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**Senate of Pennsylvania**

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December 8, 2009


Dear Colleague,

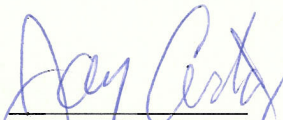
We, the Senators representing the City of Pittsburgh, strongly believe that Pittsburgh's non-profit community needs to make payments in lieu of taxes of at least \$6 million per year to the City of Pittsburgh. This \$6 million number was a commitment that non-profits made in writing to the City and the Act 47 recovery team in 2004. This amount was determined as an alternative to conversations that the payroll preparation tax could be levied on non-profit institutions or to suggestions that rate could be higher upon final adoption.

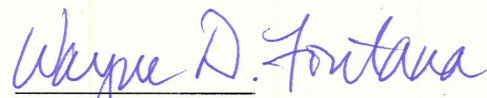
At the time, the City was in a similar situation that it is in now. More revenue needed to be generated in order to continue providing essential services to residents, businesses, and non-profits without sacrificing the City's long-term financial health. More than five years later, the non-profits have not lived up to their commitment, and legislators have not levied any additional taxes explicitly for the City, although the City appreciates and recognizes the significance of finally increasing the municipal services fee to \$52. Additionally, the reduction of the parking tax was a significant loss of yearly revenue and, unfortunately, this decrease did not lead to lower parking rates. The City is now facing serious budgetary challenges that must be addressed to ensure that, at a minimum, basic services are not sacrificed.

Together, we will work to gain support from our colleagues to encourage non-profits to honor their commitment. We have always worked cooperatively with our major universities, colleges and non-profits and we would like to maintain this cooperative spirit as we go forward. However, we do recognize the financial recovery needs of the City of Pittsburgh and want to make sure they continue on the path of financial recovery.

Sincerely,

  
Senator Jim Ferlo  
38<sup>th</sup> District

  
Senator Jay Costa  
43<sup>rd</sup> District

  
Senator Wayne Fontana  
42<sup>nd</sup> District