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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

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MEMORANDUM

TO: All House Members

FROM: Rep. Doug Reichley

SUBJECT: Co-Sponsor Memo: Biotechnology Tax Credit (Prior HB 854)

DATE: February 1, 2011

Over the course of recent legislative sessions, multiple proposals have been introduced with the intent of luring new businesses and industries to Pennsylvania while also fostering an economic environment that promotes the growth of those entities already located here. One prominent industry that has grown in Pennsylvania in recent years is that of biotechnology. Currently, Pennsylvania is home to multiple companies and entities such as MEDRAD, Centocor, Respironics, the University of Pennsylvania and the University of Pittsburgh, which are all leaders in the biotechnology field.

While the presence of these companies and entities has strengthened Pennsylvania's reputation as it relates to the biotech industry, there is no doubt that additional steps should be taken in order to promote and grow this industry. With this in mind, I will be re-introducing legislation which will amend the Tax Reform Code to provide an incentive to biotech companies and entities. If enacted, my legislation will provide for biotechnology tax credits to qualifying companies and entities. A tax credit will be issued to qualified taxpayers in the biotechnology services industry equal to 30% of the total costs or expenses incurred by that entity to relocate or establish a presence in Pennsylvania. Employers who cannot use the entire amount of the credit may carry over the unused portion for up to 15 years.

Additionally, the implementation of a tax credit such as this could create thousands of jobs across the Commonwealth. And as you all know, when new jobs are created, additional discretionary funds are available which stimulate the state-wide economy.

Please join me in my efforts to grow the biotech industry in Pennsylvania, while also creating new jobs. If you would like to co-sponsor this important piece of legislation, please contact my Harrisburg assistant Kendra Wiederhold at 787-1000 or kwiederh@pahousegop.com.