



## Business Update

from STATE REPRESENTATIVE GIB ARMSTRONG

Greetings! I hope this letter finds you wrapping up a profitable quarter with good prospects for the one ahead. The more I learn about state tax policy, business regulations and other states' business environments, the more I realize that we in Harrisburg need to remember that government does not create jobs and prosperity—people like you do! That's why I am working to restore an environment where you keep more of the money you work for and an environment devoid of oppressive regulations. That boils down to at least four specific things:

**ELIMINATING SCHOOL PROPERTY TAXES:** As one of the original four House members to flesh out what has become known as the Plan for Pennsylvania's Future, I am proud of the progress our bipartisan, pro-growth plan is making to eliminate all school property taxes and replace them with a lower-rate sales tax that has a broader base (which will include food, clothing and services). Enclosed is a newsletter, along with a more detailed plan for your review. We are working toward a vote on the House floor this fall. In the near future, I will host several Taxpayer Meetings to discuss the details. If you are interested in attending one, please call my office at (717) 786-4551. For more information, visit [www.repgibarmstrong.com](http://www.repgibarmstrong.com).

**PROMOTING AGRICULTURE:** I am working closely with Mike Brubaker and the Blue Ribbon Commission to ensure the continued prosperity of agricultural businesses in Lancaster County.

Additionally, I head the bipartisan, 65-member House Alternative Energy Caucus. Our mission is to promote public policy that will encourage market-driven incentives for emerging alternative energy technologies. One of our focuses is encouraging technologies that generate additional income for farmers or reduce their overhead. That includes soy diesel, ethanol and manure digesters.

I also serve as Secretary for the Pennsylvania Energy Development Authority (PEDA). We have the authority



*Rep. Armstrong participates in the press conference announcing the introduction of the Keystone Manufacturing Initiative.*

to issue grants, loans and loan guarantees of up to \$300 million for projects that encourage the development of alternatives to traditional energy sources. Please let me know if you have an idea for generating energy from alternative means.

**SPEARHEADING THE KEYSTONE MANUFACTURING INITIATIVE (KMI):** We continue to lose manufacturing jobs by the hundreds—not primarily to other countries, but to other states with much more favorable business climates.

The sixteen bills in the KMI package will help change that. In January, I organized a meeting for some key legislators and business leaders that I am working with to make this happen. In May, I helped to organize a meeting with key Senators to gain their support and to discuss how we can support their companion bills when they come to the House.

**STANDING UP FOR WORKERS' RIGHTS.** I am proud to support the four-bill Open Workforce Initiative, which will let employees, not union bureaucrats, decide if they want to join a union, and if they want the money they earn going to partisan political organizations which they have no control over.

For more information on the Open Workforce Initiative, the Alternative Energy Caucus or PEDA, KMI or the Plan for Pennsylvania's Future, or to be added to our email update list, please call me at (717) 786-4551, email me at [Gib@pahousegop.com](mailto:Gib@pahousegop.com), or visit [www.RepGibArmstrong.com](http://www.RepGibArmstrong.com). Thanks for all you do for our community and for those who benefit from you being in business! Please keep in touch and let me know how I can be of service to you in the future.

Sincerely,

*Gib Armstrong*  
Gib Armstrong



## KMI: GOOD JOBS TODAY, GOOD JOBS TOMORROW

The Keystone Manufacturing Initiative (KMI) is a comprehensive package of sixteen bills designed to make Pennsylvania more competitive and friendlier to employers. KMI will create thousands of family-sustaining jobs for Pennsylvanians. Here are some basics about the plan:

Why do we need KMI? In the past 10 years, Pennsylvania has lost 22 percent of its manufacturing jobs. That's over 47,000 skilled workers without family-sustaining jobs. Pennsylvania was recently ranked by industry executives as one of five states with the most oppressive tax environment.

How will KMI help? The KMI bills address serious issues that affect manufacturing and business in general:

- Business Tax Structure Reform
- Affordable Healthcare
- Tort Reform
- Regulatory Reform
- Unemployment Compensation Reform
- Worker Compensation Reform

What are the anticipated results? Every manufacturing job creates nine additional jobs in the service industry and in other supporting manufacturing jobs. So turning around Pennsylvania's ailing manufacturing industry is vital to keeping good jobs today and creating new jobs for tomorrow. Strengthening our manufacturing industry will keep hard-working, young Pennsylvanians here, instead of losing them to states with less oppressive tax and regulatory burdens and therefore, more and better jobs.

If you would like to voice your support for the Keystone Manufacturing Initiative or have further questions, please e-mail me at [Gib@pahousegop.com](mailto:Gib@pahousegop.com), or visit [www.RepGibArmstrong.com](http://www.RepGibArmstrong.com). Please include your name, mailing address and any other pertinent contact information.



## KMI Bills to Improve Small Business Access to Affordable Health Insurance Pass House

Skyrocketing health insurance premiums, ranging as high as 50 percent, continue to top the list of problems plaguing Pennsylvania small business owners. As a result, many employers are forced to either shift the cost of health care insurance to their employees or drop it altogether.

Consumer-driven, market-based efforts to lower costs and increase the accessibility of health insurance are the answer. That's why I am happy to report that two key KMI bills recently passed the House:

- Health Care Savings Accounts (House Bill 107): This bill would provide deposits to health care savings accounts the same tax advantages now granted only to health insurance premiums. It would allow individuals to control some of their own health care dollars without a tax penalty.
- Small-Business Health Care Tax Credit (House Bill 734) would provide a tax credit to small businesses that offer employee health insurance benefits through the Health Savings Account (HSA) plans and contribute to the employee's HSA. This legislation offers a tax credit of up to 50 percent to employers based on the amount they contribute to their employee's HSA.

To help get as many of the KMI bills passed as possible, I helped establish the "KMI Working Group." Once a month I meet with business leaders from around the state and other legislators to plan out our work on KMI for the next month. Additionally, I helped to establish the Senate-House Working Group, where members of both chambers work together to ensure that once a KMI bill passes in one chamber, it continues to move along in the other.



*Rep. Armstrong is inducted as an honorary member of the Rotary South Club, sponsored by Jeff Wright. Rep. Armstrong is pictured with Dick Kramer, Joe Eby, and Wes Coote.*





*Rep. Armstrong outlines the economic benefits of the Plan for Pennsylvania's Future during a Capitol press conference.*

## ENDING THE PROPERTY TAX NIGHTMARE

Unveiled early last year, the Plan for Pennsylvania's Future is a bipartisan, pro-growth plan to eliminate all school property taxes and replace them with a lower-rate sales tax with a broader tax base.

Eliminating school property taxes is a powerful economic stimulant for home owners, consumers and employers alike. Property taxes represent the second largest fixed expense for most businesses. Eliminating the burden of property taxes will allow businesses to create a projected 139,000 new jobs in the first few years of implementations.

Other pro-business benefits of this innovative school finance reform package (House Bills 116-120) include:

- Reducing the cost of business compliance, bureaucracy enforcement and the fear of audits.
- Simplifying the tax code. The most complex sales tax mechanism in the state, which is costly for many businesses to collect, will be eliminated.
- Stimulating new construction and investment in Pennsylvania.
- Making Pennsylvania more attractive to businesses (i.e. 0% school property tax).

To help constituents understand this plan and how it will impact them, I will host several Taxpayer Meetings in the near future to discuss the details. If you are interested in attending one of these meetings, please call my office at (717) 786-4551. For more information on the Plan for Pennsylvania's Future, visit [www.repgibarmstrong.com](http://www.repgibarmstrong.com).

## New Additions to Our Community

*Rep Armstrong is pictured with Robin and Christy Lapp who recently opened their restaurant, C.R. Lapps in Quarryville.*



*Rep Armstrong is pictured with (from Left to right) Emma Forrest, president of The Coffee Bean, Ltd and her employees, Tammy Wimer and Amanda Pabon. This is a new coffee shop which opened in Quarryville.*



## RESTORING FREEDOM IN THE WORKPLACE WITH THE OPEN WORKFORCE INITIATIVE

To restore the freedoms of Pennsylvania's workers, I joined several House Republicans and more than a dozen of Pennsylvania business leaders to introduce four bills (House Bills 50-53) known as the Open Workforce Initiative. These bills will stop unions from being able to force workers to join and hand over part of their hard-earned paycheck to union bureaucrats and radical political organizations with which they might not agree.

- **Employee Rights:** Right to Work laws will ensure workers have the freedom to decide for themselves to which private organizations they will join or contribute.
- **Workers Keep More of Their Money:** The average income adjusted for taxes, mandatory union dues and cost of living in Pennsylvania is nearly \$3,000 less when compared to residents living in the 22 Right to Work states. Right to Work legislation will help correct this imbalance.
- **More and Better Jobs:** Pennsylvania was one of 21 states which lost jobs in 2003. At the same time, 18 of the 22 Right to Work states performed better than we did. Six of the top ten states with the best economies have Right to Work laws. The five states that gained the most skilled workers over the past ten years were all Right to Work states. At the same time, Pennsylvania has suffered a significant drop in relative population, which has cost us two seats in Congress. It is time to change direction!

Restoring freedom in the workplace is essential to improving Pennsylvania's business climate and economy. The Open Workforce Initiative will provide the long-overdue guarantee that every Pennsylvania employee has the right to join or not to join a union; without having to worry about keeping his or her job.



*To protect the individual freedoms of Pennsylvania's working citizens, our schools and the economy, Representative Armstrong joined with several of his House colleagues and more than a dozen of our state's leading Right to Work advocates on Wednesday, March 30th to introduce the Pennsylvania Open Workforce Initiative.*

### How My Office Can Help You

*In addition to working hard to represent you in Harrisburg, Rep. Armstrong can assist you with numerous state matters, including various PennDOT issues and obtaining copies of House and Senate legislation. Booklets, maps, and brochures are available to provide information on:*

- ☐ Entrepreneur Guide
- ☐ Plan for Pennsylvania's Future
- ☐ Bureau of Consumer Protection Booklet
- ☐ Identity Theft Prevention
- ☐ PA Living Wills
- ☐ PHEAA...yes you can afford higher education
- ☐ TAP-Tuition Account Program
- ☐ Consumer Interest Telephone Numbers
- ☐ PA maps
- ☐ Voter registration forms and absentee ballot applications
- ☐ Your vote/your voice in the future
- ☐ PA Travel Guide

*Please contact my Quarryville or Harrisburg office if I can be of service to you.*

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