

MEMORANDUM

TO: All House Members and Legislative Assistants

FROM: Representative Ken Smith

DATE: October 24, 2011

SUBJECT: Co-Sponsorship: Legislation Establishing a Tax Deduction for Businesses that Manufacture Products Fueled by Natural Gas

In the near future, I intend to introduce legislation that would provide a tax deduction for businesses that manufacture products powered by natural gas fuel, including but not limited to, natural gas vehicles.

My proposal amends the Tax Reform Code of 1971, enabling manufacturers of natural gas powered products to claim a tax deduction of up to 20 percent of their total investment.

Natural gas production is thriving in the Commonwealth. As this domestically produced commodity becomes readily available for use as a transportation fuel, it should reduce our dependence on foreign oil. Offering a tax deduction for businesses that manufacture products fueled by natural gas encourages businesses to grow and create jobs. It is also my belief that by incentivizing Pennsylvania businesses to manufacture products fueled by natural gas, we are fulfilling our role as prudent fiscal stewards through smart investments of Commonwealth funds.

Should you wish to co-sponsor this legislation, please contact Jenifer Rosenberger in my office at 717-783-1359 or e-mail jrosenbe@pahouse.net.