



October 18, 2019

The Hon. Thomas Killion
Chairman
Pennsylvania Senate Community, Economic
and Recreational Development Committee

Dear Chairman Killion:

Thank you for allowing the Pennsylvania Chamber of Business and Industry (PA Chamber) to submit comments to the Senate Community, Economic and Recreational Development Committee hearing on the data center industry and its impact on the economy.

The PA Chamber is the largest, broad-based business advocacy association in the Commonwealth. Our membership consists of thousands of employers of all sizes from all industry sectors. We advocate on many issues of public policy seeking to improve Pennsylvania's business climate and increase the competitive advantage for our members. One consistently cited issue that employers indicate hinders growth is our tax climate. The Commonwealth's tax structure, in particular its Corporate Net Income tax rate and the application of the tax, is plain and simple – not competitive.

With recent tax changes at the federal level and many states following suit, employers are investing back into their companies, their employees and their communities. The PA Chamber is pushing for real reform to the Commonwealth's tax structure so employers invest here in Pennsylvania. As the economy becomes more diverse and new industries emerge, we need to enact pro-growth policies that signal to job creators throughout the country that Pennsylvania is open for business.

The PA Chamber commends the committee for taking the time to hear testimony from the data center industry. We have seen growth here and throughout the country from this particular industry and the PA Chamber is supportive of policies that will continue that trend. Specifically, the PA Chamber supports legislation that will create a data center sales tax exemption similar to ones used by other industries such as dairy, farming, manufacturing and mining. The legislation will incentivize companies to locate their data centers in Pennsylvania, creating capital investment and family sustaining jobs as a result.

The PA Chamber urges the Senate to bring Pennsylvania in line with other states and enact legislation that will allow the data center industry to thrive.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Denisco". The signature is fluid and cursive, with a large loop at the end.

Sam Denisco
Vice President, Government Affairs