

Chairman, members of the committee—thank you for the opportunity to speak with you today. My name is Isaac Bucher, and my wife, Nicole, and I own and operate Mister Ed's Elephant Museum and Candy Emporium. This year, we celebrate the 50th anniversary of our third-generation family business. We are one of our region's most unique attractions with more than 12,000 elephant statues and figurines on display—including some that are life sized—thousands of different types of candy, homemade chocolates and fudge. I also serve on a number of local boards that focus on tourism, economic development, and the arts, so I see firsthand the challenges and opportunities that face small businesses in our region.

I want to address several areas related to Pennsylvania's current business tax environment that, if addressed, would make it easier to do business in Pennsylvania.

First, I would like to advocate for allowing small businesses in Pennsylvania to utilize net operating losses on their taxes, just as corporations do. This would be a small but equitable policy that would strengthen our state's economy. As you all know, small businesses are the backbone of local communities, creating jobs and driving innovation, yet we often face greater financial volatility than our larger corporate counterparts. Permitting us to carry forward net operating losses would provide vital flexibility, particularly during challenging years, helping us survive downturns, reinvest in growth and maintain employment. It would level the playing field by encouraging entrepreneurship as well as ultimately generating more stable tax revenue for the state by supporting long-term success for all Pennsylvania businesses. I know that tariffs are not under the purview of the state, but every single business person and community member I know is talking about how they may impact our local businesses. This type of change in a year like this one could be the lifeline some businesses need to survive potential challenges like this.

The **second** area I would like to discuss isn't about the tax itself but how the tax must be filed. The process for local tax collection can be unnecessarily burdensome. Pennsylvania is only one of 16 states that utilizes a local income tax. For our business, we pay all of our local income taxes to the York Adams Tax Bureau, which requires us to file a totally separate tax return. Other states, like Maryland, use a piggyback method of tax collection—where you file a single tax return to the state and the state then disburses the funds to local jurisdictions. This duplicative paperwork is not only inefficient—it's a waste of time and financial resources, especially for small businesses that don't have the luxury of an accounting department. Bringing collection and distribution of local income taxes into the commonwealth's Department of Revenue would ultimately reduce overall administrative costs and streamline the process, reducing accounting fees for businesses across the state.

Third, it feels like we're being taxed from every angle—corporate net income, local taxes, sales taxes, use taxes, fees for licenses, the list goes on. We are constantly checking our backs to make sure we're in compliance, which again costs time and money.

There's also a broader demographic shift happening that affects us financially: the influx of retirees moving to Pennsylvania. While we welcome them as neighbors and community members, the reality is that retirement income isn't taxed here. I've had more than one person say to me, "I moved to Pennsylvania when I retired. My goal is to move back to where I used to live before I die." That means retirees are using public infrastructure and services—roads, emergency services, healthcare support—without contributing to the tax base. So, who makes up the difference? Businesses. Working families. We shoulder a disproportionate share of the burden.

On a positive note, I want to express my appreciation for the Educational Improvement Tax Credit (EITC) program. It allows businesses like mine to invest in the future by directing tax dollars to educational institutions of our choosing. It's a great example of how smart policy can create a win-win—for the community and the taxpayer. I'd like to see more policies that give small businesses that kind of flexibility and impact.

In closing, I urge you to consider reforms that simplify the tax filing process, and create a more equitable tax system that doesn't leave small businesses carrying more than our fair share. Pennsylvania has so much potential, but we can't unlock it if the system keeps tying our hands.

Thank you for your time.