



CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
SUPPORTING

**SB-390, AA MAKING PERMANENT THE JOB EXPANSION TAX CREDIT PROGRAM;
SB-1079, AA INCREASING THE MANUFACTURING APPRENTICESHIP TAX CREDIT;
HB-5018, AA ESTABLISHING A TAX CREDIT FOR BUSINESSES THAT PROVIDE
SCHOLARSHIPS FOR MANUFACTURING TRAINING PROGRAMS;
HB-5302, AA REQUIRING A COST-BENEFIT ANALYSIS OF PROPOSED STATE-FUNDED
ECONOMIC DEVELOPMENT CAPITAL INVESTMENTS**

BEFORE THE
COMMERCE COMMITTEE
MARCH 12, 2013

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut supports SB-390. While for most small businesses, the availability of this tax credit will not be the determining factor in whether to expand and hire new employees, in the current time of economic uncertainty, making permanent this important tax incentive sends a positive message about our state's business climate and will hopefully encourage our small-business community to continue to invest and expand here in Connecticut. Making the credit permanent will also help these businesses with their planning process for the future.

NFIB/Connecticut supports SB-1079, which would expand the dollar amount for manufacturing apprenticeship tax credits. This is a common-sense adjustment to reflect increasing wages and employer costs over time. Furthermore, NFIB also suggests amending the bill so that such a tax credit is allowed to be taken by small businesses that operate as "pass through" entities. Many small businesses owners, including those in the manufacturing sector, prefer to operate their businesses as "pass through" entities, i.e. sub-



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chapter S corporations, Limited Liability Companies, etc. The traditional "corporation" (i.e. C-corps) is quickly becoming a thing of the past, especially in the small business sector. Good tax policy dictates that tax credits for apprenticeship training should be available to all corporate entities, not just limited to a select few.

NFIB/Connecticut supports 5018. Passage of this legislation would help incentivize small businesses engaged in the manufacturing sector to invest in their future workforce. It is becoming increasingly difficult to find students who are not only interested in going into manufacturing, but also who have the requisite skills demanded by employers. Allowing for these small manufacturing businesses to "give back" in the form of scholarships while also receiving a modest tax break is a positive measure that will hopefully serve to enhance workforce development.

NFIB/Connecticut supports HB-5302. NFIB/Connecticut supports this bill as a means of promoting transparency and fiscal accountability within state government, specifically, for major capital investments in economic development initiatives. Small business owners routinely utilize metrics, examine potential return on investments and perform cost-benefit analyses when making business decisions; it only makes sense that major state economic development programs are subject to similar analyses. This is a common sense approach that not only provides for additional transparency in the legislative process, but also can also ultimately result in better-administered economic development programs and state investments. Bills such as HB-5302 encourage us. Too often, laws and regulations are passed without a full understanding of their short and long term impact on Connecticut's business climate as well as the state coffers.