



For immediate release

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CompetePA Applauds Legislative Leaders, General Assembly and Governor for Implementation of Single Sales Factor Formula and Continued Phase-Out of Capital Stock and Franchise Tax

(HARRISBURG – July 9, 2012) -- The CompetePA coalition congratulates Governor Corbett, legislative leadership and the General Assembly for an on-time budget and companion legislation that controls spending, increases the sales factor apportionment formula to 100% and continues the phase-out of the Capital Stock & Franchise Tax (CSFT). The group – a coalition of businesses and organizations representing more than half of the private sector employment in Pennsylvania – thanks the General Assembly and Governor for putting forth a fiscally responsible budget and holding the line on taxes.

CompetePA has been advocating for these critical business climate improvements since 2005. These items include – creating a single sales factor apportionment formula (SSF), removing the cap on net operating loss carryforwards (NOL), and ensuring the phase-out of the CSFT. We are proud to have worked alongside legislative leaders and the Governor to institute the completion of our sales factor priority and look forward to working with these leaders again in the near future to continue our work on lifting the NOL cap and completely eliminating the CSFT.

Creation of a single sales factor encourages employers to invest and grow jobs in Pennsylvania. This change is especially beneficial to manufacturers who have operations and employees in the Commonwealth. Additionally, the commitment to continue the phase-out of the CSFT will further drop the rate to 0.89 mills on January 1, 2013, with the CSFT reaching zero on January 1, 2014. This would end a five year delay, as it is important to note that under the original phase-out plan put forward by Governor Tom Ridge, the Commonwealth would have stopped collecting the tax on January 1, 2009.

Over 130 businesses and business organizations that are members of CompetePA have been diligent in attempting to accomplish changes to improve the business climate for the Commonwealth. States today not only compete with their surrounding neighbors, but with countries across the globe.

If Pennsylvania is to compete nationally and globally, we must have a pro-growth plan that attracts new companies to locate here and encourages those already in business here to expand their operations. We applaud the legislative leadership, members of the General Assembly and the Governor for passing a budget and companion legislation that puts us on that path, and we look forward to working with them to institute additional reforms in the near future.

[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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