



**NATIONAL ELECTRICAL CONTRACTORS  
ASSOCIATION**

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October 16, 2015

Dear Senator,

On behalf of the Pennsylvania chapters of the National Electrical Contractors Association (NECA), an organization representing nearly 200 PA businesses –many of these are small and medium sized family businesses— we urge you to support HB 437 and to work to make sure that the tax “clarification” included in HB 437 is included in any final tax Bill that is passed with the state budget.

HB 437 clarifies the definition of building machinery and equipment in regards to traffic signals. While the tax code provides an exemption for “traffic signals,” so long as the traffic signal will be transferred to a tax-exempt government entity, the Department of Revenue is assessing tax on the sale of foundation material, poles, and mast arms used in traffic signal construction. This recent interpretation of the term “traffic signals” is much narrower than intended and increases the cost to install and maintain traffic signals. Furthermore, clarification of this language will allow local companies performing work on traffic signals to ensure that their policies and procedures regarding the Sales and Use Tax comply with the law.

Should the bill come before you for consideration, please keep Pennsylvania’s municipalities and local businesses in mind and VOTE YES on this common sense clarification and support it being included in the final tax bill that is considered with the state budget.

Sincerely,

Jeffrey P. Scarpello  
Executive Director  
Penn-Del-Jersey Chapter, NECA  
2003 Renaissance Boulevard  
King of Prussia, PA 19406

Chad M. Jones  
Executive Director  
Western Pennsylvania Chapter, NECA  
5 Hot Metal Street, Suite 301  
Pittsburgh, PA 15203