



STATE REPRESENTATIVE THOMAS KUTZ

SUMMER 2026

Dear Neighbor,

As you well know, across Pennsylvania, families are feeling the strain of a rapidly rising cost of living. From utility bills and grocery costs to childcare and housing, everyday expenses have climbed faster than household incomes. These financial pressures make it harder for families to put down roots, raise children, and build long-term security in the Commonwealth.

At the same time, many small, local employers struggle to justify staying or expanding in Pennsylvania when nearby states offer lower taxes and more competitive business environments.

Recognizing these challenges, I have teamed up with fellow lawmakers to introduce the Pennsylvania Growth and Affordability Plan (GAP), a comprehensive package of bills designed to make life more affordable for families, strengthen Pennsylvania's economic competitiveness, and set the stage for long-term growth.

I look forward to advocating for these measures not only as your state representative, but as the chairman of the House Appropriations Subcommittee on Fiscal Policy. I am proud to serve in these roles and to advocate for affordability in Harrisburg.

Sincerely,

Rep. Thomas Kutz

CLOSING THE GAP: EASING COSTS AND EXPANDING OPPORTUNITY FOR PENNSYLVANIA FAMILIES

The Growth and Affordability Plan (GAP) focuses on two key goals: reducing costs for families and creating an environment where businesses can thrive. By cutting taxes, lowering energy costs, improving housing affordability, and reforming burdensome policies, the plan aims to reverse the trend of outmigration and ensure that Pennsylvania's next generation can grow and prosper here at home.

A Plan for Families

Pennsylvania families often face a difficult choice: stay in a state with higher taxes and rising costs, or relocate to a lower-tax state offering more opportunity. The GAP package responds directly to this dilemma by targeting the most burdensome expenses families face today, including the income tax, childcare, home ownership, higher education, and utilities. Several bills included in the plan offer direct relief to families:

- The **PIT Reduction Bill** would lower the Personal Income Tax (PIT) in two phases: from 3.07% to 2.85% and then to 2.49%. It would also trigger an automatic refund when state surpluses — apart from the Rainy Day Fund — exceed \$1 billion, ensuring excess revenue is returned directly to taxpayers.
- The **Home Improvement Tax Relief Act** would exempt materials used in common home improvement projects such as roofing, HVAC upgrades, windows, electrical and plumbing improvements, energy efficiency projects, and accessibility upgrades from the Sales and Use Tax.
- The **Health and Wellness First Act** would exempt fitness equipment, sports and recreation equipment, and fitness technology items from the Sales and Use Tax to encourage preventive health.
- The **Pennsylvania Energy Affordability Act** would eliminate the Gross Receipts Tax on utilities.
- The **Pennsylvania Family Savings Account Act** would allow families to save their money tax free for major expenses such as childbirth, fertility treatment, adoption, childcare, and parental leave. Remaining funds could be rolled into a PA 529 account or Roth IRA.
- The **Pennsylvania Childcare Affordability Act** would double available Child and Dependent Care Enhancement Tax Credits and add a new tier for families with three or more children.
- The **Pennsylvania Higher Education Opportunity Act** would remove the cap on deductions for PA 529 contributions and student loan interest, helping young adults and families planning for their children's futures to manage educational costs and build financial stability.
- The **Common Sense Realty Transfer Reform Bill** would eliminate the state portion of the Realty Transfer Tax, for residential homes only, reducing closing costs and removing barriers to homeownership.



A Plan for Job Creators

Businesses also face mounting pressures. Pennsylvania's current tax structure, legal environment, and regulatory burdens make it harder for companies to locate, grow, and remain in the state. The GAP legislative package includes reforms to strengthen the Commonwealth's economic competitiveness:

- The **Competitive PA Act** would reduce Pennsylvania's Corporate Net Income Tax to 2.25%, matching the lowest rate in the nation.
- The **Net Operating Loss for Small Businesses Bill** would allow small businesses subject to Pennsylvania's PIT to deduct net losses in future tax years, giving them a financial tool like that long-afforded to corporations and helping owners better manage cash flow during challenging periods.

The GAP legislative package represents a forward-looking attempt to make life more affordable for families while positioning the Commonwealth as a top destination for job creators. By reducing taxes, cutting costs, improving opportunity, and modernizing outdated policies, this package aims to create a stronger, more competitive Pennsylvania where families and businesses alike can thrive.

State Representative

**THOMAS
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**AFFORDABILITY
STARTS
HERE**

POLICY
COMMITTEE



SAVE THE DATE:
**Learn More About the
GAP Legislative Package**

To gather feedback from Pennsylvanians, stakeholders, and leaders in the business community, I am partnering with the House Republican Policy Committee to host a hearing about the GAP legislative package. I invite you to attend in-person, or stream the hearing live to hear from those who would be directly impacted by this package of bills.

TUESDAY, SEPT. 1

More information will be available at RepKutz.com.

