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CompetePA Coalition Members Gather in Support of Legislation to Improve Economic Competitiveness and Spur Job Growth

HARRISBURG, Pa., March 18, 2008 – Members of CompetePA, a coalition of more than 100 businesses and organizations representing more than half of the private sector workforce in Pennsylvania, are gathered in Harrisburg today in a show of unity and support for legislation aimed at improving the economic competitiveness of the Commonwealth.

The House legislation is being introduced by a bipartisan group of more than 130 state representatives at the Capitol. The House bill follows a similar Senate bill, SB 1229, which was passed unanimously by the Senate Finance Committee in January. Specifically, these bills provide for the following improvements to the Corporate Net Income (CNI) tax:

- removal of the cap on Net Operating Loss carryforwards (NOLs), which will even the playing field for many types of Pennsylvania businesses, especially cyclical businesses and those with high-growth potential; and
- creation of a single sales factor (SSF) apportionment formula.

“Pennsylvania continues to trail many states that are growing jobs that could otherwise be coming here, and business leaders frequently cite the structure of the CNI as a reason they choose to invest elsewhere,” said Kathryn Klaber, executive vice president of Competitiveness with the Allegheny Conference, a CompetePA coalition member. “The business community is speaking with one voice in Harrisburg today about the importance of making the changes embodied in these bills in order to increase business activity in the Commonwealth. And just as the business community has grown more unified on these matters, it’s heartening to see that the General Assembly has done the same. We’re hopeful that this is the year these long-overdue reforms finally become law.”

CompetePA has been working since 2005 to educate legislators about the need to eliminate the cap on NOLs and to create a SSF apportionment formula. That year, House Bill 515 passed the House and Senate but was vetoed by the governor. Then, included in the 2006-07 budget were improvements to the CNI in the form of an elevated cap on NOLs from \$2 million to \$3 million or 12.5 percent, whichever is greater; an increase of the sales factor from 60 percent to 70 percent in the CNI tax apportionment formula; and accelerated phase-out of the Corporate Stock and Franchise Tax. But coalition members argue that these steps, while positive, must be carried through to complete removal of the cap on NOLs and establishment of a SSF apportionment formula in order to begin to close the growth gap between Pennsylvania and its competitor states.

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Pennsylvania would have nearly 700,000 more jobs today if the economy had grown at the national average since 1990. Employers consistently cite the CNI tax as a major contributor to the poor business climate and a red flag that warns away companies that might otherwise consider locating or expanding in the Commonwealth. Currently, the CNI apportionment formula penalizes Pennsylvania employers for expanding their physical presence and hiring employees because the Commonwealth includes property and payroll in the calculation. And, Pennsylvania is one of only two states that cap NOLs, which creates an uneven playing field for companies in cyclical industries that do business in Pennsylvania and retards development of potentially high-growth startup companies.

CompetePA is a coalition of more than 100 businesses and organizations (see below), representing more than half of the private sector workforce in Pennsylvania, committed to improving the business climate in order to encourage economic investment and job creation. For more information about CompetePA and what you can do to help Pennsylvania compete successfully for new jobs and investment, visit www.CompetePA.com.

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Members of the CompetePA Coalition

The following organizations are members of the CompetePA coalition, and are working toward growing Pennsylvania's economy for a brighter future:

- ABC Pennsylvania
- African American Chamber of Commerce of Western Pennsylvania
- Air Products and Chemicals, Inc.
- AK Steel Corporation
- Alcoa Inc.
- Allegheny Conference on Community Development
- Allegheny Technologies Incorporated
- Amgen
- Aqua America, Inc.
- Armstrong World Industries, Inc.
- Bayer Corporation
- Beaver County Chamber of Commerce
- Binney & Smith
- Blair County Chamber of Commerce
- Bombardier Transportation (Holdings) USA Inc.
- C B Richard Ellis/Pittsburgh
- Channel Craft & Dist. Inc.
- Chapman Properties
- Chaska Property Advisors, Inc.
- Citizens Bank
- CONSOL Energy Inc.
- Cowden Associates, Inc.
- Crossgates, Inc.
- Crown Holdings, Inc.
- CSX Corporation
- Delaware County Chamber of Commerce
- Dick's Sporting Goods
- E.A. Quirin Machine Shop, Inc.
- Eat 'n Park Hospitality Group, Inc.
- Ellwood Group, Inc.
- Elmhurst Group
- Equitable Resources, Inc.
- General Electric Company
- Gerome Manufacturing Company, Inc.
- GlaxoSmithKline
- Grant Street Associates, Inc.
- Greater Lehigh Valley Chamber of Commerce
- Greater Northeast Philadelphia Chamber of Commerce
- Greater Philadelphia Chamber of Commerce
- Greater Pittsburgh Chamber of Commerce
- GSP Consulting Corporation
- H.J. Heinz Company
- Harrisburg Regional Chamber
- Highway Appliance Company
- HRPT Properties Trust
- James Gallery
- Jaycee Foods, Inc.
- John Deklewa & Sons, Inc.
- Kennametal, Inc.

- Kimberly-Clark Corp.
- Latrobe Area Chamber of Commerce
- Leed Foundry, Inc.
- Lord's International
- Manufacturer's Association of NWPA
- Massaro Properties
- McTish, Kunkel & Associates
- Medrad
- MidAtlantic Employers' Association
- Mon Valley Progress Council
- Mon Valley Regional Chamber of Commerce
- Monroeville Area Chamber of Commerce
- Montgomery County Regional Business Alliance
- NAIOP Greater Philadelphia Chapter
- NAIOP Pittsburgh Chapter
- National Federation of Independent Business
- Northeast Pennsylvania Manufacturers & Employers Association
- Northern Allegheny County Chamber of Commerce
- Oxford Development Company
- Parente Randolph
- Pennsylvania Bio
- Pennsylvania Business Council
- Pennsylvania Chamber of Business and Industry
- Pennsylvania Coal Association
- Pennsylvania Convenience Store Council
- Pennsylvania Food Merchants Association
- Pennsylvania Foundry Association
- Pennsylvania Manufacturers' Association
- Pfizer
- Pittsburgh Airport Area Chamber of Commerce
- Pittsburgh Technology Council
- PNC Financial Services Group, Inc.
- PPG Industries
- Rankin Property Management, LLC
- Regional Business Alliance
- Renal Solutions, Inc.
- Riverside Center for Innovation
- Rohm and Haas Company
- Sanofi Pasteur
- Schneider Downs
- Schultheis Automation Control Systems, Inc.
- SMC Business Councils
- Snavelly Forest Products
- Somerset County Chamber of Commerce
- Sony Technology Center - Pittsburgh
- South Hills Chamber of Commerce
- Southwestern Pennsylvania Growth Alliance
- Southwestern Pennsylvania Regional Advocacy Council
- Specialty Steel Industry of Pennsylvania
- Sunoco Inc.
- Tengion, Inc.
- The Bank of New York Mellon Corporation
- The Hershey Company

- Timken Latrobe Steel
- TRACO
- Trant Corp
- Tregembo Ford Inc
- TriCounty Area Chamber of Commerce
- United States Steel Corporation
- University City Housing Company
- Valley Tire Co. Inc.
- Value Ambridge Properties
- VVG Marketing
- Waste Management
- West Branch Manufacturers Association
- Westmoreland Chamber of Commerce
- World Kitchen Inc.
- Wyeth Global Pharmaceuticals
- Zippo Manufacturing Company