



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

THE SECRETARY

(717) 783-3680

November 1, 2021

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

Dear Secretary Thall,

The Department of Revenue has examined and verified state tax remittances claimed by businesses located within the Neighborhood Improvement Zone (NIZ) for the 2020 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 2021 certification and fund transfer in March 2022.

Respectfully,

A handwritten signature in cursive script that reads "C. Daniel Hassell".

C. Daniel Hassell
Secretary of Revenue

cc: Amy Gill, Deputy Secretary for Tax Policy
Matt Forti, Director of the Office of Economic Development

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

PROGRAM YEAR: 2020

TAX PERIOD: January 1 to December 31, 2020

\$ 729,969.55 has been verified by the Department of Revenue as the amount from the program year 2020 reconciliation that shall be added to the 2021 program year certification to be conducted by March 1, 2022.

This table represents the differences between taxes reported to support the February 25, 2021 certification and taxes verified as remitted to the department by NIZ businesses during the program period.

	<u>February 2021 Certification</u>	<u>November 2021 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.	\$ 17,539,580.81	\$ 17,990,382.78	\$ 450,801.97
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.	\$ 57,936,839.32	\$ 58,218,953.32	\$ 282,114.00
Total refunds granted to taxpayers reducing NIZ taxes attributable to the NIZ.	\$ (1,183,788.25)	\$ (1,188,562.25)	\$ (4,774.00)
Total additional state tax remittances and penalties attributable to the 2020 reconciliation.	\$ -	\$ 1,827.58	\$ 1,827.58
Total aggregate amount of state tax remittances certified by the Department of Revenue as attributable to the NIZ for program year 2020.	\$ 74,292,631.88	\$ 75,022,601.43	\$ 729,969.55

The table below illustrates state taxes verified as remitted by 3 businesses within the NIZ that submitted state NIZ tax reports after the Jan. 31, 2021 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.	\$ 1,805.98
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.	\$ 21.60
Penalty Collection	\$ 0.00
Refunds	\$ 0.00
Total	\$ 1,827.58