MEMO

TO:    Members of the House Finance Committee
FROM:  Amy Sturges, Director of Governmental Affairs, PML and PSATC
RE:    Opposition to House Bill 2519 (PN 3761)
DATE:  May 26, 2020

I am writing in regards to House Bill 2519 recently referred to the House Finance Committee and now on the Committee’s meeting agenda for tomorrow. This bill halts the collection of local admissions/amusement taxes for two years.

The Pennsylvania Municipal League and Pennsylvania State Association of Township Commissioners are strongly opposed to this measure. This tax, authorized by the Local Tax Enabling Act, is a local option tax primarily levied as a percentage of the price of an admission ticket. The maximum levy is 10% of the ticket price; if levied after 1997 the maximum levy is 5%.

Now is not the time to take away a local option tax. Pennsylvania’s local governments are facing upwards of a 40% loss in local revenue because of the pandemic. This tax, when levied, is a very small percentage of the overall ticket price. The revenue collected, however, has an important purpose - it is used to pay for municipal services provided to visitors of the venue.

We recognize that the tourism industry is taking a hit that will continue into the summer months, but a small local tax, paid by the ticket holder, is not going to further harm this industry by discouraging tourism. The pandemic is discouraging tourism. Realistically, for those willing and able to travel and spend money on entertainment, this small local tax is not going to change their plans. On the other hand, municipalities levying this tax will face a further loss of revenue if HB 2519 is enacted.

For the above reasons, we ask that this bill not be brought up in Committee.

Thank you for your consideration.