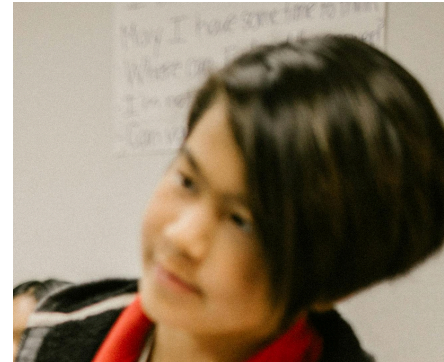


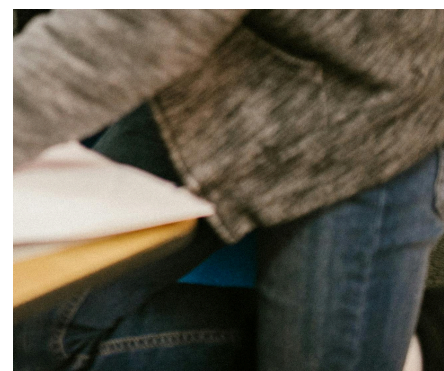
Pathway to Prosperity

Strategic Revenue Solutions for a Stronger Pennsylvania

A plan to raise \$14B to combat looming federal cuts and ensure Pennsylvania's children & families won't be left behind.



April 2025



Why Pennsylvanians need revenue solutions now

For decades, families in Pennsylvania have felt the strain of underfunded schools, failing transit systems, unaffordable healthcare, and crumbling homes. While the ultra-rich try to pit us against each other based on race, origin, and zip code, billions of dollars meant to benefit our communities are lost to mega corporations and billionaires like Jeff Yass, Pennsylvania's richest man, who won't contribute their fair share.

Looming cuts from Congress and billionaire Elon Musk threaten to make a bad situation worse – gutting schools, stripping healthcare from thousands of people, and worsening the affordable housing crisis.

Pennsylvania can't afford to sit back and wait for disaster. **Our Governor and state legislature must take action now to raise the revenue needed to stop cuts and invest in what working people actually need.** The solutions are right in front of us. By enacting the measures included here, Pennsylvania could generate **over \$14 billion annually for the Commonwealth.**

- Pennsylvania has the fourth most unfair tax system in the country & the most unequal of all states in the Northeast.¹
- In Pennsylvania, the lowest 20% of earners pay an effective tax rate 2.5x higher as a share of income than the top 1 percent.²



***Pennsylvania can't afford to
sit back and wait for
disaster.***

Commonsense revenue solutions

Policy Proposal	Strategy	General Fund Contribution
Raise the tax rate for excess wealth.	In PA, our tax system is upside down, with workers paying more and the wealthy paying less. We can take the burden off workers and raise revenue by increasing taxes on skyrocketing corporate profits, stock dividends, rental income, royalties, and inherited wealth.	\$6.22 B
Utilize leftover COVID relief funds.	Pennsylvania's reserves are up from \$22 million in 2019 to over \$7 billion today, above the national median. Much of these reserves originate in COVID relief funding, and it's past time to invest at least half of this money in getting our communities back on track.	\$3.5 B
Close corporate tax loopholes.	Multinational corporations not only use the "Delaware loophole" to dodge paying taxes, they also hide their profits earned in Pennsylvania in accounts stashed abroad in the Cayman Islands, Bermuda, and Switzerland. Adopting "worldwide combined reporting" would close all of these loopholes and keep more money in Pennsylvania.	\$1.54 B
Stop corporate tax cuts.	Since 2021 when the legislature began to cut corporate tax rates, our economy has weakened. We should return to the 9.9% tax rate and use the money to strengthen our economy, not hand more over to big corporations.	\$900 M
End private school tax credits.	The state can't afford to keep giving businesses tax credits to private and religious schools through the EITC and OSTC programs.	\$630 M
Tax digital ads.	Digital advertisements create huge profits for corporations like Google, Amazon, and Meta that make money off of selling our personal data. It's time they pay their fair share. A 6% tax on earnings from digital ads is a small price to pay for extracting our information.	\$541 M
Legalize marijuana.	A tax on the sale of cannabis helps fund healthcare, public education and more, while ensuring that cannabis companies operate responsibly.	\$536 M
Raise the minimum wage.	A \$15/hour minimum wage means more money for workers and more income tax revenue for the state.	\$100 M
Apply the corporate tax rate to financial institutions.	Eliminate the special tax rate for banks, close loopholes with combined reporting, and make banks pay the same tax rate as every other business.	\$97 M
No tax credits for fossil fuel companies.	The Regional Clean Hydrogen and Sustainable Aviation Fuel credits should be abandoned as they fundamentally do not produce clean energy.	\$64 M
TOTAL POTENTIAL REVENUE		\$14.1 B

What's stopping Pennsylvania from enacting these solutions now?

All of the ideas mentioned here could be made reality overnight by the state legislature and governor, even with the state's uniformity clause still in tact. Long term, overturning the antiquated uniformity clause will allow us to properly tax everyone according to their ability to pay. **But what may prove more challenging is finding elected officials who will stand up to corporations and billionaires like Jeffrey Yass, Pennsylvania's richest man, who have spent millions to protect the interests of the ultra-wealthy at the expense of working people.**

Yass is vehemently opposed to paying his fair share in taxes. So much so that he's spent over \$75 million in political contributions to push for tax policies that benefit his own interests, rather than prioritizing the good of Pennsylvania. Yass bankrolls one in three state legislators in Pennsylvania either directly or through his affiliated PACs, and he also invests heavily in lobbying efforts to promote his anti-tax agenda in Harrisburg.

If Jeff Yass, his fellow billionaires, and large corporations in Pennsylvania paid their share, we wouldn't be scrambling for crumbs when it comes time to fund our schools and fix our roads. Equally important, if Jeff Yass and other billionaires paid their share, the rest of us wouldn't have to foot their bill. Everyone else could pay less.

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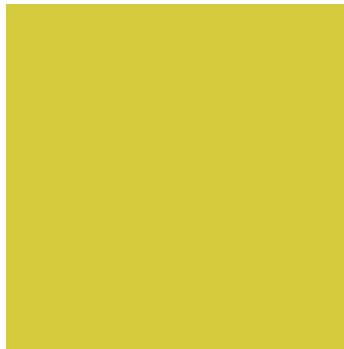


Now is the time to invest in prosperity for all Pennsylvanians

Lowering taxes for corporations and billionaires has not brought more prosperity to Pennsylvanians, and new federal economic policies will only exacerbate conditions for already-struggling families. The status quo is failing us. Tax cuts for big business and the wealthy are paid for through cuts to healthcare, education, transit and roads that Pennsylvanians rely on. It's time to try something different in Pennsylvania and raise revenue so that we can invest in bringing prosperity to all Pennsylvanians, no matter our color, zip code, or income. By generating revenue for Pennsylvania's general fund, we can:

- Fund health care access to anyone who needs it.
- Provide home repair assistance so we can all afford a safe place to call home.
- Improve and expand public transit.
- Fully fund the state's public schools.
- Provide tuition-free college to empower future generations with the opportunities they deserve.
- Protect immigrant communities and build strong economies and vibrant communities.
- Invest in fighting climate change because what's good for our planet is good for our families.
- Prevent incarceration with investments in rapid response mental health crisis teams as well as more violence interruption programs.

If our political leaders have the courage to make Yass, other billionaires, and corporations and pay their fair share, our state will be resilient and self-reliant no matter how bad things in Washington may get. More revenue from fair taxes on billionaires and corporations means our state can invest in the things that will make Pennsylvania an attractive, vibrant place to live—with safe housing, quality education, access to health care, and hope for the future.



More revenue from fair taxes means our state can invest in the things that will make Pennsylvania an attractive place to live.

Sources

1. Institute on Taxation and Economy Policy. Pennsylvania: Who Pays? 7th Edition.
<https://itep.org/whopays/pennsylvania-who-pays-7th-edition/>
2. "ITEP's Kamolika Das Testifies on Pennsylvania's Upside-Down Tax Code." March 1, 2024.
<https://itep.org/iteps-kamolika-das-testifies-on-pennsylvanias-upside-down-tax-code/>

To generate revenue estimates, we used the following sources:

Fair Share Tax: <https://www.palegis.us/house/co-sponsorship/memo?memoID=40498&document=HB1773>

Rainy Day Fund: <https://www.patreasury.gov/transparency/general-fund.php> (select 093 from dropdown menu) and <https://www.patreasury.gov/transparency/fiscal-health-rdf.php>

Corporate Tax Loopholes: <https://itep.org/worldwide-combined-reporting-state-corporate-taxes/>

Corporate Tax Cuts:
<https://docs.google.com/spreadsheets/d/1n57lsCQMsi0BdPLpB0QjPmiq3f4Mj3wstOZB8iDRbFE/edit?usp=sharing>

Private School Tax Credits: <https://www.pa.gov/content/dam/copapwp-pagov/en/budget/documents/publications-and-reports/commonwealthbudget/2025-26-budget-documents/2025-26%20budget%20book.webversion.pdf> (see p. D6, Educational Improvement (540)+ Opportunity Scholarship (90))

Digital Ad Tax: https://docs.google.com/spreadsheets/d/1KOweZS3U7jbX0HTuqWUF8_nZR54v_eTH/edit?usp=sharing&ouid=113192764359299257186&rtpof=true&sd=true

Legalize Marijuana: <https://www.inquirer.com/news/pennsylvania/josh-shapiro-recreational-cannabis-pennsylvania-comparison-20250213.html>

Raise Minimum Wage: <https://www.pa.gov/content/dam/copapwp-pagov/en/budget/documents/publications-and-reports/commonwealthbudget/2025-26-budget-documents/2025-26%20budget%20in%20brief.webversion.pdf> (see p. 8, estimate based on when the wage increase is fully implemented).

Corporate Tax Rate to Financial Institutions: <https://www.pa.gov/content/dam/copapwp-pagov/en/budget/documents/publications-and-reports/commonwealthbudget/2025-26-budget-documents/2025-26%20budget%20in%20brief.webversion.pdf> (see p. 25)

Tax Credits for Fossil Fuels: <https://www.pa.gov/content/dam/copapwp-pagov/en/budget/documents/publications-and-reports/commonwealthbudget/2025-26-budget-documents/2025-26%20budget%20book.webversion.pdf> (see page A1-8)



The #AllEyesOnYass campaign is a movement of Pennsylvanians committed to ensuring that everyone has an equal voice in what happens in our communities and that our elected officials do what's best for the people—not what's best for billionaires.

Our coalition reflects the true diversity of the Keystone state: we are Black, Latino, Asian & white; urban & rural; immigrants & multi-generational Pennsylvanians. We are committed to this project because we believe Pennsylvanians, not billionaires with special interests, should be in the driver's seat of our future.

The #AllEyesOnYass coalition is made up of organizations across Pennsylvania including 1Hood, ACRE Campaigns, Free the Ballot, LittleSis, Make the Road Action PA, OnePA, Pennsylvania Stands Up, PA Working Families Party, & more.