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TO: All Senators

DATE: December 20, 2010

FROM: Senator Mike Stack *YJS*

SUBJECT: Manufacturing and Agriculture Tax Credit

In the near future, **I plan to reintroduce Senate Bill 594 from the 2009-10 session**, which would provide for manufacturing and agriculture tax credits to qualified agricultural, manufacturing or research and development businesses. The purpose of this legislation is to increase research and development of new products. This bill would provide a tax credits to businesses that invest in new product development.

The tax credits would be awarded by the Department of Community and Economic Development according to the following guidelines:

- The total amount of tax credits shall not exceed \$18 Million per fiscal year.
- Two rounds of funding per fiscal year distributed as follows:
 1. \$10 million to companies with 500 employees or more. \$5 million shall be distributed during each round of funding.
 2. \$4 million to companies with 100-499 employees. \$2 million shall be distributed during each round of funding.
 3. \$3 million to companies with 20-99 employees. \$1.5 million shall be distributed during each round of funding.
 4. \$1 million to companies with 1-19 employees. \$500,000 shall be distributed during each round of funding.

I have worked with the Urban Industry Initiative, a group that works with manufacturers in Philadelphia, to develop this legislation. Please contact my office if you have any questions.

Previous co-sponsors included Senators Baker, Boscola, Brubaker, Fontana, Logan, O'Pake, Rafferty, Vogel, Waugh.

If you wish to join me in co-sponsoring this legislation, please call 7-9608.