



CONNECTICUT
BUSINESS & INDUSTRY
ASSOCIATION

**TESTIMONY OF BONNIE STEWART
VICE PRESIDENT OF GOVERNMENT AFFAIRS, CBIA
BEFORE THE
FINANCE, REVENUE AND BONDING COMMITTEE
HARTFORD, CT
MARCH 11, 2013**

**Testifying in Opposition to HB 6566 An Act Concerning Transparency In
Economic Assistance Programs**

Good morning. My name is Bonnie Stewart and I am Vice President of Government Affairs at the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 employers throughout the state of Connecticut, ranging from one-person businesses to large corporations.

CBIA **opposes HB 6566**. This measure would put Connecticut employers at a unique disadvantage by requiring the disclosure of individual company credit information.

Several years ago, the General Assembly passed legislation to permit a full analysis of tax credits, including their job and revenue impacts. The first analysis was completed and presented to the Finance Committee in February 2012. Requiring the additional disclosure of individual company tax credit information does not add anything to that policy analysis and can be incredibly harmful to Connecticut companies.

Companies do not normally share information about how much money they are spending on research and development or investing in fixed capital; to do so would put them at a competitive disadvantage. It is too easy to take a company's tax credit information and work backward to compute an individual company's hiring, investments, R&D, and more. Connecticut companies compete every day against others that are not bound by such disclosure rules. Therefore, Connecticut should not put its companies in harm's way by requiring such unnecessary disclosure. Rather, it is in the state's best interests for companies that are located here to continue to thrive in Connecticut.

It's also important to remember that companies only qualify for tax credits after performing the specific action encouraged by the General Assembly. The benefit is only received sometimes years after that investment or hiring. What's more, the Department of Revenue Services is fully empowered to audit the credits and does so, ensuring that the state received the bargained investment required to claim the tax credit.

This measure will also remove the incentive for taxpayers to perform certain activities in Connecticut, which is the primary purpose of most tax credits. Worse, if adopted, the measure would likely result in multistate and multinational companies choosing to

perform such activities in other locations. Connecticut offers tax credits to help us remain competitive. This disclosure measure will help make us uncompetitive.

If you are concerned that the current tax credit analysis is not providing you with the information you need, please let me know. I am fortunate to have a group of tax experts and other professionals that make location decisions for their companies. We would be happy to meet with you and try to determine the best approach for you to determine whether a given tax credit is performing the role it was intended to perform for the state.

In the meantime, I urge you to **reject HB 6566**. Connecticut has been working hard to improve the state's business-friendly reputation. Requiring disclosure of individual tax information will only result in us losing what little ground we've made over the past two years. I urge you to reject this measure and instead continue to move Connecticut on a path that will increase economic opportunities.

Thank you for your consideration of this matter.