

Pennsylvanians for Economic Opportunity

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Harrisburg PA -- Pennsylvanians for Economic Opportunity today voiced their disappointment with the House of Representatives vote on House Bill 377, which would establish a state earned income credit to support low-income working families.

House Bill 377 became riddled with unrelated amendments that ballooned its fiscal impact to more than \$3.8 billion dollars.

The price tag for advancing the original intent of House Bill 377 -- creating a state earned income credit for Pennsylvania families working hard to stay employed and raise their children but still unable to escape poverty -- remains approximately \$250 million.

The almost \$4 billion additional cost of the bill materialized after lawmakers of both parties supported more than a dozen amendments that would drastically reduce state revenue. The decision to erode the revenue base for the Commonwealth occurred without legislators taking a position on, or even acknowledging, spending cuts that would be required to balance the state budget as a result of HB 377's passage.

Pennsylvanians for Economic Opportunity is unable to support this legislation in its current form. The original goal of making work pay for thousands of hard-working families has been overtaken by tax cuts that will provide little relief and necessitate service cuts that will harm all of Pennsylvanians families and communities. The coalition can not endorse any political exercise that erodes state revenues and cause spending cuts to crucial services such as public education, long term care for older Pennsylvanians, housing assistance for victims of domestic violence, child abuse prevention, public safety, children's health coverage and more.

Coalition members continue to support an income tax credit to Pennsylvania's poorest working families, but feel that the current legislation as amended is unaffordable and irresponsible to all tax payers.