



June 15, 2021

Dear Honorable Members of the Pennsylvania General Assembly:

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.

On behalf of over 160 businesses and organizations across Pennsylvania, the CompetePA Coalition writes to encourage your support of our top priorities as you work to finalize this year's budget:

- **We strongly encourage lowering the Corporate Net Income tax (CNI) rate from the highest flat rate in the nation.** We strongly believe that a reduction of this highly uncompetitive rate will result in greatly enhanced economic growth, and an expanded tax base which will generate an increase in state tax revenue.
- **The cap on the usage of Net Operating Losses (NOLs) should be fully lifted.** Pennsylvania is one of only a few states that caps the amount of NOLs a company can offset against its current corporate net income – greatly impeding our ability to attract companies ranging from tech startups to manufacturers. Additionally, the coalition supports removing the time limitation a business may carry forward a net operating loss.
- **We oppose instituting Mandatory Unitary Combined Reporting (MUCR),** as the policy will make Pennsylvania less competitive and have a broad range of negative consequences on the Commonwealth's economic climate. MUCR has proven to be litigious in other states and creates much uncertainty for businesses.

For further background data and information on our priorities, please find attached three snap-shot analyses that were provided by the Pennsylvania Economy League of Greater Pittsburgh, an affiliate of the Allegheny Conference.

As regions everywhere look to recover and thrive in a post-pandemic world, now more than ever we need to ensure Pennsylvania is competitively positioned versus the competition. 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 is competitive at this time of unique opportunity.

We remain committed to working with you and the Governor to enact responsible policies that will help to create jobs and economic opportunity and stand ready to engage in meaningful discussions to make our tax structure more competitive.

Sincerely,

The CompetePA Coalition  
[Membership List Attached]