

Senate Banking and Insurance Committee



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Senator Don White Message to Small Business

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SMALL BUSINESSES HOLDS KEY TO ECONOMIC RECOVERY

I would like to announce the recession is over and we can expect full economic recovery to begin immediately, but I was raised to tell the truth and the truth is Pennsylvania's economy is still wobbly at best. State revenues from the Personal Income Tax and the Sales and Use Tax – two true measures of our economy – remain lackluster.

State government, businesses, families and individuals are all in the same boat when it comes to the federal health care bill signed into law in March. Instead of providing solutions to the problem of health care accessibility and affordability, it relies on increasing government spending and imposing mandates and requirements that will negatively impact consumers and employers.

Provisions like taxes on small business health insurance plans, the poorly structured tax credit, and the increase in the Medicare payroll tax will likely compound existing problems and ultimately result in more expensive health care services for employers and consumers.

Yet, even as the feds begin building this new bureaucracy, state governments and businesses must take a more cautionary stance pending the outcome of the lawsuit filed by 18 states – including Pennsylvania – challenging the constitutionality of the mandate requiring citizens to purchase health insurance.

Even though we as a nation are seemingly in limbo, as Chairman of the state Senate Banking and Insurance Committee, I continue to advocate for common sense and consumer-driven reforms to increase accessibility and affordability of health care.

In fact, we are striving to improve the marketplace with measures intended to provide flexibility for individuals and families while reducing insurance premium costs for employers. We recognize that escalating health insurance premiums are making it increasingly difficult for many businesses to offer coverage as part of their benefits packages – which ultimately intensifies the problems with affordability and accessibility that we are trying to address.

That was the impetus for the legislature to pass legislation creating Health Savings Accounts, providing for coverage of uninsured young adults, and addressing preventable serious adverse events, among others. Additionally, legislation I introduced (Senate Bill 1189) would promote much needed competition in the health insurance marketplace

while encouraging small and midsized employers to promote healthy lifestyles among their employees. I am committed to pursuing initiatives such as SB 1189 during future legislative sessions.

As someone who operated a small business for most of my life, I recognize the challenges you face. I will continue to do what I can – outside the scope of federally-imposed mandates and restrictions – to protect small businesses.

That's why I strongly and successfully opposed the recent efforts by the Administration to slow down the phase-out of the Capital Stock and Franchise Tax and to eliminate the 1-percent fee granted to vendors for collection of the state sales tax.

The road to economic recovery will not come through increased taxes, massive government bail-outs, or new entitlement programs. The engine of our state's recovery is you – the small business people of Pennsylvania. That basic principle must be recognized and understood in Harrisburg and in Washington – when you succeed and thrive, our community, our Commonwealth and our nation will succeed and thrive as well.

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Senator Don White represents the 41st Senatorial District (Armstrong, Butler, Clearfield, Indiana and Westmoreland). Prior to his election to the State Senate in 2000, he owned and operated a small business for many years in Indiana, PA.