



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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Testimony

In Support of House Bill 5060 *An Act Establishing a Tax Credit for Corporate Donations to Scholarship Funds*

Higher Education and Employment Advancement Committee

March 13, 2012

Good afternoon, Senator Bye, Representative Willis, Senator Boucher, Representative LeGeyt, and distinguished members of the Higher Education and Employment Advancement Committee. Thank you for this opportunity to present testimony in support of HB 5060, An Act Establishing a Tax Credit for Corporate Donations to Scholarship Funds.

Thank you for drafting proposed HB 5060 as a Committee bill.

The bill proposes to grant a tax deduction to businesses that fund scholarships for students attending Connecticut's public institutions of higher education. It responds specifically both to the rising costs of public higher education in Connecticut, which make access for students more difficult, and to the lack of qualified people to fill a significant number of open job positions available in Connecticut.

Having spent more than 25 years in the business world, I know that it is common practice for many businesses to plan on making a certain number of tax-deductible contributions every year. They do this to reduce their tax liability, but, perhaps even more important, they also do it to demonstrate active participation in their communities. The bill makes higher education a more attractive alternative when businesses, and particularly smaller businesses, are deciding how to allocate their contributions.

Owners of smaller businesses of course make smaller contributions than their larger counterparts, and they are often concerned that their contributions are not large enough to make a demonstrable difference. Funding a scholarship ties a contribution to a specific effort, and the outcome is easy for any business to track.

The bill may also provide a way for businesses to develop working relationships with individual students that can lead to internships or apprenticeships.

In discussion of this bill, it may be worthwhile for the Committee to consider increasing the annual \$5,000 limit. This would allow businesses to deepen their relationship with the higher education community, and might create a stronger incentive to make their tax-deductible contributions in this area.

I believe that this bill offers a way for both large and small businesses to support young people, the state's higher education system, the quality of our workforce, and the pursuit of education in general.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gail Lavielle".

Gail Lavielle
State Representative