

Associated Builders and Contractors of
Pennsylvania
Associated Pennsylvania Constructors
Associated Petroleum Industries of PA
Consumer Energy Alliance
General Contractors Association of Pennsylvania
Manufacturer & Business Association
Marcellus Shale Coalition
National Federation of Independent Business

Pennsylvania Aggregates and Concrete
Association
Pennsylvania and Delaware Cleaners Association
Pennsylvania Builders Association
Pennsylvania Chamber of Business and Industry
Pennsylvania Council of General Contractors
Pennsylvania Forest Products Association
Pennsylvania Independent Oil & Gas Association
Pennsylvania Manufacturers' Association

September 16, 2020

Dear Governor Wolf and Honorable Members of the General Assembly,

On behalf of our diverse coalition of the state's leading business organizations and trade associations, representing thousands of businesses who employ millions of Pennsylvanians, we write in continued opposition to the enactment of an additional severance tax or other punitive energy taxes as part of the ongoing budgetary discussions for the 2020-21 fiscal year. We acknowledge the fiscal challenges that have resulted from the COVID-19 pandemic and the associated restrictions imposed on the economy, but it remains imperative that the state continue to position itself for long-term economic competitiveness in order to recover. Punitive energy taxes will only discourage investment in job creation in the high-value sectors of manufacturing, energy development and construction – sectors which already bore considerable burden throughout this pandemic as the economy contracted.

We share the desire to establish fiscal policy that ensures the long-term health of this state as well as the continued growth of the economy. We therefore must oppose taxes that would dampen investment into what should be one of the state's brightest spots for growth – an abundant supply of natural gas, which can be used to power businesses, homes, schools and industries across the state and throughout the country. Such development will further the significant, long-term improvement in air quality and reductions in greenhouse gasses that have been documented by state and federal regulators, in addition to bolstering domestic energy security at a time of heightened geopolitical tensions.

Pennsylvania, in large part due to its energy economy, did not suffer as much as other states did 10 years ago following the Great Recession. Support for this industry, and the sectors it supports – whether that be hospitals in need of PPE and reliable energy or the manufacturers looking to res-shore and make more resilient our supply chains – is needed more than ever given that energy costs and tax policy are key drivers of a state's ability to compete for investment. Nor can it be left unsaid that Pennsylvania has one of the worse unemployment rates in the nation. Bipartisan pursuit of pro-growth economic and regulatory policy could help Pennsylvania turn the tide and be in a position to compete long-term for investment and growth. We look forward to working with you to make that a reality.