



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
HARRISBURG, PENNSYLVANIA
17128-1100

THE SECRETARY

(717) 783-3680

October 31, 2014

Honorable Charles Zogby
Secretary of the Budget
Governor's Budget Office
333 Walnut Street, 19th Floor
Harrisburg, PA 17101-1825

Dear Secretary Zogby.

The Department of Revenue has examined and verified state tax remittances claimed by businesses located within the Neighborhood Improvement Zone (NIZ) for the 2013 Program Reconciliation Record. Our examination was conducted in accordance with the attestation standards established in Act 52 of 2013.

The accompanying reconciliation record is intended solely for the information and use of the Office of the Budget in connection with the NIZ program and is not intended to be used as a basis for a second certification or authorization to transfer General Fund remittances to the NIZ fund.

Pursuant to law, the reconciliation shall be applied to the 2014 certification and fund transfer in March 2015.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Meuser".

Daniel Meuser
Secretary of Revenue

cc: Thomas O. Armstrong, Ph.D., Deputy Secretary for Taxation
C. Daniel Hassell, Deputy Secretary for Tax Policy
Matt Forti, Economic Development Coordinator

**NEIGHBORHOOD IMPROVEMENT ZONE (NIZ)
PROGRAM RECONCILIATION RECORD**

PROGRAM YEAR: 2013

TAX PERIOD: January 1 to December 31, 2013

Variance from Feb. 27, 2014 Certification	\$ 212,792.73
NIZ State Taxes from Reports Received after Feb. 27, 2014 Certification	\$ 167,523.28
Penalty Collections	\$ 2,744.72
Total	\$ 383,060.73

\$383,060.73 has been verified by the Department of Revenue as the amount from the program year 2013 reconciliation that shall be added to the 2014 program year certification to be conducted by March 1, 2015.

The table below represents the differences between taxes reported to support the Feb. 27, 2014 certification and taxes verified as remitted to the department by NIZ businesses during the program period.

	<u>February 2014 Certification</u>	<u>November 2014 Reconciliation</u>	<u>Variance</u>
Total business trust fund taxes attributable to the NIZ, including employer withholding and sales/use tax from businesses and contractors.	\$ 11,157,927.20	\$ 11,158,184.89	\$ 257.69
Total corporate and miscellaneous taxes attributable to the NIZ, including personal income tax, bank shares tax, gross receipts tax, cigarette tax, malt beverage tax, etc.	\$ 44,137,070.77	\$ 44,272,238.71	\$ 135,167.94
Total refunds granted to taxpayers reducing NIZ taxes attributable to the NIZ	\$ (6,634,838.34)	\$ (6,557,471.24)	\$ 77,367.10

The table below illustrates state taxes verified as remitted by 25 businesses within the NIZ that submitted state NIZ tax reports after the Jan. 30, 2014 NIZ state tax report deadline.

Total business trust fund taxes attributable to the NIZ, including employer withholding and sales/use tax from businesses and contractors.	\$ 148,361.58
Total corporate taxes and miscellaneous taxes attributable to the NIZ, including personal income tax, bank shares tax, gross receipts tax, cigarette tax, malt beverage tax, etc.	\$ 19,401.87
State tax refunds attributable to the NIZ	\$ (240.17)
Total	\$ 167,523.28