



Pennsylvania Builders Association
600 N. Twelfth St.
Lemoyne, PA 17043
(800) 692-7339
(717) 730-4380
fax (717) 730-4396

TO: Members of the House Finance Committee

SUBJECT: Position Paper – House Bill 721, P.N. (Rep. Benninghoff)

DATE: February 12, 2013

PBA SUPPORTS HOUSE BILL 721

Bill Summary

House Bill 721 amends the Local Tax Enabling Act to prohibit municipalities from increasing the scope of an assessed Business Privilege Tax (BPT) beyond the geographic boundaries of the municipality.

PBA Position

PBA supports House Bill 721 for the reasons listed below. We ask that you vote in support of the legislation.

- **Limits a local government’s ability to capitalize on statewide business growth.** House Bill 721 would allow a local taxing jurisdiction the ability to assess a Business Privilege Tax only on facilities within that jurisdiction. As businesses grow and succeed in other parts of the Commonwealth, HB 721 would protect that growth from overreaching taxation by a taxing body.
- **Prevents conflicting tax assessment by multiple municipalities.** Transient construction businesses and more numerous retail businesses often face conflicting taxation because of their presence in more than one local taxing jurisdiction that assesses a Business Privilege Tax. HB 721 would end such conflicts by allowing taxing jurisdictions to only assess and collect a BPT within the geographic boundaries of that jurisdiction.
- **Does not expand the Business Privilege Tax.** The Local Tax Enabling Act halted the enactment of new local Business Privilege Tax programs as of 1988. Currently, only local taxing jurisdictions that enacted a BPT as of 1988 are eligible to assess such a tax.

HB 721 would maintain that limitation and prevent jurisdictions from enacting new BPT programs.

If you have any questions, please contact me at 717-386-9941 or bsailhamer@pabuilders.org.