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PP Tax

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The Governor's proposed budget certainly went in new directions. Shifting around the sources of revenue to create a more "fair" taxation system is a worthy goal. Everyone will certainly have their own opinion of fair.

Increasing the sales tax does shift more of the revenue collected to a consumption based tax versus some of the others, which one has little ability to influence. As a merchant this shift will impact my company. In the interest of reducing other taxes I can support this shift only if there is finally a change to the tax laws allowing states to collect the many millions of dollars currently going uncollected. Pennsylvania, like most other states, is losing large amounts of sales tax to internet sales. We all purchase items from online merchants who do not collect PA sales tax. According to the law we must report these purchases on our tax returns and pay the sales tax. Since a Federal law prevents states from enforcing this, many millions of tax dollars are never collected.

Most politicians at the state and federal level favor making a change to allow states to enter into agreements to automatically collect the taxes owed. This would bring millions of dollars to Pennsylvania, and provide a much needed leveling of the playing field for local business trying to support the local economy. As the discussion intensifies on this new budget we must keep pressure on Congress to finally follow the 69 bipartisan Senators who voted in favor of this change last year. Special interest continue to block the passage of common sense legislation to rectify this situation. Just this week Supreme Court Justice, Anthony Kennedy, said "the original ruling preventing states from cooperating with each other should be overturned." Doing so is key to considering any increase in the state sales tax. Otherwise local businesses will be at an even larger disadvantage.