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SMC 2018 Legislative Agenda - Highlights
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Prescription to Grow PA's Economy
Align Government Policy to Capitalize on our Strengths to Make PA
More Competitive and Attractive to Businesses

In order for PA to prosper it's critical to take advantage of our natural gas resource, the Commonwealth's competitive edge. There are very few areas where PA is in the Top 10 but we are in the Top 10 list of manufacturing states and PA is home to the world's largest unconventional natural gas field. Plentiful gas and manufacturing go hand-in-hand in with creating jobs and downstream businesses. If approached correctly PA can grow our way out of some of our fiscal problems without always raising taxes and/or cutting programs.

ENERGY & ENVIRONMENT

Senate Bill 234 - Property Assessed Clean Energy Program (PACE) - The goal of the bill is to make loans available to large commercial and industrial energy efficiency projects through voluntary tax assessments. Many people cannot afford energy efficiency upgrades so this may make it more feasible.
STATUS: SUPPORT

Senate Bill 15 - This bill re-creates the Paris Climate Change Action at the state level. There is no cost benefit analysis associated with this bill that indicates the consequences to the state economy in terms of jobs or dollars as a result of these actions, nor does it indicate the specific benefits to PA. The bill references PA's duty to the international efforts to curb climate change when it is in need of a federal solution. PA should not be burdened with trying to solve this. **STATUS: OPPOSE & MONITOR**

ASK...PA Requires a Long-Term Energy Policy - A long-term energy policy will save the state government money and clean up the environment at the same time. Small business requests a voice in long-term energy policy development for PA. SMC will ask lawmakers, "What avenues can be explored to become involved?" **STATUS: SUPPORT**

REGULATIONS

House Bill 1237 - (Senate Bill 561) Establishes an enhanced review for economically significant regulations which have an annual fiscal impact totaling \$1 million or more on the government or private sector. The General Assembly must vote to approve an economically significant regulation before it can be implemented. This legislation requires an agency to reference the law that gives them authority to promulgate a regulation. If there is no such statute cited, then the regulation will be deemed withdrawn. Each standing committee would be required to hold a public hearing for any economically significant regulation. Committees and the Legislature would be given sufficient time to review a regulation by ensuring that the review period includes an adequate number of legislative session days.
STATUS: SUPPORT

LABOR COSTS

Minimum Wage - SMC worked on this extensively in 2017 and has survey results with data compiled from input from members of ten organizations. SMC supports an increase in the minimum wage that includes the following:

- A three-year phase-in that increases the minimum wage by \$.50/hr. to \$8.75 in 2020.
- A training wage for those under 18 should be maintained at \$7.25/hr.
- A seasonal worker wage should be maintained at \$7.25/hr.

- Members support training programs to enable low-wage workers to move beyond the minimum wage.

Workers' Comp - Senate Bill 963 (House Bill 1840) - Protz decision by the PA Supreme Court - Impairment Rating Evaluations (IREs) The Supreme Court does not object to the Impaired Rating Evaluations (IRE) process but disagreed with the method used to update the version of the American Medical Association (AMA) guidelines which determines the level of impairment. The Supreme Court ruled it was an unconstitutional delegation of authority. New legislation will update the IRE process with the 6th edition of the AMA guidelines. **STATUS: SUPPORT**

Workers' Comp - Senate Bill 936 (House Bill 18) - Adoption of a Workers' Comp Drug Formulary - Requires the PA Department of Labor and Industry to adopt an evidence-based drug formulary for the PA Worker's Comp (WC) program. The formulary will begin to reduce the over-prescription of opioid painkillers by setting evidence-based standards for medication that can be prescribed for a WC patient. **STATUS: SUPPORT**

Surprise Billing - Senate Bill 678/House Bill 1553 - SMC continues to work on this legislation. Its goal is to protect consumers from surprise balance bills from medical providers. That may occur when a patient gets medical care from providers at facilities they believe are in their health insurance plan's network, but unknowingly receive services from an out-of-network provider. It can also occur following an emergency, when a consumer has little or no control over where they are taken to receive care, and they are taken to an out-of-network emergency room. **STATUS: SUPPORT**

Association Health Plans - Trump Executive Order - MONITOR via National Small Business Association*

**SMC aligns with and in most cases supports the policies of our national affiliate, the National Small Business Association (NSBA).*

TAXATION

Small Business Equipment Deductions - House Bill 333 & Senate Bill 203. Section 179 of the IRS code allows businesses to deduct, up front, a certain amount of depreciation for qualifying asset purchases, such as computers, vehicles, machinery, and office furniture in the year of purchase instead of depreciating these acquisitions over multiple tax years. When the total purchases in a year exceeds a specific total amount or cap, the direct expensing allowance cannot be used. Section 179 depreciation allowable for deduction in Pennsylvania should be raised to the same amount permitted under the new federal tax reform law for income tax purposes. **STATUS: Support**

Identify and rectify small business problems with the PA Department of Revenue (PADOR).

PADOR lacks procedures for taxpayers to resolve minor or incorrect tax assessments in a cost-effective manner. SMC recommends the following:

- Simplification of the appeals process for both the businesses and the PADOR. This will save time and money for both. It will expedite the process for those who do not appeal while giving more time for providing proof and filing appeals for those who wish to appeal.
- Establish a minimum assessment threshold where the taxpayer or their representative can write a letter to resolve the issue instead of requiring a formal petition process.
- Create a small claims court as part of the appeals process.

STATUS: Engage with the PADOR.

House Bill 2017 - PA Department of Revenue (PADOR) Corporation Tax Bulletin 2017-2, Disallowance and Recovery of 100% Depreciation. House Bill 2017 will undo this provision. The new federal tax law allows corporations and other businesses to use 100% bonus depreciation, meaning that qualified business property can be expensed immediately rather than depreciated. However, the bulletin issued by PADOR will not allow corporations to take a deduction on their qualified property expensed under the new federal law until that property is disposed of or sold. PA would not allow businesses to take any depreciation. **STATUS: SUPPORT**