



April 12, 2022

Dear Honorable Members of the Pennsylvania Senate Finance Committee:

On behalf of over 160 businesses and organizations across Pennsylvania, the CompetePA Coalition writes to strongly encourage your support for Senate Bill 771 (and its corresponding amendment). This bill, sponsored by Senator Ryan Aument, will use a performance-based trigger approach to reduce Pennsylvania's Corporate Net Income Tax (CNIT) rate – the highest non-graduated rate in the entire country. While the coalition fully supports Senate Bill 771, we also encourage an initial material reduction to the rate. A strong first step will help signal to the marketplace that Pennsylvania is serious about becoming more competitive.

CompetePA is a coalition comprised of statewide and regional business groups, small- and medium-sized businesses, as well as Fortune 500 companies. The coalition, which represents more than half the Commonwealth's private sector employers, was formed in 2005 to help create a competitive business tax climate that encourages job growth in Pennsylvania. Reducing the CNIT rate has been a top priority of our coalition since its inception, and we believe now, more than ever, is essential that we work toward reducing this uncompetitive rate.

As regions everywhere look to recover and thrive in a post-pandemic world, we need to ensure Pennsylvania is competitively positioned. Businesses invest where they can grow – and those investments ultimately expand our tax base and thus increase tax revenue, contribute to community vibrancy, and to the creation of good, family-sustaining jobs. Pennsylvania needs an environment that welcomes investment and taking steps to reduce what is currently the highest flat CNIT rate in the country, will greatly improve our competitive standing.

To assist with additional data and analytical support for this issue, please find attached three snapshot analyses that were provided by the Pennsylvania Economy League of Greater Pittsburgh, an affiliate of the Allegheny Conference.

Again, we respectfully ask for your support for SB 771 (and its corresponding amendment), which will reduce the CNIT rate and help to create jobs and economic opportunity at a time when Pennsylvania needs it the most.

Sincerely,

The CompetePA Coalition
[Membership List Attached]