

TO: The Honorable Members of the PA House Labor and Industry Committee

FROM: Alex Halper, Senior Vice President, Government Affairs

DATE: March 17, 2025

RE: **Oppose H.B. 200 – Multi-billion dollar payroll tax for new entitlement program**

The PA Chamber urges you to oppose H.B. 200 to create a statewide paid leave entitlement program, which the Committee is scheduled to consider this week. We have concerns with many aspects of this bill and suggest more deliberative consideration of legislation of this magnitude, including engaging the business community expected to administer and operate under this program.

H.B. 200 would assess a new multi-billion dollar payroll tax on Pennsylvania employers and workers to pay wage benefits for workers to take leave of as much as 20 weeks per year. The bill provides for automatic annual tax increases that would not require legislative input or approval.

This legislation imposes direct and significant costs on Pennsylvanians and employers; as well as additional indirect costs and administrative challenges on employers, who would be prohibited from continuing their own leave policies that benefit their people while accommodating their own unique staffing requirements. A “private option” added to the bill appears well intended but is so prescriptive and administratively challenging, we fear this option won’t be functional or practical.

Additional concerns are numerous including a lack of safeguards to avoid abuse; a new private right of action that will expose employers to lawsuits for even unintentional or clerical errors; the cost and complexity of a new massive state bureaucracy; and the ability to stack this new entitlement with existing federal and local leave requirements.

We appreciate the intent of the bill; however, there remain concerns and many unanswered questions and we therefore urge you to oppose. Please contact Alex Halper at ahalper@pachamber.org or 717-645-8730 with questions or to discuss.

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