



# 2024

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

**February 3, 2025**



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. This report is for calendar year 2024.

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.<sup>1</sup> The term does not include a fee for maintaining licensure or other requirement for continuing to operate a business.<sup>2</sup> A small business must be independently owned, not dominant in its field of operation and employ 100 or fewer employees.<sup>3</sup> A veteran- or reservist-owned small business must be owned and controlled by a veteran/veterans or reservist/reservists.<sup>4</sup>

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.<sup>5</sup> A reservist is a member of a United States Armed Forces reserve component or National Guard unit.<sup>6</sup>

The filing fees are waived by the Department’s Bureau of Corporations and Charitable Organizations and the Bureau of Professional and Occupational Affairs when the documents are signed by the veteran or reservist and submitted with proof of the veteran’s or reservist’s status. A veteran or reservist must provide the Bureaus 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 card

## **Bureau of Corporations and Charitable Organizations**

The following 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.

- Articles of Incorporation (for profit) - \$125
- Articles of Incorporation (nonprofit) - \$125
- Certificate of Organization Domestic Limited Liability Company - \$125
- Certificate of Limited Partnership - \$125
- Registration – Domestic Registered Limited Liability Partnership - \$125
- Foreign Registration Statement - \$250
- Registration of Fictitious Name - \$70

Formation filings and proof of veteran/reservist status may be submitted to the Bureau online through Business Filing Services (BFS) at <https://file.dos.pa.gov>, 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 2024 calendar year and the total dollar amount of these exemptions.

<b>Bureau of Corporations and Charitable Organizations</b>			
Month	Number of Applications Submitted	Number of Filings Accepted	Fees Waived
<b>January</b>	368	295	\$35,185.00
<b>February</b>	387	314	\$37,260.00
<b>March</b>	378	301	\$35,960.00
<b>April</b>	360	290	\$33,525.00
<b>May</b>	297	253	\$30,165.00
<b>June</b>	5	1	\$125.00
<b>July</b>	234	238	\$27,600.00
<b>August</b>	237	252	\$28,315.00
<b>September</b>	219	263	\$30,815.00
<b>October</b>	245	270	\$31,460.00
<b>November</b>	191	226	\$26,545.00
<b>December</b>	194	220	\$25,255.00
<b>Totals</b>	<b>3,115</b>	<b>2,923</b>	<b>\$342,210.00</b>

The Bureau averaged 243 accepted filings per month, with a 6.57% correction rate. The rejections were primarily due to missing docketing statements and failure to provide proof of veteran or reservist status.

### **Bureau of Professional and Occupational Affairs**

Initial application fees may be waived for the following license types, which represent businesses regulated by the various licensing boards and commissions, when submitted with proof of the veteran's or reservist's status and signed by the veteran or reservist:

- Architecture Firms
- Pharmacies
- Funeral Entities
- Barber Shops and Schools
- Accountancy Firms
- Cosmetology Salons and Schools
- Esthetician Salons



- Nail Technology Salons
- Dental Facility Fictitious Name Registrations
- Expanded Function Dental Assistant Education Programs
- Real Estate Brokers and Cemetery Brokers and Companies
- Rental Listing Referral Agents
- Appraisal Management Companies
- Auction Companies
- Trading Assistant Companies
- Vehicle Auctions, Dealers, Distributors and Manufacturers
- Education Providers

Applications and proof of status documents can be submitted through the Pennsylvania Licensing System (PALS) at <https://pals.pa.gov/>.

The Bureau processed 63 applications with \$11,359.50 in fees exempted across seven licensure boards in 2024.

Bureau of Professional and Occupational Affairs		
Licensing Board	Number of Applications	Fees Waived
State Architects Licensure Board	1	\$50.00
State Board of Auctioneer Examiners	3	\$360.00
State Board of Barber Examiners	8	\$1280.00
State Board of Certified Real Estate Appraisers	1	\$2000.00
State Board of Cosmetology	28	\$3976.00
State Real Estate Commission	13	\$2203.50
State Board of Vehicle Manufacturers, Dealers, and Salespersons	9	\$1490.00
Totals	63	\$11,359.50

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Al Schmidt", enclosed within a thin black rectangular border.

Al Schmidt

Secretary of the Commonwealth of Pennsylvania

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<sup>1</sup> 51 Pa.C.S. § 9610.

<sup>2</sup> Id.

<sup>3</sup> 62 Pa.C.S. § 2102.

<sup>4</sup> 51 Pa.C.S. § 9610.

<sup>5</sup> 51 Pa.C.S. § 9601.

<sup>6</sup> 51 Pa.C.S. § 9610.