

Good Morning, my name is Nancy Keefer and I am the President & CEO of the Chester County Chamber of Business & Industry. Our Chamber represents more than 900 businesses in our region and has been recognized as a leading advocacy organization for Chester County and the area. In addition to annual programs with our elected officials on the local, state and federal level, we also conduct interviews and provide endorsements to business-friendly candidates running for office. The chamber abides by the principal of the free enterprise system which is intended to allow individuals and businesses to operate and compete with a minimum of government interference or regulation and enable them to create, produce, transform, develop, innovate and compete in the marketplace.

As you know, PA doesn't have the best rankings when it comes to our tax environment. This is a key concern of ours. We have actively communicated the need to provide a level playing field for our business community when it comes to taxes. This includes our positions on reducing the corporate net income tax, phasing out the capital stock and franchise tax and elimination of the net operating loss cap to name a few.

We understand these are challenging times and that reducing taxes impacts revenues to the State. We truly believe that we can live within the means of the anticipated revenues for our State.

We have very serious issues impacting our State in the area of the looming pension crisis and the lack of funding needed to ensure an adequate and safe infrastructure framework. What this will take is a committed leadership and tough decisions when it comes to spending and creative approaches to how government is run in the future.

So, what can you do to help develop policies that support economic growth and job creation?

- You can focus on the core services that government should provide and stay out of businesses that can be run by the private sector. Specific examples such as the liquor stores and explore other possible privatization opportunities within in our transportation system, law enforcement and health care arena.

- You can look at archaic legislation like Prevailing Wage. While we believe full repeal of the law should happen you can begin by making significant changes such as the raising of the threshold on projects, and including opt out provisions for local government and educational institutions as a short-term improvement to this law.

- You can incentivize businesses with tax credits that make sense and show a return on the investment of this credit to the State.
 - As an example, the EITC tax credits are crucial to our education system that is being forced to work under reduced budgets. This is a win-win all the way around.

- Gary will be addressing the many opportunities to help businesses grow by providing training for staff through Industry Partnerships and by allowing employers to drive the content of programs. Bottom line for tax credits and training funding is that those providing positive results and returns should be rewarded with funding.

- You can reduce the regulatory burden you place on businesses and allow them to spend their time on growing their businesses rather than figuring out how to comply with all of the regulations placed on them.

- An example, one of our banks indicated that instead of hiring new loan officers they have to hire compliance officers to wade through all of the new rules that are impacting this industry.
- The ability to get credit from banks anymore is reaching a critical impasse and affecting cash flow needed from businesses just to stay afloat.
- You need more wins like the passing of joint and several liability and other tort reform initiatives underway. You should proceed with prohibiting venue shopping as one example. The cost of frivolous lawsuits will make or break the future of a business.
- You have to get out of the business of picking “winners and losers” when it comes to legislating an industry. Mandating uses of certain types of energy, looking at new industries as the cash cow that will save the state or subsidizing an industry are not long-term solution.

Our competition to attract and grow our business base is no longer a “nearby state” issue. We need to get creative and make tough decisions that make Pennsylvania the dynamic economic engine it could be.



CHESTER COUNTY CHAMBER
of Business & Industry
- Chamber of Influence -

Legislative Priorities 2011-2012

These are the Chamber's top legislative priorities for the year. These are not all of the legislative issues the Chamber will address; however they will receive priority attention and resources. The chamber abides by the principal of the free enterprise system which is intended to allow individuals and businesses to operate and compete with a minimum of government interference or regulation and enable them to create, produce, transform, develop, innovate and compete in the marketplace.

Government Spending

The Chamber supports a sensible state budget with no new or increased taxes. We support efforts to cut programs, services, and initiatives that are ineffective, no longer make sense for government to provide, or that we simply can no longer afford.

Transportation & Infrastructure

We believe that we need to better plan for adequate infrastructure to accommodate anticipated growth in our region. We support additional funding allocations for transportation infrastructure and the use of public private partnerships as another channel for investment.

Tax Reform

We support tax reform on the local, state and federal level that promotes the free enterprise system and provides an environment for businesses to grow and prosper.

- **Capital Stock and Franchise Tax** – We support the elimination of this tax
- **Corporate Net Income Tax (CNI)** – We support the reduction in this corporate tax
- **Tax Credits** - We believe that tax credits, when linked to job creation are acceptable.
- **Net Operating Loss Cap** – We support the elimination of this cap
- **Mandatory Unitary Combined Reporting** – We oppose combined reporting
- **Streamlined Sales Tax**- We support the effort to collect state tax on "online business" sales

Privatization of State Liquor Stores

We support the privatization of the wine and spirits wholesale and retail operations of the Pennsylvania Liquor Control Board (PLCB).

Workforce

- **Unemployment Compensation.** We believe that additional reform is needed for Unemployment Compensation. We would support incentives for unemployed individuals to receive on the job training without impacting their unemployment compensation for a specified period of time.
- **Prevailing Wage:** We support the full repeal of the prevailing wage law or at minimum we support exemption or "opt out" provisions for infrastructure, education and local government projects as well as increasing the threshold exemption.

Marcellus Shale

We support the responsible development of natural gas resources from the Marcellus Shale geological formation. We are willing to support an additional fee on this industry to address local development impacts. We do not support a broad based tax because we do not believe that any particular industry should be singled out and taxed for General Fund revenues.

Education

We support the continuation of the Education Improvement Tax Credit (EITC) program as well as consideration for school choice, charter schools and school vouchers to allow for competitive educational options. We support programs that emphasize technical skills and the trades, or those focused on business skills and vocational education.

Pension Reform

We support transitioning government pension programs from a defined benefit plans to defined contribution plans. We support continuation of the progress made with the Pension Reform bill passed in 2010.

Visit the Chamber's Advocacy Center on the website at www.cccbi.org for more information and background on the Chamber's position on these legislative issues.

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