



**Annual Report to the General Assembly
on Business Fee Exemptions
for Veteran- or Reservist-Owned Small Businesses**

February 18, 2019

The Department of State ("Department") submits this report to the General Assembly pursuant to 51 Pa.C.S. § 9611(e), which requires the Department to annually determine the total number of business fee exemptions applied for and issued and the total dollar amount of the exemptions and submit a report to the chair and minority chair of the Veterans Affairs and Emergency Preparedness Committee of the Senate and the chair and minority chair of the Veterans Affairs and Emergency Preparedness Committee of the House of Representatives.

By way of background, Act 135 of 2016 exempts veterans and reservists starting a small business in the Commonwealth from the payment of a business fee. The law became effective on January 3, 2017.

A **business fee** is any fee required to be paid to the Commonwealth or a political subdivision for starting or opening a business within Pennsylvania.¹ The term does not include a fee for maintaining licensure or other requirement for continuing to operate a business.² A **small business** must be independently owned, not dominant in its field of operation, and employ 100 or fewer employees.³ A **veteran- or reservist-owned small business** must be owned and controlled by a veteran/veterans or reservist/reservists.⁴

A **veteran** is an individual who served in the United States Armed Forces, including a reserve component or the National Guard, and who was discharged or released from service under conditions other than dishonorable.⁵ A **reservist** is a member of a United States Armed Forces reserve component or National Guard.⁶

The filing fees for the following documents are waived by the Department's Bureau of Corporations and Charitable Organizations ("Bureau"), when the documents are signed by the veteran or reservist and submitted with proof of the veteran's or reservist's status:

- Articles of Incorporation (for profit) - \$125
- Articles of Incorporation (nonprofit) - \$125
- Certificate of Organization - \$125

¹ 51 Pa.C.S. § 9610.

² *Id.*

³ 62 Pa.C.S. § 2102.

⁴ 51 Pa.C.S. § 9601 and § 9610.

⁵ 51 Pa.C.S. § 9601.

⁶ 51 Pa.C.S. § 9610.

- Certificate of Limited Partnership - \$125
- Registration - Domestic Registered Limited Liability Partnership - \$125
- Foreign Registration Statement - \$250
- Registration of Fictitious Name - \$70

The above-listed business formation documents may be submitted directly by the veteran or reservist, or submitted through a law firm or service company. All formation/registration documents must be signed by the veteran or reservist seeking the fee exemption and attach proof of the veteran's or reservist's status.

A veteran or reservist must provide the Bureau with proof of the veteran's or reservist's status at the time the business application is submitted. Such proof includes a legible photocopy of:

- A Federal DD-214 form
- A Federal NGB-22 form
- A valid Federal Veterans' Administration card or
- A valid Department of Defense-issued military identification card⁷

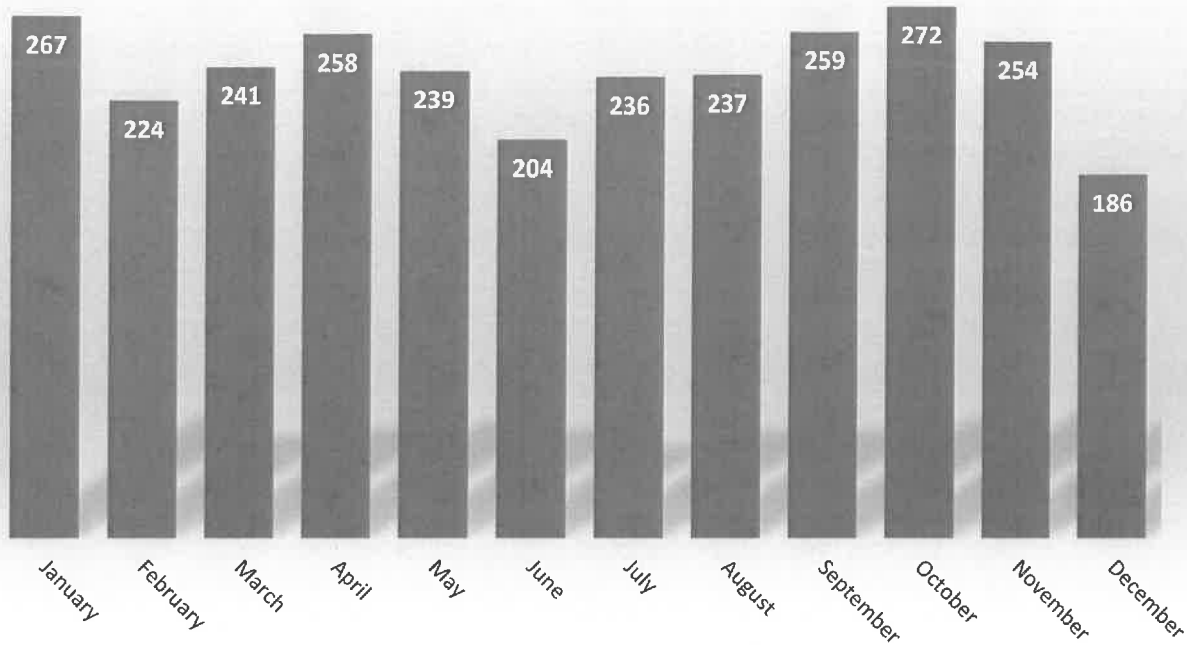
Formation filings and proof of veteran/reservist status may be submitted to the Bureau online through PENN File, by mail, or via personal delivery.

The following table and chart illustrate the total number of business fee exemptions applied for and issued to veteran- or reservist-owned small businesses in the prior calendar year and the total dollar amount of these exemptions.

2018	Number of Filings Submitted	Number Filings Accepted	Fees Waived
January	371	267	\$29,050.00
February	342	224	\$24,555.00
March	344	241	\$26,405.00
April	349	258	\$28,685.00
May	344	239	\$26,345.00
June	291	204	\$23,075.00
July	310	236	\$26,505.00
August	320	237	\$26,775.00
September	339	259	\$28,835.00
October	363	272	\$30,960.00
November	342	254	\$27,505.00
December	259	186	\$20,370.00
Total	3974	2877	\$319,065.00

⁷ 51 Pa.C.S. § 9611(b).

Number of exemptions applied for and issued
(by month)



Respectfully submitted,

Kathy Boockvar

Kathy Boockvar
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