October 15, 2018

Honorable Randy Albright
Secretary of the Budget
Governor’s Budget Office
238 Main Capitol Building
Harrisburg, PA 17120

Dear Secretary Albright:

I hereby certify, pursuant to Act 84 of 2016, that the amount of state taxes attributable to the Bethlehem City Revitalization and Improvement Zone (CRIZ) in 2017 to be transferred from the General Fund to the Bethlehem CRIZ Fund totals $592,680.49 as of June 15, 2018.

This amount reflects $81,688.86 state taxes remitted between Jan. 1 and Dec. 31, 2017 by 31 businesses with incremental growth or growth attributable to new business status, as defined under Act 84 as “new businesses” within the program and $510,991.63 by 48 construction contractors.

The 2017 official state tax baseline for the Bethlehem CRIZ is $113,097.26.

Respectfully,

C. Daniel Hassell
Secretary of Revenue

cc: Amy Gill, Deputy Secretary for Tax Policy
    Matt Forti, Economic Development Coordinator
CITY REVITALIZATION AND IMPROVEMENT ZONE (CRIZ)  
BETHLEHEM PROGRAM RECORD

STATE RECORD

PROGRAM YEAR: 2017
TAX PERIOD: January 1 to December 31, 2017

Total State Taxes Attributable to the Bethlehem CRIZ

$ 627,498.26  Total business trust fund taxes attributable to the CRIZ, including employer withholding, sales, use and hotel occupancy tax from businesses and contractors.

$ 1,770.09  Total corporate taxes and miscellaneous taxes attributable to the CRIZ including personal income tax, bank shares tax, malt beverage tax, etc.

$ (184.51)  Total refunds granted to taxpayers reducing state taxes attributable to the CRIZ.

$ 629,083.84  Total 2017 General Fund tax revenue attributable to the Bethlehem CRIZ.

State Taxes Certified as Attributable to the Bethlehem CRIZ from businesses as defined under Act 84 as “new businesses” within the program and Increment calculated on a per business basis between the official baseline established per business entity and 2017 General Fund tax revenue.

$ 81,688.86  Total 2017 General Fund tax revenue classified as growth attributable to new tax revenue within the Bethlehem CRIZ.

State Taxes Certified as Attributable to Construction within the CRIZ

$ 510,991.63  Total 2017 General Fund tax revenue attributable to construction activity within the Bethlehem CRIZ.

Fund Transfer

$ 592,680.49  Total tax dollars certified for transfer to the Bethlehem CRIZ Authority

Baseline Recalculation

$ 113,097.26  2016 baseline for the CRIZ program.

$ (0.00)  2017 baseline adjustments (increases or decreases to the baseline as required by changes in the baseline population).

$ 113,097.26  Official 2017 state tax baseline for the Bethlehem CRIZ.
$56,548.63 Maximum state borrowing permitted for debt service on bonds issued by the Authority.

**Filing Compliance**

79 Total businesses within the Bethlehem CRIZ filed CRIZ tax reports by the June 15 filing deadline.

96 Total businesses identified by the authority on June 1, 2018, to the Department of Revenue as qualified businesses required to file CRIZ reports.

Some businesses appropriately filed multiple CRIZ state tax reports reflecting taxes attributable to different parcels within the Bethlehem CRIZ.

The state tax baseline will be reviewed and adjusted on an annual basis. Any qualified business within the zone that did not file a CRIZ report by the June 15 filing deadline will have opportunity to file CRIZ reports in future years, and each first-year's report will be added to the tax baseline. In addition, all businesses classified as Pennsylvania relocations will be added to the baseline upon filing a first-year report.