

PENNSYLVANIA'S BUDGET SITUATION



IN SHORT:

- We need to invest more in PA communities. The House Republican budget cuts Medicaid, child care, pre-k education, county assistance offices, substance abuse treatment, and environmental protection.
- Legislators need to find revenue necessary to fund public investments in a budget balanced without gimmicks.
- Legislators should generate new revenue in three ways: 1) a severance tax on natural gas; 2) closing corporate tax loopholes, and 3) passing the Fair Share Tax that would cut taxes on working Pennsylvanians and raise revenue from wealthier Pennsylvanians through things like capital gains and dividends.

MORE DETAIL:

Common goods help create thriving communities and shared prosperity.

BUT, Pennsylvania's perennial budget deficit has created an investment deficit:

- We have the most unequal school funding in the country:
- We are fourth from the bottom in spending on higher education.
- Our environmental regulations are not enforced.
- We underfund many human services leading to high costs and long waiting lists for everything from child care to health and mental care to services for the disabled.

With the Commonwealth facing a budget deficit of \$3 billion dollars, Wolf proposed a budget of nearly \$2 billion in efficiencies that preserve vital program and \$1 billion in new revenue on large business.

The PA House GOP budget, passed in April, is UNACCEPTABLE. It includes significant cuts to Medicaid, child care, pre-k, county assistance offices, substance abuse treatment, and environmental protection. It is hundreds of millions of dollars below what the Governor proposed and falls \$1 billion short of being balanced.

The solution: Three easy ways to raise revenues to fund the budget by fixing our tax system so everyone pays their fair share:

1. Impose a commonsense severance tax on natural gas drilling. Pennsylvania is the only gas producing state that does not impose an severance tax.
2. Reform corporate taxes to require the 71% of corporations that avoid corporate taxes to do their part.
3. Create a Fair Share tax - which will raise \$2 billion mostly from the wealthy while reducing taxes for the middle class.

The time for action is now. We, the people of Pennsylvania, must demand that our legislators pass an honestly balanced budget that puts the needs of working families and the middle class first, and that provides the kind of investment in our communities we need.