



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

October 15, 2019

Honorable Jen Swails
Secretary of the Budget
Governor's Budget Office
238 Main Capitol Building
Harrisburg, PA 17120

Dear Secretary Swails,

I hereby certify, pursuant to Article XVIII-C of the Tax Reform Code of 1971, that the amount of state taxes attributable to the Tamaqua City Revitalization and Improvement Zone (CRIZ) in 2018 to be transferred from the General Fund to the Tamaqua CRIZ Fund totals \$550,601.04 as of June 15, 2019.

This amount reflects \$210,207.69 state taxes remitted between Jan. 1 and Dec. 31, 2018 by 18 businesses, as defined under Act 13 as "new businesses" within the program, \$309,590.50 in incremental tax growth by 125 businesses with an established baseline and \$30,802.85 by 3 construction contractors.

The 2018 official state tax baseline for the Tamaqua CRIZ is \$2,453,305.60. This includes \$38,147.99 in state taxes reported by 3 businesses existing within or relocating into the zone that filed CRIZ state tax reports for the first time for 2018 and adjustments to the baseline in the previous year.

Respectfully,

A handwritten signature in black ink that reads "C. Daniel Hassell".

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) TAMAQUA PROGRAM RECORD

STATE RECORD

PROGRAM YEAR: 2018

TAX PERIOD: January 1 to December 31, 2018

Total State Taxes Attributable to the Tamaqua CRIZ

- \$ 2,147,400.27 Total business trust fund taxes attributable to the CRIZ, including employer withholding, sales, use and hotel occupancy tax from businesses and contractors.
- \$ 178,131.33 Total corporate taxes and miscellaneous taxes attributable to the CRIZ including personal income tax, bank shares tax, malt beverage tax, etc.
- \$ (1,974.69) Total refunds granted to taxpayers reducing state taxes attributable to the CRIZ.
- \$ 2,323,556.91 Total 2018 General Fund tax revenue attributable to the Tamaqua CRIZ.

State Taxes Certified as Attributable to the Tamaqua CRIZ from businesses as defined under Act 13 as "new businesses" within the program.

- \$ 210,207.69 Total 2018 General Fund tax revenue classified as growth attributable to new tax revenue within the Tamaqua CRIZ.

Calculation of Baseline Increment

- \$ 309,590.50 Increment calculated on a per business basis between the official baseline established per business entity and 2018 General Fund tax revenue attributable to each business entity within the Tamaqua CRIZ.

State Taxes Certified as Attributable to Construction within the CRIZ

- \$ 30,802.85 Total 2018 General Fund tax revenue attributable to construction activity within the Tamaqua CRIZ.

Fund Transfer

- \$ 550,601.04 Total tax dollars certified for transfer to the Tamaqua CRIZ Authority

Baseline Recalculation

- \$ 2,492,961.92 2017 baseline for the CRIZ program.

\$ (39,656,32) 2018 baseline adjustments (increases or decreases to the baseline as required by changes in the baseline population).

\$ 2,453,305.60 Official 2018 state tax baseline for the Tamaqua CRIZ.

\$ 1,226,652.80 Maximum state borrowing permitted for debt service on bonds issued by the Authority.

Filing Compliance

149 Total businesses within the Tamaqua CRIZ filed CRIZ tax reports by the June 15 filing deadline.

169 Total businesses identified by the authority on May 31, 2019 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 Tamaqua 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.