

GORDON DENLINGER, MEMBER
99TH LEGISLATIVE DISTRICT

PO BOX 202099
HARRISBURG, PENNSYLVANIA 17120-2099
PHONE: (717) 787-3531
FAX: (717) 705-1951
E-mail: gdenling@pahousegop.com

607 EAST MAIN STREET
EPHRATA, PENNSYLVANIA 17522
PHONE: (717) 733-4002
FAX: (717) 733-3992



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

AGRICULTURE AND RURAL AFFAIRS
APPROPRIATIONS
SUB COMMITTEE CHAIRMAN,
CRIMINAL JUSTICE
FINANCE
POLICY
CO-CHAIRMAN, BUDGET AND
ECONOMIC POLICY TASK FORCE

CAUCUSES

FIREFIGHTERS
HISTORY
PENN STATE
SPORTSMEN'S
MUHLENBERG GERMAN-AMERICAN

MEMORANDUM

DATE: January 10, 2011

FROM: Rep. Gordon R. Denlinger

A handwritten signature in cursive script, appearing to read 'G. Denlinger'.

TO: All House Members

SUBJECT: Reintroduction of Legislation
(**Prior HB 2474** – Youth Employment Tax Credit)

It is evident that the current recession has levied a devastating effect on our nation. The labor market report for September of 2009 has detailed that over 263,000 jobs were lost in that month alone. The unemployment rate has grown to 10.0%. However, there is a particular demographic that has been hit especially hard; the teen unemployment rate has reached 25.9%, the highest rate since World War II. While increasing the minimum wage from time to time is of great importance to ensure works are being compensated fairly, doing so in times of recession can have disparaging effects on job creation. According to the Bureau of Labor Statistics, as the minimum wage has increased in recent years, so too has the gap between the overall unemployment rate and the teen unemployment rate.

To address this problem, in the near future I will be reintroducing legislation of vital importance to the young citizens of Pennsylvania. My legislation will amend the Tax Reform Code by adding a new article that provides for a Youth Employment Tax Credit. A taxpayer who incurs a qualified youth employment expense may apply for a tax credit in the amount of 50% of the taxpayer's total qualified youth employment expense for the taxable year. A qualified youth employment expense is defined as wages paid by a taxpayer to a qualified youth employee in an amount equal to the difference between the minimum wage and five dollars per hour per employee. A qualified youth employee is a Pennsylvania resident, aged 14 to 17.

The total amount of credits approved by the Department of Revenue will not exceed \$15 million and each taxpayer can collect up to \$50,000 in credits. The credits will be made available on a first come first served basis and for expenses incurred during taxable years ending before January 1, 2016.

My legislation will allow us to provide more opportunities for our youth to find employment, while simultaneously helping employers to climb out of the recession. Several studies have concluded that working as a teenager has many benefits over time, such as higher long-term wages and greater employability even after as much as a decade later. It is my goal to help provide our youth acquire these benefits that will serve them throughout the course of their lifetimes.

Please help me invest in our youth by assisting businesses to provide more jobs for our young workers. If you wish to co-sponsor this legislation, please contact Jesica Murphy in my office at jlmurphy@pahousegop.com.

Previous Cosponsors: DENLINGER , BEAR , BISHOP , BOYD , CALTAGIRONE , CAUSER , CREIGHTON , CUTLER , EVERETT , FARRY, FLECK , GEIST , GINGRICH , GODSHALL , GROVE, HARHART , HARRIS , HESS , HORNAMAN , JOHNSON, KAUFFMAN , LONGIETTI , METZGAR, MIRABITO, MURT , MUSTIO , PEIFER , RAPP , ROHRER , SAYLOR , SIPTROTH , SONNEY , STEVENSON , TRUE and VULAKOVICH