



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

FROM: Allison Coccia, Director, Government Affairs

DATE: June 22, 2022

RE: Support: HB 385 *Like-Kind Exchanges*

On behalf of the PA Chamber of Business and Industry I urge your support of **House Bill 385** scheduled to be before the Senate Finance Committee today. House Bill 385 is part of a small business tax package that would institute critical measures to restore Pennsylvania's competitiveness and provide much needed relief to the businesses and job creators driving economic growth.

The PA Chamber respectfully asks for your support of HB 385 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.

Unfortunately PA lags behind other states when it comes to certain provisions of our tax 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.

We urge you to vote yes on House Bill 385. Senator DiSanto's like-kind exchange bill, Senate Bill 347 previously passed both the Senate Finance Committee and the full Senate with bipartisan support. House Bill 385 passed the House with unanimous support. For further discussion, please contact Allison Coccia, Director of Government Affairs, at acoccia@pachamber.org or (518) 265-7429.