



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

November 1, 2019

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

Dear Secretary Swails,

The Department of Revenue has examined and verified state tax remittances claimed by businesses located within the Neighborhood Improvement Zone (NIZ) for the 2018 Program Reconciliation Record. Our examination was conducted in accordance with the attestation standards established in Article XIX-B of the Tax Reform Code of 1971.

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 2019 certification and fund transfer in March 2020.

Respectfully,

A handwritten signature in black ink, appearing to read "C. Daniel Hassell".

C. Daniel Hassell
Secretary of Revenue

cc: Amy Gill, Deputy Secretary for Tax Policy
Matt Forti, Economic Development Coordinator

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

PROGRAM YEAR: 2018

TAX PERIOD: January 1 to December 31, 2018

\$ 589,048.24 has been verified by the Department of Revenue as the amount from the program year 2018 reconciliation that shall be added to the 2019 program year certification to be conducted by March 1, 2020.

This table represents the differences between taxes reported to support the March 1, 2019 certification and taxes verified as remitted to the department by NIZ businesses during the program period.

	<u>February 2019 Certification</u>	<u>November 2019 Reconciliation</u>	<u>Variance</u>
Total business trust fund taxes attributable to the NIZ, including employer withholding tax and sales/use tax from businesses and contractors.	\$ 16,101,781.77	\$ 16,449,542.04	\$ 347,760.27
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.	\$ 54,308,221.93	\$ 54,489,628.08	\$ 181,406.15
Total refunds granted to taxpayers reducing NIZ taxes attributable to the NIZ.	\$ (1,931,339.93)	\$ (1,937,452.82)	\$ (6,112.90)
Total additional state tax remittances and penalties attributable to the 2018 reconciliation.	\$ -	\$ 65,994.72	\$ 65,994.72
Total aggregate amount of state tax remittances certified by the Department of Revenue as attributable to the NIZ for program year 2018.	\$ 68,478,663.77	\$ 69,067,712.01	\$ 589,048.24

The table below illustrates state taxes verified as remitted by 12 businesses within the NIZ that submitted state NIZ tax reports after the Jan. 31, 2019 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.	\$ 32,098.27
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.	\$ 31,766.83
Penalty Collection	\$ 2,300.31
Refunds	\$ (170.69)
Total	\$ 65,994.72