

OP-ED

Let lawmakers invest in jobs

Over the next three weeks, Mayor Michael Nutter and Gov. Ed Rendell will propose fiscal operating plans for the next year. These budgets will address the unique problems facing Philadelphia and the state as well as the large cloud of darkening economic forecasts nationwide.

We at the Greater Philadelphia Chamber of Commerce, with 5,000 company members, support policies to make this city and state more economically competitive. We also believe prudent investment and targeted spending can offer opportunity to those often shunted to the economic sidelines.

Let me explain.

On Feb. 14, Nutter is scheduled to present his first budget to City Council. All agree that a newly competitive business climate must be engineered to encourage private enterprise. We believe the mayor can work to achieve this new climate through continued reductions in both the gross receipts and net income portions of the business-privilege tax. And, just as critical to our future, is continued reduction of the wage tax through both the city's budgetary commitment and state gaming revenues.

We also support his proposal to encourage the hiring of ex-offenders as an important element of his campaign to reduce crime. To help us encourage employers to participate, Philadelphia's new Re-Entry Employment Program needs adequate funding for the related tax credit.

On Feb. 5, Rendell will offer his 2008-09 state

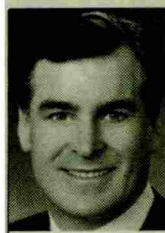
budget and tax plan. Pennsylvania is home to operations of many large businesses that not only compete on a national and global scale, but within the company against plants in other states. As a result, our local facilities are under pressure from their corporate headquarters to reduce costs or risk relocation or consolidation, taking jobs and business out of this state.

To address this threat and to interest businesses to relocate here, the state must improve the competitiveness of its business tax structure. Rendell can make valuable progress in this area through continued phase-out of the capital stock and franchise tax, and two modest, yet significant, improvements to the state corporate net income tax; elimination of the cap on net operating losses and full implementation of a single sales factor.

Rendell can also aid our efforts to grow Working Solutions, a chamber program that connects the regional business community to Philadelphia students through paid summer internships. We are seeking a modest state tax credit as an incentive for businesses that create new summer internships.

Taken together, these proposals to cut business taxes and offer hiring incentives will help improve the economic strength and work force diversity of Greater Philadelphia. And that is a recipe for long-term success.

MARK SCHWEIKER, former Republican governor of Pennsylvania, is president and CEO of the Greater Philadelphia Chamber of Commerce.



GUEST COMMENT

Mark Schweiker

