

CLEAR COALITION

COALITION FOR LABOR ENGAGEMENT AND ACCOUNTABLE REVENUES



SHALE TAX BILL A GIVEAWAY TO BIG OIL AND GAS COMPANIES

Corbett administration, lawmakers miss opportunity to help Pennsylvanians struggling with budget cuts



HARRISBURG – (Feb. 9, 2012) The shale tax legislation is more evidence that Gov. Corbett wants to balance the state budget on the backs of the poor and middle class Pennsylvanians, leaders of the CLEAR Coalition said today.



“In the same week, Gov. Corbett proposes a budget with staggering cuts for higher education, our public schools and the healthcare safety net, the governor has strong-armed this giveaway for big oil and big gas companies through the legislature,” said Kathy Jellison, President of SEIU Local 668.



“Pennsylvanians are hurting and instead of enacting a fair and reasonable tax on this multi-billion industry, we’re balancing the budget on the backs of our public school students, middle class families and the most vulnerable among us.”



The CLEAR Coalition issued a study earlier this month that outlines \$2.3 billion in savings, efficiencies and new revenues that this administration and lawmakers could use to close the budget gap and forestall the staggering cuts that Gov. Corbett has proposed.



The report -- A Better Way for PA: Restoring Pennsylvania’s Fiscal Health through Fairness, Efficiency and Innovation – shows that a fair and responsible shale tax proposal by Representatives Murt and DiGirolamo, with a tax rate of 4.9%, could generate \$362 million during the 2012-13 fiscal year, rising to \$562 million annually within five years. This would include \$247 million directed to critical state programs and priorities. The report can be accessed at www.clearforpa.org.



		Revenue Generated in First Year	Revenue Generated in Fifth Year
Marcellus Shale Bill	Tax Rate		
CLEAR Coalition endorsed Murt and DiGirolamo Bill	4.90%	\$362 Million	\$562 Million
Enacted Marcellus Shale Bill (HB 1950)	1.4%-2.5%	\$178 Million	\$302 Million



Instead, the bill just passed sets a lower effective tax rate ranging between 1.4% to 2.5 %, with a total estimated revenue yield at \$178 million the first year up to \$302 million in the fourth year. Pennsylvania's per-well rate will be among the lowest among gas-producing states, including the per-well total of \$993,700 in West Virginia and \$878,500 in Texas.

“We have a provided a blueprint that includes recommendations and ideas from Republicans, from Auditor General Jack Wagner, and Gov. Corbett,” said Dave Fillman, Chair of the CLEAR Coalition and Executive Director of AFSCME Council 13. “The fact remains that we can balance this budget and work our way out of this fiscal challenge without cutting – once again – our public schools, our healthcare safety net and higher education.”