



TO: All Honorable Members of the Pennsylvania State Senate

FROM: Allison Coccia, Director, Government Affairs

DATE: October 27, 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 before the Senate today. It is vital to have a competitive tax code and unfortunately Pennsylvania 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. Senate Bill 349 would go a long way towards restoring Pennsylvania's competitiveness and providing much needed relief to the businesses and job creators driving economic growth.

This legislation 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.

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.

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