

**To:** Honorable Gov. Shapiro and Members of the Pennsylvania General Assembly

**Date:** May 9th, 2023

**Re: Improving Pennsylvania's Business Tax Climate**

**From:**

**Chambers of Commerce**

Beaver County Chamber of Commerce  
Bedford County Chamber of Commerce  
Blair County Chamber of Commerce  
Butler County Chamber of Commerce  
Cambria Regional Chamber of Commerce  
Carlisle Area Chamber of Commerce  
Chamber of Business and Industry of Centre County  
Chamber of Commerce for Greater Philadelphia  
Chester County Chamber of Business & Industry  
Clarion Area Chamber of Business & Industry  
Exton Region Chamber of Commerce  
Greater Chambersburg Chamber of Commerce  
Greater Hazleton Chamber of Commerce  
Greater Pittsburgh Chamber of Commerce  
Greater Pittston Chamber of Commerce  
Greater Reading Chamber Alliance  
Greater Scranton Chamber of Commerce  
Greencastle- Antrim Chamber of Commerce  
Greene County Chamber of Commerce  
Hanover Area Chamber of Commerce  
Harrisburg Regional Chamber

Huntingdon County Chamber of Commerce  
Indian Valley Chamber of Commerce  
Juniata River Valley Chamber of Commerce  
Lancaster Chamber of Commerce  
Monroeville Chamber of Commerce  
Norwin Chamber of Commerce  
Pennsylvania Chamber of Business and Industry  
Perry County Chamber of Commerce  
Pittsburgh Airport Area Chamber of Commerce  
Pittsburgh North Regional Chamber  
Schuylkill Chamber of Commerce  
Slate Belt Chamber of Commerce  
Somerset County Chamber of Commerce  
Southern Chester County Chamber of Commerce  
Southwest Regional Chamber of Commerce  
TriCounty Area Chamber of Commerce  
Venango Area Chamber of Commerce  
West Shore Chamber of Commerce  
York County Economic Alliance  
**Pennsylvania Employer Associations**  
Associated Builders and Contractors-  
Keystone Chapter

Anthracite Region Independent Power Producers Association  
Associated Builders and Constructors of Western PA  
Associated Pennsylvania Constructors  
Broadband Communications Association of Pennsylvania  
Energy Association of Pennsylvania  
Keystone Contractors Association  
Life Sciences Pennsylvania  
Manufacturer & Business Association  
Marcellus Shale Coalition  
National Federation of Independent Business  
Pennsylvania Aggregates and Concrete Association  
Pennsylvania Food Merchants Association

Pennsylvania Builders Association  
Pennsylvania Chamber of Business and Industry  
Pennsylvania Chemical Industry Council  
Pennsylvania Coal Alliance  
Pennsylvania Forest Products Association  
Pennsylvania Independent Oil & Gas Association  
Pennsylvania Manufacturers' Association  
Pennsylvania Medical Society  
Pennsylvania Motor Trucking Association  
Pennsylvania Restaurant & Lodging Association  
Pennsylvania Telephone Association

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**Dear The Honorable Gov. Josh Shapiro and Honorable Members of the Pennsylvania General Assembly,**

On behalf of our statewide associations and chambers of commerce from across the commonwealth, representing hundreds of thousands of Pennsylvania employers, we urge your support for policies to improve our business tax competitiveness.

Last session, lawmakers came together in a bipartisan fashion to advance significant tax reform, including reducing the state's extraordinarily high corporate rate and improvements for small businesses. These measures will make our state more competitive, incentivize investment and job growth and allow for additional economic opportunities. We appreciate these critical reforms and thank the General Assembly for the overwhelmingly bipartisan support.

At the same time, we know that other states are moving forward as well. We are in perpetual competition to cultivate and showcase an attractive business climate, and urge your ongoing support for pro-growth tax policy initiatives that will make the Commonwealth more competitive, for example:

- Improving the treatment of Net Operating Losses (NOL), which allow employers to offset tax liability with losses from a previous year. Pennsylvania is one of only two states that cap NOLs below the federal limit of 80 percent – 25 states have no cap at all. Increasing Pennsylvania’s 40 percent cap on NOLs would promote tax fairness by reducing additional tax burdens on entrepreneurial risk, cyclical businesses, or those more susceptible to economic downturns.
- At least maintaining the CNIT rate reduction phasedown schedule the legislature passed last session. We also support the call from Gov. Josh Shapiro and multiple lawmakers to accelerate the phasedown in order to maximize the benefits of this historic tax reform.
- Building on small-business tax reforms, such as removing the accelerated sales tax prepayment requirement, providing for full bonus depreciation, and allowing small businesses the ability to carry forward net operating losses as well.

We further urge lawmakers to avoid burdensome tax increases or additional requirements that would undermine tax competitiveness, cause additional uncertainty or result in costly litigation.

**On behalf of Pennsylvania’s business community, we thank you for your consideration.**