State of Connecticut
Latino and Puerto Rican Affairs Commission

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Testimony of Mr. Fernando Betancourt
Human Services Committee Public Hearing
S.B. No. 163 (RAISED)
AN ACT CONCERNING A STATE EARNED INCOME TAX CREDIT
Thursday, February 21, 2008 at 9: 00 A. M. in Room 2B of the LOB

Good morning State Senator Harris State Representative Villano and members of the Human Services Committee. My name is Fernando Betancourt, Executive Director of the Latino and Puerto Rican Affairs Commission (LPRAC). I am here today on behalf of the LPRAC to speak in support of the passage of Senate Bill Number 163 "An Act Concerning a State Earned Income Tax Credit."

The LPRAC for the record has been supportive of the adoption of the state version of the federally recognized Earned Income Tax Credit (EITC) for several years. The federal EITC has a bi-partisan record, which helped it get enacted into law under President Gerald Ford back in 1975. As a matter of fact, the EITC was called the "best anti-poverty" measure by President Ronald Reagan and concretely it has been reported that more than 165,000 households across the state claimed the federal tax incentive with a net return of almost $270 million dollars to low-wage families based on 2004 data. These funds not only help low-income families obtain self-sufficiency, but it helps stimulate the local economy.

Latinos in Connecticut represent an increasing share of the workforce, yet they are overwhelmingly vulnerable to economic downturns and experience high poverty rates, especially among working families with children. The Latino population based on the latest U.S. Census Bureau is at a 10.9% of the total population. The percent of the Latino population living below the poverty line is 22.9% compared to an eight percent for the rest of the population statewide. The LPRAC consequently finds it crucial the adoption of a state EITC. As the Senate Majority Leader Martin Looney stated at the national EITC Day on January 31st, 2008 here in Hartford "*a State EITC is the most beneficial targeted assistance that Connecticut can provide to low-income working families who are struggling to be self-sustaining and independent.*"

For comparative analysis purposes, all New England states have a state EITC program except for New Hampshire and Connecticut. (New Hampshire however does not have an income tax system.)

The LPRAC was created by the Legislature of the State of Connecticut through Public Act No. 94-152, taking effect in February 1, 1995. LPRAC is part of the Legislative Branch.