



TO: The Honorable Members of the Pennsylvania Senate

FROM: Samuel Denisco, Vice President, Government Affairs

DATE: Feb. 5, 2021

RE: Support S.B. 109

I write on behalf of the PA Chamber of Business and Industry to urge your support for S.B. 109, which passed the House today and includes a number of provisions important to the employer community.

We support an amendment adopted that will exempt from state taxation federal Paycheck Protection Program loans that were subsequently forgiven. Congress established PPP as part of the April CARES Act and the program has helped employers stay afloat and, in particular, keep employees on payroll. Employers who utilized PPP as intended and qualified for forgiveness should not be left with a tax bill from the Commonwealth, particularly as many are still struggling.

We also support the small business grant program to help employers in the hospitality industry that have borne the brunt of the pandemic, economic fallout and business shutdowns. The program is funded by transferring \$145 million from the Workers' Compensation Security Fund. Employers have paid higher insurance premium over the years to fund the WCSF, which provides workers' compensation benefits in the event an insurance carrier becomes insolvent. While we would have preferred an alternative source of funding for the grant program, we appreciate that S.B. 109 structures the transfer as a loan and requires replenishment of the fund with federal dollars should Congress appropriate additional funding to mitigate revenue shortfalls as a result of the pandemic.

We urge you to support S.B. 109. Please contact Sam Denisco with any questions.