



Senate Democratic Caucus

Budget Priorities

1. Invest Strategically to Create Jobs

- Comprehensive transportation investment for roads, bridges, transit, rails, ports
- New tax credits to invest in technology and new small business investment strategies
- Fund existing job creation incentive programs/international business development
- Redirect training resources to match private-sector job needs
- Rebuild struggling communities via Senate Democratic GPS, Main St. and Elm Street
- Use shale revenues for water and sewer upgrades

2. Restore – over three years – Education Funds Cut by the Corbett Administration

- Restore additional \$75 million for Accountability Block Grant
- Create new Charter Development Program
- End five-year funding freeze for special education
- Target new resources for distressed school districts
- Strengthen school-to-work programs
- Reform charter school funding formula

3. Refocus Business Tax Cuts and Close Loopholes

- Slow phase out of Capital Stock & Franchise Tax
- Target new tax cuts to guaranteed jobs and investment
- Eliminate CNI tax loopholes
- End vendor sales tax discount
- Tax smokeless tobacco products

4. Modernize Wine & Spirits System

- Modernize not privatize
- Use bulk wholesale purchasing advantage to benefit PA taxpayers and consumers
- Provide pricing/procurement/personnel flexibility to increase profits
- Improve convenience without sacrificing neighborhood safety
- Protect more than 10,000 family sustaining jobs

5. Repair and Protect Social Safety Net

- Expand Medicaid to insure 500,000 families, create 40,000 jobs, save \$300 million
- Strengthen efforts to combat domestic violence and sexual predators
- Provide new resources for transitional housing and homeownership initiatives
- Enact assistance program for returning veterans
- Regain standing as a leader in providing children's health care and services for those with disabilities
- Increase food bank assistance



Senate Democratic Caucus

Revenue & Expenditure Plans

REVENUE OPPORTUNITIES

- Capital Stock & Franchise Tax Phaseout – \$362 million total cost
 - Slow phaseout schedule saves \$150 million at minimum
- Medicaid Expansion
 - \$300 million total savings, from offset in state costs and new revenue collections
- Closing business tax loopholes
 - Smokeless tobacco – \$25 million
 - Vendor Sales Tax discount, large corporations – \$42 million
 - Increased Internet sales tax collections – \$30 million
- LCB Modernization – \$100 million
- Unpaid Business Tax Collection – \$35.4 million
- Unclaimed Property Reform
 - \$150 million in one-time revenue for new business & technology investment
- Close Corporate Net Income Tax Loophole – \$100 million

Total Annual Savings exceed \$750 million, \$150 million one-time revenue

EXPENDITURE NEEDS

- Current Revenue Shortfall – \$150 million
- New Basic Education Commitments – \$225 million
- New Tax Credits – More than \$150 million
 - \$15 million – Aircraft sales, parts, maintenance & repair
 - \$50 million – Technology investment
 - \$10 million – Infrastructure investment
 - \$25 million – School-to-work, summer jobs, employer retraining
 - Uncapped – Film tax credit
- Targeted Third-Class and Distressed City Investment – \$50 million
- Housing and Homeownership Reinvestment – \$40 million
- Domestic Violence and Sexual Predator Enforcement – \$15 million
- Veterans Assistance & Services for those with Disabilities – \$30 million
- Food Bank – \$5 million
- Dedicated State Technology Investment Fund – \$50 million