



HARRISBURG REGIONAL
CHAMBER & CREDCSM

POSITION STATEMENT
Proposed Protecting Our Progress Tax Rebates

Background:

The Governor has proposed taking the money from the Rainy Day Fund for a one-time rebate, of up to \$400 per Pennsylvania household. Approximately 475,000 families would receive these rebates, amounting to \$130 million in rebates.

Reasons to Oppose:

- The Rainy Day Fund was established to help the Commonwealth budget through tough economic times without raising taxes.
- The country is in a period of slow economic growth and economic pundits are 50/50 on a possible recession. The Rainy Day Fund proved its effectiveness in 2002 in helping to balance Pennsylvania's first 9/11 Budget along with significant budget cuts. In 1991, during a national recession, there was no Rainy Day Fund and taxes were raised to record levels in order to balance the budget.
- The Federal Government is under taking a huge individual rebate program that will impact many more Pennsylvanians than the Governor's proposed program. There is no need to duplicate this type of effort, particularly in an election year.

Summary:

The Harrisburg Regional Chamber & CREDC is opposed to using the Rainy Day Fund for one-time rebates since it is inconsistent with the established purpose of the Rainy Day Fund, which is to help balance the Commonwealth budget in difficult economic times.

Date: March 6, 2008

Vice-Chair: Sheilah Borne-Fuller

Harrisburg Regional Chamber Board of Directors: March 12, 2008

Chamber Position: OPPOSE

Committee: Government Relations