



TO: The Honorable Members of the PA Senate Finance Committee

FROM: Allison Coccia, Director, Government Affairs

DATE: October 25, 2021

RE: Support SB 349: Section 179 Expense Deductions

On behalf of the PA Chamber of Business and Industry I urge your support of **Senate Bill 349** scheduled to be considered in committee today Monday, October 25, 2021. This legislation would provide much needed relief to the businesses and job creators driving economic growth.

Section 179 of the federal tax code allows owners of pass-through businesses to take a tax deduction for the full purchase price of qualifying equipment. The Tax Cuts and Jobs Act increased the federal limit for Section 179 expenses from \$500,000 to \$1,000,000.

Pennsylvania law allows those subject to state corporate income tax to take the full deduction, but limits the deductions for businesses subject to the state personal income tax to \$25,000. Senate Bill 349 would provide equity for small businesses, increasing the deduction during the current year from \$25,000 to \$1,050,000 or consistent with the federal limit.

As part of the Small Business Tax Reform Package, this legislation would encourage investment and economic recovery. It is a key component of our Bringing PA Back initiative, a member-driven recovery effort to advocate for policies that will rebuild Pennsylvania's economy in a manner that provides opportunity for all.

We urge you to support this bill. For further discussion, please contact Allison Coccia, Director of Government Affairs, at acoccia@pachamber.org or (518) 265-7429.