



TO: The Honorable Members of the PA Senate Finance Committee

FROM: Neal Leshner, Vice President, Government Affairs

DATE: June 2, 2026

RE: **PA Chamber memo: Support SB 576 – MTIT Reduction**

On behalf of the PA Chamber of Business and Industry, I urge your support for Senate Bill 576, which is scheduled for a vote by the committee this week.

We understand Senate Bill 576 will be amended to include changes made to its companion legislation, House Bill 788. This legislation would immediately drop the Mutual Thrift Institutions Tax (MTIT) from its current rate at 11.5% to 8.55%, with a scheduled phase-down to 4.99% over 9 years. It would also extend the current Net Operating Loss carryforward limit under the MTIT from three to six years.

This legislation will benefit Pennsylvania banking institutions which currently pay the MTIT. The tax currently applies to the institution's total of net earnings received or accrued from all sources during the tax year. Reducing the tax rate will free up more dollars for lending, such as affordable home mortgages or small-business loans. It will also create greater tax parity with the CNIT.

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

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