

Legislative Alert

Pennsylvania Enacts New Job Creation Program

Atlas Insight assists companies from all industry sectors and geographies to negotiate and secure tax credits and incentives for business investment and job creation/retention.

The professionals at Atlas Insight are industry leaders in the field of corporate site selection and incentive procurement.

We help to choose locations for all types of business facilities that meet the long-term needs of those operations, while helping to achieve overall corporate goals.

Our team has extensive experience in all corporate sectors and has consulted on many sensitive projects for some of the world's largest corporations. We strive for excellence with every client.

For more information, please contact:

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Target Audience: Pennsylvania Employers

Details of New Legislation:

On, October 26th, Governor Corbett signed H.B. 2626 bill into law and introduced Promoting Employment Across Pennsylvania (PEP!). This credit allows employers to retain state personal income tax withholdings for newly created quality jobs. PEP! takes effect for tax years starting January 1st, 2013.

Promoting Employment Across Pennsylvania, PEP!:

The PEP! allows employers to retain 95% of state personal income tax on newly created positions. To qualify, a company must enter an agreement with the State's Department of Community and Economic Development (DCED) to create at least 250 new jobs within a 5 year period, 100 of which must be created within the first two years, and offer health benefits to their full time employees. The participate in the program, businesses must apply to the DCED *prior* to claiming the incentive.

The level of benefit will be based on the Average Wage as follows:

- 7 years if paying at least 100% of the County Average Wage
- 8 years if paying at least 110% of the County Average Wage
- 9 years if paying at least 120% of the County Average Wage
- 10 years if paying at least 140% of the County Average Wage

Program Features:

- This program is subject to an aggregate \$5 million threshold
- Both full-time and part-time employees qualify
- Companies may elect to receive a rebate of withholdings instead of retention
- Most industries qualify except for retail stores, food services, and utility companies
- No agreements can be made after January 1, 2018

Recommended Action:

If your company is considering expanding or locating a new operation in Pennsylvania, then this legislation could present a valuable opportunity. The experts at Atlas Insight have the experience and resources to navigate you through the application, approval and compliance phases while ensuring you receive maximum benefit possible. Please contact us so that we can determine if your company will be a good candidate for Promoting Employment Across Pennsylvania.