



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

October 13, 2015

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 52 of 2013, that the amount of state taxes attributable to the Lancaster City Revitalization and Improvement Zone (CRIZ) in 2014 to be transferred from the General Fund to the Lancaster CRIZ Fund totals \$2,869.66.

This amount reflects state taxes remitted between Jan. 1 and Dec. 31, 2014 by eight businesses confirmed as new businesses and construction contractors in 2014.

The 2014 state tax baseline of \$13,754,573.43 includes \$2,082,732.92 in state taxes reported by 166 businesses existing within or relocating into the zone that filed CRIZ state tax reports for the first time for 2014.

There is no incremental tax growth due the Lancaster CRIZ other than the \$2,869.66 in taxes attributable to the zone by new businesses and construction contractors in 2014.

Respectfully,

A handwritten signature in black ink that reads 'Eileen McNulty'.

Eileen McNulty
Secretary of Revenue

cc: C. Daniel Hassell, Deputy Secretary for Tax Policy
Matt Forti, Economic Development Coordinator

CITY REVITALIZATION AND IMPROVEMENT ZONE (CRIZ) LANCASTER PROGRAM RECORD

STATE RECORD

PROGRAM YEAR 2014

TAX PERIOD: January 1 to December 31, 2014

Total State Taxes Attributable to the Lancaster CRIZ

\$ 12,123,392.71 Total business trust fund taxes attributable to the CRIZ, including employer withholding and sales/use tax from businesses and contractors.

\$ 1,056,614.54 Total corporation taxes and miscellaneous taxes attributable to the CRIZ.

\$ (203,433.23) Total refunds granted to taxpayers reducing state taxes attributable to the CRIZ

\$ 12,976,574.02 Total 2014 General Fund tax revenue attributable to the Lancaster CRIZ.

State Taxes Certified as Attributable to the Lancaster CRIZ from New Businesses

\$ **2,869.66** Total 2014 General Fund tax revenue attributable to the Lancaster CRIZ by eight new businesses and construction contractors.

Baseline Recalculation

\$ 11,671,840.51 2013 baseline for the CRIZ program (adjusted to account for tax verifications occurring after the 2013 baseline certification).

\$ 2,082,732.92 2014 baseline additions (existing and relocating businesses within the zone that did not file a 2013 CRIZ report)

\$ 13,754,573.43 Official 2014 state tax baseline for the Lancaster CRIZ

Calculation of Baseline Increment

\$10,890,971.44 Total 2014 General Fund tax revenue attributable to the Lancaster CRIZ from businesses included in the 2013 baseline.

\$ (2,863,601.99) Increment/loss between official 2014 baseline and total 2014 General Fund tax revenue attributable to the Lancaster CRIZ from businesses included in the 2013 baseline

Filing Compliance

- 476 Total CRIZ tax reports received by the June 15 filing deadline from businesses identified as within the CRIZ by the Lancaster CRIZ Authority.
- 726 Total businesses identified by the authority on June 1, 2015, to the Department of Revenue as qualified businesses required to file CRIZ reports.

The state tax baseline will be reviewed and adjusted on an annual basis. Any qualified business within the zone that didn't 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.