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CompetePA Coalition Approves 2014 Tenets with a Continued Focus on Job Creation and Retention

Priorities align with Governor's efforts to improve the state's business climate for employers

(HARRISBURG – March 3, 2014) – Continuing its focus on creating a more competitive environment for job creation in Pennsylvania, CompetePA – a 130 member coalition of businesses and organizations representing more than half of the private sector employment in Pennsylvania – has announced the approval of its 2014 coalition tenets. Atop this year's priority list is the continued effort to phase-out the uncompetitive Capital Stock & Franchise Tax (CSFT), which is currently slated to expire after 2015.

“To grow Pennsylvania jobs, increase private investment and secure a strong workforce, it is essential to cultivate a competitive business environment,” said Sam Denisco, vice president of Government Affairs for the Pennsylvania Chamber of Business and Industry. “Continuing the CSFT phase-out is a critical step in making Pennsylvania a better home for employers, which is why it is a top priority for our coalition.”

CompetePA's support for the CSFT phase out aligns with Gov. Tom Corbett's 2014-15 budget proposal, which keeps the elimination of this burdensome and duplicative tax on employers on track.

“We applaud the governor's commitment to achieving this goal and helping reduce the cost of doing business in Pennsylvania,” Denisco added. “Taking this tax off the books and maintaining the current phase out plan will bring predictability to employers; this plays a key role in their plans to invest and grow here.”

Currently, Pennsylvania is one of only a handful of states in the nation to tax both business income and assets. Under the original phase-out schedule put forward by Governor Tom Ridge, the Commonwealth would have stopped collecting the tax on January 1, 2009.

“States today not only compete with their surrounding neighbors, but with countries across the globe. For Pennsylvania to be nationally and globally competitive, we must have a pro-growth plan that attracts new companies to locate here and encourages those already here to expand their operations,” said David Taylor, Executive Director of the Pennsylvania Manufacturers' Association.

In addition to encouraging the elimination of the CSFT, the CompetePA coalition tenets also focus on efforts to reduce the state's Corporate Net Income Tax (CNI), which at 9.99 percent is the highest effective rate in the country. The coalition also maintained its longstanding support to work toward removing the cap on Net Operating Loss (NOL) deductions. Pennsylvania joins New Hampshire as the only states in the country to cap these deductions, deterring companies from investing and growing here in the Commonwealth.

Time and time again, experts rank Pennsylvania as one of the worst states in the nation when it comes to the cost of doing business for employers. CompetePA remains committed to working with lawmakers to enact responsible policies that will help remove this distinction and make Pennsylvania a leader in job growth and economic opportunity.

The more than 130 businesses and business organizations that are members of CompetePA have been working to improve the business climate for the Commonwealth since 2005.

[Membership List Attached]

CompetePA is a coalition of more than 130 businesses and organizations representing more than half of the private sector workforce in Pennsylvania, committed to improving the business climate in order to encourage economic investment and job creation. For more information about CompetePA and what you can do to help Pennsylvania compete successfully for new jobs and investment, visit www.CompetePA.com.

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