



PRESS RELEASE

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PA Chamber applauds fiscally responsible state budget

HARRISBURG, PA – The **Pennsylvania Chamber of Business and Industry** applauded passage of an on-time, fiscally responsible state budget for the 2011-12 fiscal year.

“Our members recognize that this budget required tough negotiations and some difficult choices,” PA Chamber Vice President Gene Barr said. “But adopting a budget that controls state government spending and holds the line on taxes at a time when job creators and individuals most need fiscal restraint is in the long-term best interest of the Commonwealth’s working families and overall economy.”

Barr said holding the line on spending and new taxes will help solidify economic recovery, which to date has been sluggish at best. To that end, job creators welcome the continued phase-out of the Capital Stock and Franchise tax – an uncompetitive tax on businesses regardless of whether or not they make a profit and a continued detriment to job creation and business growth.

The PA Chamber also applauded enactment along with the budget of a meaningful property tax reform referenda bill that will ensure fiscal restraint at the local school district level.

The new law will eliminate most of the exceptions under Act 1 of 2006, which limits the ability of school districts to raise taxes beyond the rate of inflation by requiring voter approval. Act 1 has been virtually meaningless due to the number of exceptions contained in the law. The changes signed by Gov. Tom Corbett will still allow for pension and special education-related tax increases, but require voter referendum on property tax increases above the inflation rate for any other reason.

“Pennsylvania’s new state budget spends less than in prior fiscal years, but without spending control at the local level, school districts can move to raise property taxes on job creators and individuals, defeating the purpose and benefits of fiscal restraint at the state level,” Barr said.

With enactment earlier this week of the Fair Share Act, and a fiscally responsible state budget, Barr said Pennsylvania is heading in a direction more conducive to job creation and business investment, which is good news for all Pennsylvanians.

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The Pennsylvania Chamber of Business and Industry is the state's largest broad-based business advocacy association. It's statewide membership comprises businesses of all sizes and across all industry sectors. The PA Chamber is The Statewide Voice of Business™.