



TO: All Honorable Members of the Pennsylvania State Senate
Finance Committee

FROM: Allison Coccia, Director, Government Affairs

DATE: June 14, 2021

RE: Support: SB 447; SB 347; HB 952

On behalf of the PA Chamber of Business and Industry I urge your support of **Senate Bills 447 and 347 and House Bill 952** scheduled to be considered in committee on Monday, June 14th. These bills would institute critical measures to restore Pennsylvania's competitiveness and provide much needed relief to the businesses and job creators driving that growth. Economic recovery 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.

SB 447 - CNIT Reduction

The PA Chamber respectfully asks for your support of SB 447 which would provide for an incremental corporate net income tax (CNIT) reduction over 6 years from 9.99% to 6.99%.

At 9.99%, Pennsylvania has the 2nd highest CNI Tax rate in the country, stifling economic growth. Lower tax rates will attract much needed human and financial capital and create an environment for greater economic resurgence.

SB 347 Like-Kind Exchanges

The PA Chamber respectfully asks for your support of SB 347 which provides for like kind exchanges. A "like kind exchange" is the disposal of an asset and the acquisition of another replacement asset without generating a current tax liability from the sale of the first asset.

It is vital to have a competitive tax code and unfortunately PA lags behind other states when it comes to certain provisions of the code that our job creators view as key factors when deciding to invest and expand. One of these factors is PA's treatment of like kind exchanges. PA is the only state that does not align with the Internal Revenue Code in providing for like kind exchanges, putting Pennsylvania's small businesses at a competitive disadvantage.

HB 952 Data Center SUT Exemption

The PA Chamber respectfully asks for your support of HB 952. The bill would amend the Tax Reform Code to create a sales and use tax (SUT) exemption for certain equipment purchased by data centers. House Bill 952 is an identical companion bill to Senate Bill 463, previously passed by this committee on April 19.

The legislation would incentivize companies to locate their data centers in Pennsylvania, creating capital investment and family sustaining jobs as a result. It would go a long way in improving Pennsylvania's competitiveness, aligning the Commonwealth with 29 other states.

We urge you to vote yes on these bills. For further discussion, please contact Allison Coccia, Director of Government Affairs, at acoccia@pachamber.org or (518) 265-7429.