

FEDERAL NEWS: WEEK OF MAY 29TH-JUNE 8TH 2017

Charitable Giving

- The charitable deduction current status:
 - Provides a tax deduction for contributions to nonprofit organizations, has been in place since it was created in the Revenue Act of 1917
 - It is available to taxpayers who itemize on their tax returns, which constitutes roughly one-third of Americans
 - Its value cannot exceed one-half of an individual's adjusted gross income
- Recent federal tax reform proposals would significantly increase the standard deduction while limiting the use of the charitable deduction to those who itemize their tax returns
- States have found that capping or eliminating charitable giving incentives significantly undermines financial support for the work of nonprofits - See more at: <https://www.councilofnonprofits.org/trends-policy-issues/charitable-giving-incentives#sthash.gJ6ru9nU.dpuf>
- ["Tax reform could reduce charitable giving by up to \\$13 billion per year", CNBC, May 22, 2017](#)

Tax Reform

- Modifications to tax law that are to be pursued as part of President Donald Trump's overall federal tax reform plan may include changes to how the optional and mandatory flat income tax rates for supplemental wage withholding are determined.
- ["Tax Reform May Alter Flat-Rate Supplemental Pay Withholding," Bloomberg BNA, May 31, 2017](#)
- ["States No Longer Fretting Over Federal Tax Reform This Year," Bloomberg BNA, May 30, 2017](#)

Health Care

- [Compare Proposals to Replace the Affordable Care Act, Kaiser Family Foundation, May 26, 2017](#)
- ["How ACA Repeal and Replace Proposals Could Affect Coverage and Premiums for Older Adults and Have Spillover Effects for Medicare," Kaiser Family Foundation, June 5, 2017](#)
- ["Five places most likely to lose ObamaCare insurers," The Hill, June 6, 2017](#)
- ["Bill would require time limits and work for Medicaid recipients in Pa.," Pittsburgh Post Gazette, June 5, 2017](#)

Environment ["Trump Announces Withdrawal From Paris Agreement," Time, June 1, 2017](#)

PENNSYLVANIA POLICY NEWS: WEEK OF MAY 29TH-JUNE 8TH 2017

State Budget FY 2017-18

- Gov. Tom Wolf told the Pennsylvania Association of Chamber Professionals, Tuesday, that closing state tax loopholes is needed to balance the Fiscal Year 2017-18 state budget.
- Wolf didn't mention the loopholes he wants to close, but his budget proposal calls for eliminating tax loopholes on software services, commercial storage, prepared foods sold to airlines and aircraft maintenance and repair, all to generate an estimated \$490 million in state tax revenue.
- The governor also touted \$2 billion in projected savings from streamlining state government as going a long way to erase a \$3 billion deficit.
- He suggested an on-time budget is one passed between the June 30 passage deadline and July 15.
 - *Source: **Under The Dome via Capitolwire.com** - provides a daily summary of the key government and political events, news, hearings, decisions, and announcements in Harrisburg and around the Commonwealth.*
- ["Estimated 500 gather in Harrisburg to rally for a 'budget that puts people first'," Penn Live, June 6, 2017](#)
- ["Budget-crunch carnival sounds fill Pennsylvania Capitol rotunda," The Morning Call, June 6, 2017](#)

Pension Reform

- PA state Senate approved [SB 1](#), a bipartisan measure to reform pensions for future public school and state employees
- SB 1 provides new and current employees with the option of a 401 (k) defined contribution style plan
- The bill also creates a new Pension Management and Asset Investment Review Commission
- ["Pa. pension bill passes Senate Appropriations Committee; floor vote set up for Monday," Penn Live, June 5, 2017](#)
- ["Senate passes pension reform bill described as 'the medicine that will move us forward'," Penn Live, June 5, 2017](#)
- ["New Pa. pension proposal barely moves needle on costs; carries modest cuts in benefits for future hires," Penn Live, June 5, 2017](#)

Revenue

- Pennsylvania collected \$2.6 billion in General Fund revenue in May, which was \$98.5 million, or 4 percent, more than anticipated
- Fiscal year-to-date General Fund collections total \$28.4 billion, which is \$1.1 billion, or 3.8 percent, below estimate
- Sales tax receipts totaled \$823.7 million for May, \$5.8 million below estimate
- Personal income tax (PIT) revenue in May was \$911.8 million, \$38 million below estimate
- May corporation tax revenue of \$230.5 million was \$132.4 million above estimate
- ["Anticipated Pa. revenue for 2017 down in most categories through May," Penn Live, June 2, 2017](#)

PA Insurance Department – ACA

- Insurance Commissioner Teresa Miller announced that the five health insurers that sell on Pennsylvania's individual market will stay in the market
- In 2018 there will be aggregate statewide rate increases of 8.8 percent for individual plans and 6.6 for small group plans
- Commissioner Miller warned of the significant impact that action from the federal government to change the Affordable Care Act would have on insurers' aggregate proposed rate increases
- If the individual mandate is repealed, insurers estimate that they would seek a 23.3 percent rate increase statewide
- If cost-sharing reductions are not paid to insurers, the companies would request a 20.3 percent rate increase statewide
- If both changes occurred, insurers estimate they would seek an increase of 36.3 percent
- *Source via PA Insurance Department: [Insurance Commissioner Announces Single-Digit Aggregate 2018 Individual and Small Group Market Rate Requests, Confirming Move Toward Stability Unless Congress or the Trump Administration Act to Disrupt Individual Market](#)*

Consolidation (DHHS)

- ["Wolf picks Teresa Miller to lead consolidated health and human services agency," Penn Live, May 23, 2017](#)

Environment

- ["Swift reaction from Pa., N.J. leaders as Trump pulls out of Paris accord," Philly.com, June 1, 2017](#)
- ["Peduto, elected officials take out ad blasting Trump's decision on Paris climate pact," Trib Live, June 6, 2017](#)

LEGISLATIVE TRACKING PENNSYLVANIA: WEEK OF MAY 29TH-JUNE 8TH 2017

- [HB 1477 - Amends the Tax Reform Code, in tobacco products tax, further providing for definitions, for incidence and rate of tax; and providing for vapor products tax.](#)
- [HB 1478 - Amends the Public School Code, in pupils and attendance, further providing for excuses from attending school.](#)
- [HB 1479 - Amends PA Prevailing Wage Act re: schools](#)
- [HB 1480 - Amends Public School Code re prevailing wage](#)
- [HB 1481 - Amends PA Prevailing Wage Act re properties](#)
- [HB 1487 - Amends Public School Code re Kindergarten](#)
- [HB 1490 - Amends Title 66 re PUC Pittsburgh Water & Sewage Authority](#)
- [HB 1494 - Amends Conservation & Natural Resources Act](#)
- [HB 1495 - Amends Public School Code re teacher seniority](#)
- [HB 1498 - Amends Public School Code re school safety](#)
- [HB 1501 - Amends Controlled Substance Act re overdose](#)
- [HB 1509 - Amends Title 23 re standby guardianship](#)
- [HB 1514 - Act re Early Childhood Vision Care Program](#)
- [SB 557 - Amends Human Services Code re: group-based home](#)
- [SB 742 - Amends Sexual Assault Testing re Victims](#)
- [SB 743 - Amends Title 50 re Criminal Justice System](#)

REGIONAL NEWS: WEEK OF MAY 29TH-JUNE 8TH 2017

Pittsburgh Water Authority Bill Clears House Committee

- By a unanimous vote, the House Consumer Affairs Committee approved [House Bill 1490](#), giving the Public Utility Commission oversight over the services provided to customers by the financially troubled municipal authority.
- The House is scheduled to vote Thursday on the legislation introduced by Speaker Mike Turzai, R-Allegheny, and Rep. Harry Readshaw, D-Allegheny last week.
- The legislation outlines some of the key actions that would happen after PUC oversight takes effect January 1.

Local News

- ["As CMU's president steps down, university left in unfamiliar territory," Pittsburgh Post Gazette, June 1, 2017](#)
- ["Allegheny County representatives issue "hunger challenge" for one month for awareness," Penn Live, June 5, 2017](#)
- ["Pa. Senate bill would require state to continue working to reduce emissions," Trib Live, June 5, 2017](#)
- ["Meet the fun-loving, Bernie-supporting DJ who wants state Rep. Adam Ravenstahl's seat," The Incline, June 6, 2017](#)
- ["Sara Innamorato helps women run for office. Now she's state Rep. Dom Costa's first 2018 challenger." The Incline, June 6, 2017](#)
- ["Westmoreland County transit system to be tested as baby boomers become seniors" Trib Live, June 4, 2017](#)