



Policy Position Statement on 2013-2014 State Budget Proposal

BACKGROUND:

On February 5th, 2013, Governor Tom Corbett presented his budget proposal to a joint session of the General Assembly. The budget would spend \$28.4 billion – an increase of nearly \$679 million, or 2.4 percent, from 2012-2013. The proposed budget seeks to refocus the investment of tax dollars in the core functions of government.

The budget outlines the following as core functions of government: adhering to fiscal discipline; promoting limited, transparent and effective government; supporting free enterprise and job creation; funding students and promoting educational excellence; protecting public health and safety; and maintaining the human services safety net.

POLICY POSITION:

The Lancaster Chamber supports the Governor's commitment to continue to prioritize state government spending while tackling significant public policy issues facing the Commonwealth and its taxpayers; such as, transportation funding and public pension reform, as well as the call for improvements to the business tax climate to foster business growth.

This position will not cite specific line-item funding issues, but rather advocate for measures that ensure Pennsylvania has a stable business community and a prosperous future.

With this as background, The Lancaster Chamber will plan on doing the following in regards to this state budget:

- Advocate for tax reform. The proposed budget does not include tax increases and seeks to provide tax relief through key business tax considerations which The Chamber has long supported: Capital Stock & Franchise Tax phase out, phase down of Corporate Net Income Tax Rate, increase in the Net Operating Loss (NOL) Carryover deductions, repeal of Corporate Loans Tax and allowing Like-Kind-Exchanges.
- Advocate for sustainable transportation funding. The Chamber has supported recommendations to address Pennsylvania's growing shortfall in transportation funding and decades of underinvestment. We strongly urge the legislature to work towards enactment of legislation that will preserve, modernize and improve our transportation network and provide sustainable, long-term and steady funding for a multi-modal network.
- Advocate for pension reform. To deter the threat to all business and individual taxpayers, long-term solutions are necessary in addressing the state's unfunded liability in the two public pension systems. It is imperative that the legislature address the debt and create sustainable retirement plans through meaningful reforms.
- Advocate for mandate relief for public education. Challenges facing public education require attention in order for the system to achieve its full potential of preparing students for the 21st Century. The Chamber supports policies that will provide consistency and predictability to our education system to expend resources more effectively and efficiently. Our full position is outlined in our policy statement on education.
- Advocate for sustainable communities. Municipal governments operate under outdated, inflexible and uncompetitive state laws and policies that often undermine their financial stability. Though this does not have a line-item budget impact, The Chamber supports reforms to municipal pensions and binding arbitration that are necessary to create a sustainable situation for municipalities.

The Chamber is committed to advocating for the Lancaster business community in an effort to create a fair budget; a budget that is fiscally responsible and accountable; a budget that incorporates innovative ideas and sound practices; and a budget that ultimately supports the most efficient and effective state government.

Approved by the Board of Directors on 5.21.13.

Mission: To build Lancaster County into a model of prosperity for 21st Century America.