



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

December 28, 2012

Honorable Christine M. Tartaglione  
Senate of Pennsylvania  
458 Main Capitol Building  
Harrisburg, PA 17120-3002

Dear Senator Tartaglione:

Thank you for your December 5, 2012, letter regarding the Private Management Agreement (PMA) the Administration is currently considering as a way to protect and grow Lottery funding to ensure the continued strength and viability of programs supporting older Pennsylvanians.

I trust you received the Governor's December 12, 2012, letter to the General Assembly on this initiative, as well as the accompanying explanatory resources. Since those materials covered the reasons behind this initiative and what a PMA could mean for older Pennsylvanians, this response will focus on the specific questions you posed in your recent correspondence.

First, I want to reassure you and your colleagues that I, and the dedicated staff at the Department of Revenue, are doing everything to ensure companies doing business in Pennsylvania are paying their fair share of taxes.

The PMA has been carefully structured to ensure jobs and taxes stay in Pennsylvania. Specifically, the manager must conduct substantially all of the services within Pennsylvania, and 80 percent of the hours worked, 80 percent of the employees and 80 percent of contractors and subcontractors must be in Pennsylvania.

Further, Camelot has expressed that if a PMA is executed, it will move the registration for Camelot Global Services PA, LLC to Pennsylvania.

Given these factors, we estimate the contract will result in between \$75 million and \$175 million in business taxes over the 20 year term.

Thank you for the opportunity to address your concerns. I look forward to keeping you informed as the process continues so that you can be as responsive as possible to your constituents on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dan Meuser'.

Dan Meuser  
Secretary of Revenue

cc: All Members of the General Assembly