

TO: The Honorable Members of the PA House Finance Committee

FROM: Neal Leshner, Director, Government Affairs

DATE: June 30, 2025

RE: **PA Chamber memo: Support H.B. 1129**

I write on behalf of the PA Chamber of Business and Industry to express support for House Bill 1129, which is scheduled for a vote by the committee today.

The PA Chamber supports efforts to improve the treatment of Net Operating Losses (NOLs), building on the bipartisan efforts last session to increase the deduction threshold prospectively. Further reforms are needed to improve NOL treatment for companies with existing NOLs.

HB 1129 would create a program that would allow biotech and tech start-up companies to sell unused Net Operating Losses (NOL) under certain conditions. Traditional use of NOLs helps companies that have lost money in previous tax years once they are making a profit. This legislation would target support to companies earlier in a business lifecycle when they are losing money and hopefully help more startups turn the corner to profitability.

The program would promote financial flexibility by allowing companies to leverage NOLs to generate operating capital. This program could be a valuable tool to support biotech and tech start-up companies, stimulating investment, and promoting economic activity in Pennsylvania.

For any questions or further discussion, please contact Neal Leshner, Director of Government Affairs, at nlesher@pachamber.org or 717-507-9240.

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