



**STANLEY E. SAYLOR**  
**THE MAJORITY WHIP**

121 MAIN CAPITOL BUILDING  
PO BOX 202094  
HARRISBURG, PENNSYLVANIA 17120-2094  
PHONE: (717) 783-6426  
FAX: (717) 783-7655

E-Mail: [ssaylor@pahousegop.com](mailto:ssaylor@pahousegop.com)  
Website: [www.repsaylor.com](http://www.repsaylor.com)

**House of Representatives**  
Commonwealth of Pennsylvania  
Harrisburg

**COMMITTEES**

**RULES**  
**BIPARTISAN MANAGEMENT**

15 S. MAIN STREET  
2ND FLOOR  
RED LION, PA 17356  
PHONE: (717) 244-9232  
FAX: (717) 246-2387

# Memo

To: All House Members  
From: Representative Stan Saylor  
Representative John Payne  
Date: April 21, 2011  
RE: Proposed Legislation – Job Creation Through Investment

In the near future, we will introduce legislation aimed at accelerating job creation in Pennsylvania-based small businesses through the creation of an angel investment tax credit. In recognition of the powerful role small businesses play in promoting economic growth and job creation, more than 20 states have already adopted similar tax policies to incentivize angel investment activity. Our proposal provides for a 25 percent tax credit for investments in qualified Pennsylvania businesses. Qualified businesses include firms focused on commercializing innovative new technologies, have been in business for less than seven years, and have less than 100 employees.

This approach to supporting homegrown entrepreneurs has already been proven successful in Pennsylvania, and recent research from the Kauffman Foundation suggests that nearly 100 percent of the nation's net job creation is directly attributable to early stage businesses. In Pennsylvania, these businesses have played a critical role in revitalizing the state's economy, and the evidence of their success can be found in nearly every corner of the Commonwealth.

With that said, this success has been imperiled by the dramatic decline in early stage investment activity in Pennsylvania. This legislation aims to reverse the current trend by incentivizing more than \$60 million in annual investments in early stage businesses. Importantly, this legislation would be funded by repurposing the unused tax credits in the current Keystone Innovation Zone program.

For all of these important reasons, we hope you will consider joining me in support of this important legislation. If you would like to join in cosponsoring this legislation, please contact Rep. Saylor's office at 783-6426 or by email to [cwalker@pahousegop.com](mailto:cwalker@pahousegop.com) or [jdougher@pahousegop.com](mailto:jdougher@pahousegop.com).