



May 17, 2007

Dear Lawmaker:

As the 2007-08 Commonwealth of Pennsylvania budget approval process begins to advance, I write on behalf of the Greater Philadelphia Chamber of Commerce (GPCC), representing thousands of employers in the southeastern region of Pennsylvania. Among the goals we share with you and with decision-makers across this state is a desire to promote economic growth and job creation. As you well know, vital elements in this quest are a competitive tax environment and a viable transportation system.

First, we maintain that any budget-related efforts to improve the competitiveness of Pennsylvania's business tax structure must continue the phase-out of the Capital Stock and Franchise Tax, and continue two modest, yet significant improvements to the state Corporate Net Income Tax; elimination of the cap on Net Operating Losses and further progress toward a Single Sales Factor. We also join business organizations across Pennsylvania in opposition to efforts to shift the business tax burden through a change in the legal status of Delaware holding companies.

Another essential component of this year's spending and tax plan must be a sound investment strategy for the Commonwealth's transportation infrastructure. We believe that resolution of this funding challenge should include:

- a dedicated funding source for public transit, statewide, that is broad-based, predictable and inflation-sensitive -- to end chronic operating budget shortfalls, and to allow for planning and growth
- a capital program employing prudent use of debt and innovative financing tools to enable highways, bridges and transit systems to complete state of good repair initiatives and address changing regional needs.

Many of our neighboring and competitor states are facing similar revenue and infrastructure challenges, and the figurative bar by which we are all measured and compared in this global economy is rising constantly. The choices that Pennsylvania lawmakers make at this juncture --with regard to the make-up of our tax policy and the level of investment in our transportation systems -- will have a strong and lasting impact on our future economic success.

Let me close by saying that we look forward to working together with you in the weeks ahead to advance policies and legislation which will help to strengthen the statewide economy and create jobs and opportunity for all citizens. Thank you for considering these thoughts.

Sincerely,

Mark S. Schweiker  
President & CEO