

2ND DISTRICT
CHRISTINE M. TARTAGLIONE

SENATE BOX 203002
THE STATE CAPITOL
HARRISBURG, PA 17120-3002
(717) 787-1141
FAX: (717) 787-7439

1061 BRIDGE STREET
PHILADELPHIA, PA 19124
(215) 533-0440
FAX: (215) 560-2627

127 W. SUSQUEHANNA AVENUE
PHILADELPHIA, PA 19122
(215) 291-4653
FAX: (215) 560-3260

Democratic Caucus Secretary



Senate of Pennsylvania

COMMITTEES

LABOR & INDUSTRY, MINORITY CHAIR
RULES & EXECUTIVE NOMINATIONS
APPROPRIATIONS
LAW & JUSTICE
STATE GOVERNMENT

REPLY TO:

TO: All Senators

FROM: Sen. Christine Tartaglione

DATE: March 10, 2011

SUBJECT: Closing Delaware Loophole – Reducing CNI

In the near future, I plan on introducing legislation that enhances tax fairness for all Pennsylvania business. The Delaware Loophole continues to provide an unfair tax advantage for certain corporations doing business in Pennsylvania at the expense of all other businesses.

Its continued exploitation prevents the General Assembly from reducing the state's 9.99% Corporate Net Income (CNI) rate, the second highest in the nation. The legislation proposes closing the loophole by implementing combined reporting to require state tax returns to be filed consistent with federal returns to recoup lost revenue. Those savings would be used to reduce the CNI to 7.5%.

Pennsylvania's economic recovery remains fragile and unsteady. It is critical that we pursue policies that to stimulate the economy, move business forward and create jobs even in the midst of difficult fiscal times.

This legislation is one part of a legislative package called PA Works that is designed to create 28,000 new jobs, leverage over \$2 billion in new private investment and save \$150 million.

I invite your co-sponsorship by contacting Sherry Hess at shess@pasenate.com or call 787-1141. Please contact my office by March 16, 2011 if you are interested in co-sponsoring this bill.