



Statement from Matt Smith, President of the Greater Pittsburgh Chamber of Commerce, on the Passage of PA Senate Bill 1056

(PITTSBURGH – June 22, 2018) – The passage today of Pennsylvania Senate Bill 1056 represents a significant achievement for the business competitiveness of the Pittsburgh region and the Commonwealth of Pennsylvania. The legislation, sponsored by Senator Michele Brooks (R-Jamestown), corrects an uncompetitive tax policy change from the Pennsylvania Department of Revenue regarding the depreciation of business assets. This tax policy change placed Pennsylvania on an uneven playing field compared to other states.

SB 1056 incentivizes capital investment by allowing depreciation ratably over the useful life of the asset. The legislation is necessary because the Pennsylvania Department of Revenue's policy change, which reacted to recent changes in the federal tax bill, does not allow a Pennsylvania business to deduct depreciation of a purchased asset until it is sold or disposed. Without this fix, employers in the Pittsburgh region would be negatively impacted, and coupled with our state's high corporate tax rate and the cap on Net Operating Loss Carryforwards, the policy would discourage employers from locating in Pennsylvania.

SB 1056 is a fair, equitable and fiscally responsible way of resolving the uncompetitive tax policy change. We applaud Senator Brooks' leadership, Governor Wolf for his support and all of the bipartisan members of the General Assembly who supported the legislation.

For Pennsylvania and the Pittsburgh region to be globally competitive, we must have a tax policy that attracts new employers to locate here and encourages those already here to expand their operations. SB 1056 is an important achievement towards our goal to build a more competitive business climate to grow jobs and improve the region's economy.

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