



HOME BUILDERS ASSOCIATION OF CONNECTICUT, INC.  
1245 FARMINGTON AVENUE, 2<sup>nd</sup> Floor, WEST HARTFORD, CT 06107  
Tel: 860-521-1905 Fax: 860-521-3107 Web: [www.hbact.org](http://www.hbact.org)

*Your Home  
Is Our  
Business*

February 25, 2010

To: Senator Gary D. LeBeau and Representative Jeffrey J. Berger, Co-Chairs,  
and members of the Commerce Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: RB 5209, AAC Small Business Tax Credits

**The HBA of Connecticut is a professional trade association with 1,100 member firms** statewide, employing tens of thousands of Connecticut citizens. Our members are residential and commercial builders, land developers, home improvement contractors, trade contractors, suppliers and those businesses and professionals that provide services to our diverse industry. We estimate that our members build 70% to 80% of all new homes and apartments in the state.

**We support RB 5209 as a good gesture to thank small businesses for doing work and hiring people here in Connecticut.** It also should not be tagged with an adverse fiscal impact. After all, this tax credit presumes increased economic activity, which produces the new jobs, so the net revenues to the state will be higher than the amount of the tax credit proposed.

**While RB 5209 is important in the total mix of ideas needed to turn Connecticut into a business-friendly state, it should not be viewed as an incentive to hire employees.** Most of our 1,100 member companies fit the definition in the bill of a "qualified small business." **All of these companies hire new people because, and only when, their current workforce is not sufficient to handle their current business workload.** A \$1,250 to \$2,500 tax credit is highly unlikely to put an employer "over the edge" of making that employment decision. Job growth will occur when business growth occurs, when people and other businesses buy more products and services, and when housing, transportation, energy and other costs are reduced so they have more money to spend on products and services. That is nothing you have not heard countless times before.

**The small business tax credit contained in RB 5209 is a nice thank you, which has been all too uncommon in Connecticut, for expanding business here and will be welcomed by small businesses.** Our comment that it will not create new jobs is made to urge you to not stop with this measure. Many other things need to be done to help businesses create jobs, such as, most importantly, regulatory reform, making it easier to get things done here and making it easier for free enterprise to be free from excessive government control.

We urge you to pass RB 5209 and thank you for the opportunity to comment on this legislation.