



CompetePA

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CompetePA Coalition Opposes Proposed Business Tax Increases

Calls for structural business tax changes that promote capital investment & job creation

HARRISBURG, Pa., July 16, 2009 – The CompetePA coalition formed in 2005 with the goal of bringing the business community together around a common set of priorities. These priorities – removing the cap on net operating loss carryforwards (NOL), creating a single sales factor apportionment formula (SSF) and ensuring the phase-out of the capital stock and franchise tax (CSFT) – have remained the same. More than 130 businesses and business organizations that are members of CompetePA have been diligent in attempting to accomplish gains to improve the business climate for the Commonwealth over the last four years.

The members of the CompetePA coalition are opposed to the recent changes that have been proposed to the phase-out of the CSFT. From any credible economic development perspective, such proposals represent a step backwards for business. Pennsylvania is one of the only states in the nation to tax both business income and business assets. Halting the phase-out of the CSFT will stall, not encourage, economic recovery. Moreover, adding to that concern is that this proposed business tax increase is not accompanied by any modest, though key, structural business tax changes that have been a priority of the collective business community for several years – removing the cap on net operating loss carryforwards or creating a single sales factor apportionment formula.

Now more than ever, the Pennsylvania businesses that pay their taxes are in dire need of relief in order to continue to encourage capital investment and job creation. Improvements such as removing Pennsylvania's cap on the NOL carryforwards and creating a SSF apportionment formula would provide some of that relief in a responsible manner. As is the case in nearly every other state, except Pennsylvania, manufacturers and other high technology firms whose business models are cyclical by nature need to see improvements in the current NOL cap to offset future liabilities with current losses. In addition, all Pennsylvania businesses should be encouraged, not punished, for increased capital investment and job creation, as is the purpose for an increased sales factor apportionment.

CompetePA recognizes the significance of the current state budget shortfall. However, creating a balanced budget can be done. There is precedent. As of July 8, 2009, 32 states eliminated their deficits and passed state budgets without enacting broad-based tax increases. Now more than ever, Pennsylvania needs to send the message that we have a competitive business climate. When the economy recovers, let's make Pennsylvania one of the first places to grow new jobs, not the last.

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CompetePA is a coalition of more than 130 businesses and organizations 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.

Members of the CompetePA Coalition:

- 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 Energy
- Allegheny Technologies Incorporated
- Amgen
- Aqua America, Inc.
- Armstrong World Industries, Inc.
- Bayer Corporation
- Beaver County Chamber of Commerce
- Bentley Systems, Incorporated
- Binney & Smith
- Blair County Chamber of Commerce
- BNY Mellon
- Bombardier Transportation (Holdings) USA Inc.
- C B Richard Ellis/Pittsburgh
- Cephalon, Inc.
- Channel Craft & Dist. Inc.
- Chapman Properties
- Chaska Property Advisors, Inc.
- Citizens Bank
- CNX Gas Corporation
- 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.
- E.I. du Pont de Nemours and Company
- Ellwood Group, Inc.
- Elmhurst Group
- EQT Corporation
- Forms + Surfaces, 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
- H.J. Heinz Company
- Harrisburg Regional Chamber
- HRPT Properties Trust
- International Paper
- James Gallery
- Jaycee Foods, Inc.
- John Deklewa & Sons, Inc.
- Johnson & Johnson
- Kennametal Inc.
- Kimberly-Clark Corp.
- Latrobe Area Chamber of Commerce
- Leed Foundry, Inc.
- Lord's International
- Manufacturer & Business Association
- Manufacturers' Association of Central Pennsylvania
- Massaro Properties
- Massey Powell
- McTish, Kunkel & Associates
- Meadville-Western Crawford County Chamber of Commerce
- 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
- Novus Staffing Solutions
- 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
- Pennsylvania Steel Company, Inc.
- Pfizer
- Pittsburgh Airport Area Chamber of Commerce
- Pittsburgh Business Center
- Pittsburgh Stage, Inc.
- 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.
- Sheetz, 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.
- The Hershey Company
- Timken Latrobe Steel
- TRACO
- Trant Corp
- Tregembo Ford Inc
- TriCounty Area Chamber of Commerce
- Tyco Electronics Ltd.
- United States Steel Corporation
- Universal Health Services
- University City Housing Company
- Valley Tire Co. Inc.
- Value Ambridge Properties
- VVG Marketing
- Waste Management
- WESCO Distribution, Inc.
- West Branch Manufacturers Association
- Westmoreland Chamber of Commerce
- World Kitchen Inc.
- Wyeth Global Pharmaceuticals
- Zippo Manufacturing Company