

**Pennsylvania House Republican Policy Committee  
Public Hearing on Ideas to Help Small Business Succeed and Grow  
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August 20, 2012**

**Introduction**

- Greetings
- Ridley Township has approximately 520 diversified small businesses
- Comprised mainly of mom and pops, sole proprietors, S-corporations and LLCs
- Ranging from one employee to 100 employees
- Annual sales “per business” range from \$50,000 to \$10,000,000 plus
- Median household income in Ridley Township is \$45,918 (population 30,000)
- Median household income in Delaware County is \$61,876 (population 559,494)
- Albert Einstein believed: “Imagination is more important than knowledge”

**Creation of Advisory Committee(s)**

- Imagine creating small business advisory committees in each county and in different segments of each city in the Commonwealth.
- Advisory committees would be comprised of a diverse group of business owners (retail, food, medicine, dentistry, manufacturing, technology/biotech, banking, insurance, real estate and the trades, etc.).
- These committees would reinvigorate small business owners locally and provide “hope” that their collective voices would be heard independent of Political Action Committees and Lobbies.
- Independent committees would be an immediate resource for Representatives to address new bills that come across their desks.
- Brand Name: “Business Outreach Advisory Committees”
- Cost to business owners: “Zero”
- Cost to taxpayers: “Zero”
- Consistent simple dialogue among Representatives & business owners: “Retain Jobs” and “Create Jobs”

**Anchored Jobs Training**

- Imagine a statewide campaign to promote the professional trades in high schools and community colleges.
- Change the name from “Vocational Training” to “Anchored Jobs Training” in order to elicit the attention of parents and students.

- Enhance the current vocational training by utilizing the local talent in small businesses to guide teachers and students on the training necessary to fulfill their intern requirements.
- Prepare the next generation of plumbers, mechanics, auto body specialists, carpenters, fabricators, manufacturers, nurses and hair stylists, etc.
- Students with high marks in administration skills can elect to be coordinators who schedule the interns with local businesses.
- Anchored jobs have salaries that range from \$30K-\$100K+ and do not get outsourced overseas. They provide stability to local communities.
- Families stay together.
- Small business owners prefer to grow with those they know who can do the job.
- Cost to taxpayers: "Zero".

### **What is Preventing Small Business From Growing?**

- The total cost of doing business, the perception of our current leadership and the economy as a whole.
- Healthcare costs are increasing 12%-15% per year. A business owner with a family of four is paying an average of \$24,000 per year with high deductibles.
- School Taxes and Real Estate Taxes are not sustainable.
- Pennsylvania's pension funds to state employees and for school employers are under-funded by more than \$30 billion. (Solution: House Bill 2453 & House Bill 2454).
- Example: If my 11-year-old son takes over my business in 20 years, his "annual" commercial tax and health insurance bill will be \$422,000 (commercial tax \$14,000 x 5% + Health Insurance \$24,000 x 15%).
- Workers Compensation is very high for trades. We have businesses here paying \$30,000+ per year. (Solution: Lower disability benefits to 40%).
- Fuel and energy costs increasing.
- A combination of high costs to do business and the average median household income of \$45,918 equates to no discretionary income available and no small business growth.
- Hence, the saying "There is no money on the street".
- Seed money and tax credits help a select few in manufacturing, technology, and green-related businesses.
- Incentives to bring businesses to Pennsylvania time after time have not worked in the long term.
- An investment in local infrastructure helps many by creating jobs immediately, keeping cities safe, and making Pennsylvania a more appealing place to park one's business.

- We recognize that government cannot create jobs but that they can only foster the environment in which entrepreneurs can do what they do best, which is creating jobs.

### **Tax Compliance Reform and Environmental Regulation**

- Imagine Pennsylvania as a pro-business state, branded nationally as the “Real Big Easy”
- Simplify, standardize, reduce and broaden the sales tax (i.e., T-shirt vs. sports T-shirt).
- The more user-friendly sale tax reporting becomes, the greater the revenue.
- Consider annual reporting of Local Earned Income Tax and LST to be processed by the state electronically, eliminating 67 tax collectors (review Maryland’s reporting).
- Small businesses want to create and grow their businesses, not be continually bogged down with countless reporting issues.
- Flush the Merchantile Tax down with the Storm Water Tax and hope the Back Flow Prevention Device Tax works.
- Please please help me breathe with the Ventilation Tax because I am still waiting for the Township Permit Inspector to show, even after I paid him three weeks ago, that creative local Privilege Tax. Gosh I thought we had a new State Permit Tax for that!! Solution: PA Easy 24-Hour Permit
- The Environmental Regulation crew is here to stay, but what is new. Some say they are a revenue-generating crew only, just to make you poor. But I say they must work for my competition because I never ever have time to sell anymore.
- Congratulations on finally eliminating the Capital Stock & Franchise Tax and working on the Delaware Loop Hole.
- Please consider eliminating the Inheritance Tax, continue improving Tort Reform, substantially reducing Corporate Tax and reducing the Legislature (House Bill 153) so we can all just chillax (aka relax) in PA ... the “Real Big Easy”.
- Small businesses will always adapt. “Just Keep It Simple”.

### **Conclusion**

- Imagine making our parents, grandparents and great-grandparents of the Greatest Generation proud that we finally had political “Will on the Hill”.