



## We Need a Competitive Business Tax Environment to: Grow PA Jobs • Increase Private Investment • Secure a Strong Workforce

In 2005 the business community came together through a statewide coalition called CompetePA to speak and advocate with one voice on the issue of competitive business taxes.

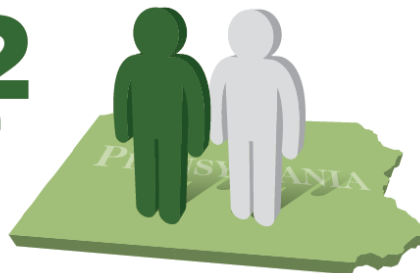
### PROOF POINTS:

- Overall, we have one of the least competitive corporate tax environments in the country. For its 2018 rankings, the Commonwealth ranked 44<sup>th</sup> out of 50 states in the Tax Foundation's Corporate Tax Rank<sup>1</sup>; only six states were listed as having a worse corporate tax environment.
- Pennsylvania is one of only a few states in the nation that caps the usage of net operating losses (NOLs), and we have the highest non-graduated Corporate Net Income (CNI) tax rate in the country, at 9.99 percent.

### COMPETEPA's 2018 POLICY AGENDA:

- **Our coalition's top priority is to fix the bonus depreciation changes made in PA Corporation Tax Bulletin 2017-02.** Pennsylvania is the only state that made such drastic changes to its bonus depreciation law in reaction to the 2017 federal tax reform legislation. The Bulletin, which eliminates the ability for the taxpayer to take any deduction until qualified property is sold or disposed of, *strongly discourages* business expansion and investment in Pennsylvania.
- **Instituting Mandatory Unitary Combined Reporting (MUCR) would have a broad range of negative consequences on Pennsylvania's economic climate.** MUCR creates complexity and uncertainty for businesses.
- **We support a reduction of the CNI tax rate.** We understand the current budgetary complexities with reducing the CNI rate, but we look forward to ongoing discussions with legislators and the administration around how we can work to reduce this uncompetitive rate in the near future.
- **Proposals to make the Commonwealth's business climate more competitive should not target businesses unequally.** The coalition encourages policy makers to consider any tax reform holistically (i.e., how one change could substantially alter the overall effective tax rate) and through a pro-economic growth lens.
- **The cap on the usage of Net Operating Losses (NOLs) should be fully lifted.** Pennsylvania is one of only a few states that caps the amount of net operating losses (NOLs) a company can offset against its current corporate net income.

**1 out of 2**  
workers  
in Pennsylvania  
is employed by  
a CompetePA  
member.



**CONTACT:** Jenn Beer, Greater Pittsburgh Chamber of Commerce  
412.281.4783 x3114 | [jbeer@pittsburghchamber.com](mailto:jbeer@pittsburghchamber.com)

<sup>1</sup> <https://taxfoundation.org/state-business-tax-climate-index-2018/>