

PACP Column

Happy New Year! The 2017-18 session is already shaping up to be an interesting one, with a strongly Republican state House and Senate and a Democratic governor at the helm. Despite the political differences of both parties, the PA Chamber is urging both sides of the aisle to quickly coalesce around a plan that will rein in the state's growing public pension crisis. Last session, lawmakers fell just short of getting a bill to Governor Wolf's desk that would have slowed the pension systems' steady growth, shifted some of the pension risk off of taxpayers and helped ensure that the pension systems could remain sustainable for the future. Our organization is urging the legislative and executive branches to get to work on enacting a pension reform bill soon after they're sworn in, because continued inaction will lead to a weakened economy, increase property taxes (and other burdensome taxes) and threaten the retirement security of current participants in the pension systems.

This is especially important at a time when the state faces many looming fiscal challenges – including a \$600 million budgetary shortfall in the coming Fiscal Year is due in part to several months of lower-than-expected revenue returns. While this situation calls for a thorough analysis on how state money is being appropriated, the “answer” to covering the budget gap should not be to impose broad-based tax hikes in an uncertain, slow-growth economy. Fortunately, the Wolf administration shared in a mid-year budget briefing that they intend to focus on areas in which to save and cut funding, rather than generate new revenue, in the budget proposal that the governor will present next month.

We're also working in the New Year on other policy priorities that will improve the economy and encourage business investment in the Commonwealth: a more competitive tax structure with a reduced Corporate Net Income Tax rate; eliminating the cap on net operating losses that help new and cyclical businesses survive; reducing heavy-handed environmental regulations; and helping to close the jobs skills gap by promoting careers in the skilled trades. The PA Chamber's member-driven 2017 Legislative Agenda, which is available on our website, has further details about the policy goals we're working to enact this session on behalf of our broad-based membership.

In other news, the Pennsylvania Chamber is proud to be part of a new coalition of business advocates that is working to improve our state's legal climate. The Pennsylvania Coalition for Civil Justice Reform is committed to educating elected officials about the need for legal reform policies that business owners have long expressed a desire to implement, and that would bring about a more fair and equitable legal climate with the elimination of frivolous lawsuits. One of the coalition's goals this year will be working with lawmakers toward enacting venue reform, which seeks to change the long standing practice of “forum shopping” – a tactic used by some personal injury lawyers of filing their cases in pro-plaintiff jurisdictions (like Philadelphia) that have little or no relation to the defendant or the incident giving rise to the case, but that are more likely to result in a large pay day for their client.

Please feel free to contact us if you have any questions or comments about our policy positions. On behalf of the Pennsylvania Chamber, allow me to extend best wishes for a healthy and prosperous 2017.

Gene Barr