For more information:
Julie Lalo, 717-234-6070

10,000 Friends of Pennsylvania Praises State Officials For Modernizing Earned Income Tax Collection

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-- Judy Schwank

Harrisburg, PA – With today’s public signing of Senate Bill 1063 into law, earned income tax collection has become more efficient, more responsive to business in Pennsylvania, and more effective for all tax-payers, according to 10,000 Friends of Pennsylvania President and CEO Judy Schwank.

“We want to commend Governor Ed Rendell, Senator Jane Earll, Representative David Levdansky and Dept. of Community and Economic Development Secretary Dennis Yablonsky for their leadership. They brought together local government officials, business leaders and non-profit advocates, to craft systemic reform, and the fruits of that labor will be long-lasting,” she said.

“The enactment of this legislation will modernize the structure of collecting earned income tax (EIT), and will help reduce the fiscal distress that plagues many of our local governments,” Schwank added. The legislation calls for the reduction of EIT collectors from more than 560 collectors for almost 2,900 jurisdictions to collection districts congruent with counties in the state. The amount collected exceeds $1.9 billion annually.

The current system’s inefficiency causes lost revenue, due to inconsistent withholding, remittance, distribution and reporting. Lack of collection and losses in the distribution process have resulted in uncollected or unremitting taxes estimated to be as much as $237 million, according to the PA Economy League of Southwestern PA. These lost revenues are the equivalent of 3,000 police officers and 3,000 teachers.

10,000 Friends supports the legislation because the organization believes in:
• improving the tools available to local government,
• reducing fiscal distress by encouraging service efficiencies with limited tax dollars,
• supporting improved collaboration and reduced fragmentation, and
• providing uniform and consistent governance throughout the state.

“Modernizing the structure of collecting local income tax achieves these goals,” Schwank said. “With this reform, the results are uniformity, clarity and fairness.”

10,000 Friends of Pennsylvania (www.10000friends.org) is an alliance of organizations and individuals committed to promoting land use policies and actions that will enable Pennsylvania to strengthen our diverse urban, suburban, and rural communities. Through a
diverse coalition focused on a positive agenda, we seek proactive solutions and options for local, regional and state leaders. 10,000 Friends has offices in Philadelphia, Harrisburg and Pittsburgh.