



STATE BUDGET FIGHTS INFLATION

Bad policies in Washington, D.C., have led to historic inflation. **While Democrats called for higher taxes, Pennsylvania House Republicans refused to raise taxes** and passed a responsible budget to help fight inflation.

Tax Relief for Pennsylvanians: Bad policies have left Pennsylvanians struggling to pay the bills, especially young families and those on fixed incomes. This budget provides relief and keeps more of your hard-earned money in your pocket.

- Creates first-ever PA childcare tax credit equal to 30% off the federal credit to support working families.
- Includes a one-time 70% enhancement of Property Tax and Rent Rebates for seniors.
- Includes a one-time expansion of LIHEAP to help low-income residents (including seniors) cope with higher energy bills and utility costs.
- Dedicates \$325 million in federal relief funds for affordable housing, to reduce construction costs and target blight remediation.

Building a Strong Economy: To help businesses still recovering from the governor's COVID shutdowns cope with inflation, this budget provides tax relief and encourages job growth.

- Reduces the nation's second highest business tax from a job-crushing 9.99% to 8.99% this year, and 0.5% each year to 4.99%.
- Dedicates \$42 million to pay off outstanding debt in the Unemployment Compensation Trust Fund, saving small businesses from a tax increase.
- Expands expense deductions to help businesses with equipment costs so they can invest/grow in Pennsylvania.
- Allows small businesses to defer tax liabilities as they expand, bringing the Commonwealth in line with every other state.

Saving for Our Future: Economists fear a recession is looming. Saving for the future protects Pennsylvanians from higher taxes during an economic downturn.

- Year-over-year spending growth of 2.9 %, significantly below the rate of inflation.
- Deposits \$2.1 billion into the Rainy Day Fund, bringing the balance to a historic \$5 billion.
- Saves more than \$3.6 billion for use in future budgets.
- Pays back more than \$2 billion worth of debt incurred from Democrat budget gimmicks.

Protecting the Food Supply: Aiding farmers will help to protect Pennsylvanians from even higher food costs.

- Invests \$25 million to combat avian flu through assistance to farmers who are suffering tremendous losses right now.
- Dedicates \$6 million to support the Animal Diagnostic Laboratory System to test for avian flu.
- Allocates \$4 million in additional funding to increase testing capacity at the Penn State and Penn Vet laboratories to test for avian flu, African swine fever, and other threats to our meat and poultry supplies.
- Increases funding for the state food purchase program by \$2 million.