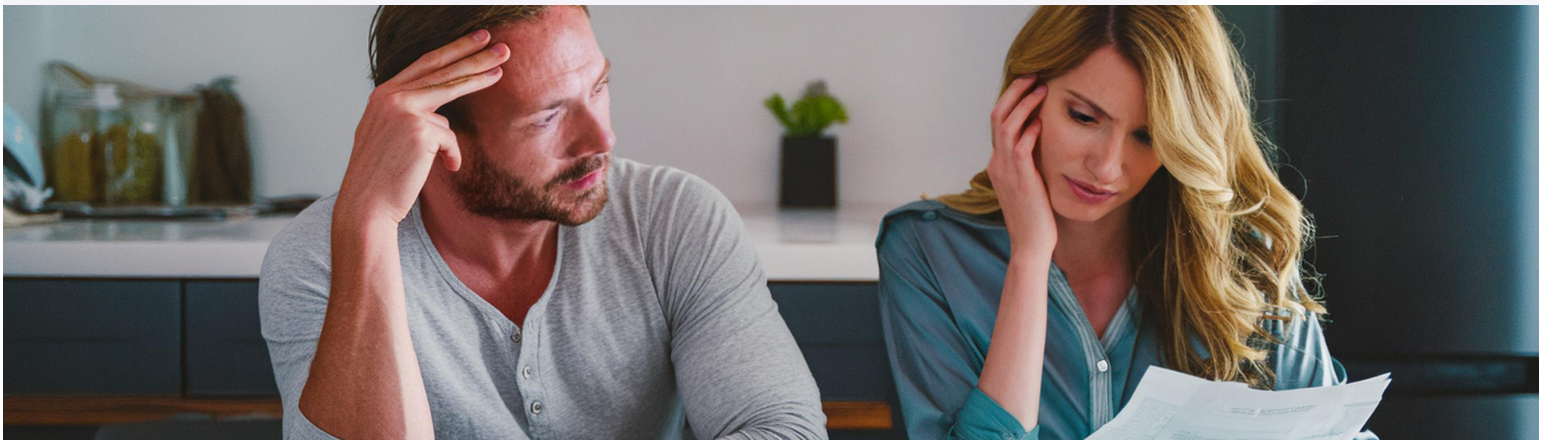
- During the last few years, the cost of groceries, gas, home heating and cooling, electricity, etc. has increased dramatically.
- Working families are being hit the hardest with these growing costs.
- The governor and House Democrats have been working to grow government and increase spending on the backs of taxpayers.

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- **House Republicans have introduced legislation reducing the Personal Income Tax (PIT) rate from 3.07% to 2.8% and eliminating Gross Receipts Tax on electricity.**
- This is a 9% tax reduction in the PIT.
- The Gross Receipts Tax elimination will save Pennsylvania consumers about \$1.16 billion. Electric bills will be reduced for all Pennsylvanians.
- Under this proposal, it is estimated the average Pennsylvania family will save \$400 in the fiscal year 2024-25 and \$900 by fiscal year 2025-26.
- Overall, the proposed tax cuts will save Pennsylvania taxpayers \$3 billion.
- **Similar legislation passed in the Senate with strong bipartisan support in the Senate (36-14).**


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- Returning tax dollars back to Pennsylvania taxpayers is the right thing to do and will provide immediate relief to Pennsylvanians.
- House Republicans have been stewards of the Rainy Day Fund. Instead of increasing the size of government bureaucracy and further expanding government spending, we should return this money to taxpayers.
- With inflation and price increases hurting the pocketbooks of working Pennsylvania families, this is the right thing to do.



# Investing In Pennsylvanians-House Republican Tax Cuts

## HOUSE BILL 2388 (O'NEAL AND KAIL)



**Tax Cuts:** The bill reduces the Personal Income Tax (PIT) Rate; eliminates the Gross Receipts Tax on the sales of electric energy; provides a transfer to the Alternative Fuels Incentive Fund Restricted account. The bill was referred to the House Finance Committee on May 9.

**PIT Reduction:** The PIT rate will be reduced from 3.07% to 2.8% for taxable years beginning after Dec. 31, 2024.

**Elimination of Gross Receipts Tax on Sales of Electric Energy:** The tax shall expire for taxable years beginning Dec. 31, 2024.

**Transfer to Alternative Fuels Incentive Fund:** The bill transfers \$6 million to the restricted account. This money will replace the loss of Gross Receipts Tax dollars.

## SIMILAR LEGISLATION PASSED BY THE SENATE

### Senate Bill 269 (Gebhard)

In addition to the mirrored provisions included in HB 2388 to reduce the PIT; eliminate the Gross Receipts Tax on the sale of electric energy and provide a transfer to the Alternative Fuels Incentive Fund Restricted account, the bill also includes a tax credit for emergency medical technicians (EMT). The bill passed the Senate with bipartisan support on May 7 (36-14). It is now before the House Finance Committee.

**Volunteer EMT Tax Credit:** Applicants may claim the credit against their PIT liability by submitting an application with the Department of Revenue. The credit shall be imposed for taxable years beginning after Dec. 31, 2024.

- To be eligible, applicants must have two full years of service and responded to at least 20% of emergency calls during that period.
  - Applicants must be an active volunteer certified EMT.
  - The maximum credit is \$500.
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