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## **MEMORANDUM**

TO: Members of the House of Representatives

FROM: Representative Neal P. Goodman

DATE: May 4, 2012

**SUBJECT:** Co-Sponsor Memo – Industry Partnership Tax Credit

In the near future, I will be introducing legislation to give a tax credit to businesses that make cash contributions to industry partnerships authorized under the Workforce Development Act. This legislation is similar to legislation Senator Brubaker introduced in the Senate.

This legislation would permit a business that contributes to an industry partnership to claim a tax credit of up to 75% of the contribution. The Department of Labor and Industry would review applications for credits and establish guidelines to determine the appropriate activities contributions must fund in order to qualify for a tax credit. Tax credits would be limited to \$37,500 per business and \$7,500,000 total in any year. Contributions made to satisfy the requirement for private sector matching funds for state grants under the state's Industry Partnership program shall not qualify for the tax credit.

Senator Brubaker has proposed a terrific way to support investment in the Industry Partnership program, while also relieving some of the pressure on taxpayers to pay for it. Pennsylvania's Industry Partnership program has been a tremendous success for employers and workers, alike. According to the Department of Labor and Industry, more than 6,300 businesses have taken part in over 80 partnerships throughout the state, and over 70,000 workers have received training because of the program. I commend Senator Brubaker for introducing this bill and am introducing a similar version in the House to help pass this legislation as quickly as possible.

If you would like to co-sponsor this legislation, please contact Linda Reed at <u>lreed@pahouse.net</u> or 787-2798.