



**Reaffirmation of Policy Position Statement on Business Tax Reform
(Previous Position Statements 0308-01 and 305-2)**

BACKGROUND:

Simply put, a positive business tax climate is absolutely essential for any state to successfully compete in the global marketplace. As such, it is imperative that Pennsylvania does all it can to create a fair and predictable business tax structure that acts as an incentive for business investment, job growth and overall economic vitality for the Commonwealth.

While recent attempts to hold-the-line on state spending and the enactment of modest changes to business taxes have helped provide tax stability and relief, there is still much more that can be done to position Pennsylvania as a truly business-friendly state. Other states and, in fact, countries have made more significant improvements to their tax structures and continue to out-compete Pennsylvania for business location and expansion. If we want business to remain, grow and/or invest in Pennsylvania, we simply have to become more competitive.

The Lancaster Chamber has long been supportive of efforts aimed at producing comprehensive reforms in our business tax structure and has demonstrated this position numerous times in past policy position statements. Yet, each year ushers in a new debate on the merits and/or challenges of reform. While “reform” often gets relegated to discussion around a specific rate of tax, we continue to believe that the reform that is truly needed is much more comprehensive and is essential if we are to ensure Pennsylvania’s prosperous future.

POLICY POSITION:

The Board of Directors of The Lancaster Chamber of Commerce & Industry reaffirms their support of the following:

- **Elimination of the Capital Stock & Franchise Tax;**
- **Reduction of the Corporate Net Income Tax;**
- **Implementation of a single sales factor of the CNI tax apportionment;**
- **Elimination of future Net Operating Loss caps.**

The Lancaster Chamber will continue to advocate on the above reforms and seek to provide member-testimonials as any of the issues are being debated by the state legislature. Additionally, we will work with the Pennsylvania State Chamber and other chambers across the state to coordinate our voice in calling for this much-needed reform.

Position statements 0308-01 and 305-2 were previously approved by the Board of Directors in 2006 and 2008.
Approved by the Board of Directors on March 20, 2012.

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