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Testimony  
Finance, Revenue and Bonding Committee  
March 7, 2011

Governor's Bill Number 1007  
An Act Concerning the Governor's Recommendations on Revenue

Good morning. My name is Michael Culhane and I am the Executive Director of the Connecticut Catholic Public Affairs Conference. The Catholic Conference, representing the Catholic Bishops of Connecticut, would like to express its support for Governor's Bill Number 1007. This bill would establish a State refundable earned income tax credit equal to 30% of a person's federal earned income tax credit (EITC). This legislation would supplement the federal EITC, which has proven to be a positive means for assisting low-income working families.

Providing tax relief to low-wage earners assists them in rising above the poverty level in a way that respects their human dignity. The earned income tax credit also rewards the work ethic, reduces child poverty, and allows those struggling financially in our society to meet their basic needs.

Assisting those most in need within our State has never been an easy challenge. Our urge to help is many times limited by available financial resources, conflicting interests, and confusion over the best way to proceed. The earned income tax credit helps relieve and reduce some of that confusion and it has a proven track record on the federal and state level in achieving its goals. Poor working families throughout our nation are benefiting from this program. This is one of the primary reasons the United States Conference of Catholic Bishops has long supported the EITC on the federal level.

Connecticut is a State with a diverse economic composition. We have extremely wealthy and poor communities within our borders, our cost of living is higher than other parts of our nation, and our job growth is minimal. It is very difficult for a low-income family to rise out of poverty in our State. The earned income tax credit will make that struggle for financial survival and independence a little more bearable and possibly even winnable.

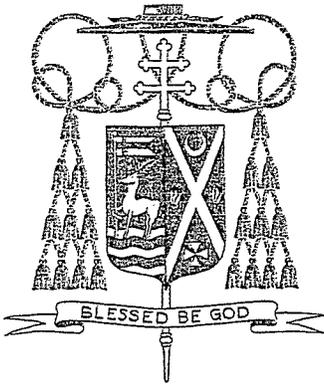
The General Assembly will make some very difficult decisions during this legislative session concerning tax policy and expenditures. The Connecticut Catholic Public Affairs Conference urges the members of this committee to support an earned income tax credit now and as it progresses through the legislative process. We need to fight poverty in a way that respects human dignity and empowers people to help themselves and the earned income tax credit is a positive step in that direction.

In conclusion, I would also like to note that on March 7, 2007, Archbishop Mansell of Hartford strongly supported the concept of an Earned Income Tax Credit in Connecticut and he issued a statement to that effect. I have attached a copy of his comments to my testimony for your review as the Archbishop – and all the Bishops – continues to steadfastly endorse an EITC in Connecticut.

Thank you for your attention.

A handwritten signature in black ink that reads "Michael C. Culhane". The signature is written in a cursive style with a large initial "M" and "C".

Michael C. Culhane  
Executive Director



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OFFICE OF  
THE ARCHBISHOP

**COMMENTS BY  
ARCHBISHOP HENRY J. MANSELL  
ARCHDIOCESE OF HARTFORD  
ON THE PROPOSED  
CONNECTICUT EARNED INCOME TAX CREDIT  
MARCH 7, 2007**

The goal of empowering people, especially families, to raise themselves out of the cycle of poverty is one that has long been supported by the Catholic Bishops of the United States and is shared by many other faith communities. All people have a right to live a life of dignity and self-sufficiency. This is especially true for low-wage working families struggling to acquire the basic necessities of life. It is a responsibility of government, with the support of its citizens, to see that this goal can be achieved. The endorsement of a State Earned Income Tax Credit, on March 1<sup>st</sup>, by the Human Services Committee, is a step in the right direction to meeting this goal. I hope the full General Assembly and the Governor will support this initiative to assist low-wage working families and eventually pass it into law.

The Earned Income Tax Credit has existed on the federal level for decades and has proved to be successful in assisting those who walk the line between self-sufficiency and poverty. The federal tax credit, which can be several thousand dollars, would be supplemented by a State earned income tax credit of several hundred dollars. This would provide Connecticut's poor working families a larger stepping stone to use for their journey out of poverty. Several hundred dollars may not seem a significant amount to many people, but I assure you it is a very significant amount of money to a low-income wage earner with children. Studies of the federal earned income tax credit show that it has a meaningful effect on reducing child poverty in our nation.

Critics of the state earned income tax credit say that many of those who receive its benefits do not pay any state income tax due to their income level. However, these people do pay taxes in the form of sales and property taxes. This means that a low-wage worker spends a greater percentage of his or her income on these taxes than a higher wage earner. The earned income tax credit would help reduce the negative impact of these taxes on our poorer citizens. It would put money back into the pockets of those that need it most. It would also put money back into our state economy. Most of those citizens receiving the tax credit will end up spending it on goods and services within our own State.

We join with representatives of various faith communities in supporting the enactment of a State earned income tax credit. As Christians we are called by the Gospel imperative to assist and give special attention to the poor. Our society and government face many conflicting demands, but the Lord makes it clear that the needs of the poor among us require our utmost attention. We must assist those most in need in a way that builds up and respects their human dignity. It is easy to find reasons why this cannot be done, but our faith challenges us to find a way to make it happen. The earned income tax credit is clearly a way to answer the Gospel imperative. It is also a way that respects the human dignity of the less fortunate.

A State earned income tax credit is a step in the right direction to assist Connecticut's low-income working families. It is also a way for all of us to respond positively to the call of our faith to assist those most in need.

