

KEITH J. GREINER, CPA , MEMBER
REPUBLICAN FINANCE CHAIRMAN
43RD LEGISLATIVE DISTRICT

HARRISBURG OFFICE
P.O. Box 202043
Harrisburg, PA 17120-2043
Phone: (717) 783-6422
Fax: (717) 782-2926

www.RepGreiner.com



House of Representatives
Commonwealth of Pennsylvania
Harrisburg



West Earl Township
157 W. Metzler Road, Suite 103
Ephrata, PA 17522
Phone: (717) 588-2044
Toll Free: 1-833-431-0501

Mailing Address
P.O. Box 218
Brownstown, PA 17508

July 6, 2024

Maria L. Miller
Office of Chief Council
Department of Revenue
Dept. 281061
Harrisburg, PA 17128-1061

Re: Regulation #15-462, Business Income and Nonbusiness Income

Dear Ms. Miller:

As the Minority Chairman of the House Finance Committee, I am writing to voice my strong opposition to the Department of Revenue's proposed rulemaking regarding Business Income and Nonbusiness Income (Regulation #15-462):

I believe that this proposal goes far beyond the department's statutory authority and attempts to give the department powers that allow it to assess business taxes in a manner consistent with combined reporting methodologies, something that has never been authorized by the General Assembly. Additionally, this regulation would go against longstanding legal precedent adopted by the Pennsylvania Supreme Court in 1970 (*Commonwealth v. ACT Industries, Inc.*) which established a unitary business test to determine apportionable business income and has been continuously upheld by the courts for the following 50+ years.

Given the changes proposed in the regulation, I believe that it is improbable that this regulation does not have a fiscal impact on the state. The Board of Finance and Review has many business/nonbusiness income issues before it and this proposed regulation will impact them all.

Therefore, I strongly oppose the proposed Regulation #15-462 and urge its rejection.

Respectfully yours,

Keith J. Greiner, CPA
Minority Chairman of the House Finance Committee