



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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FINANCE, REVENUE AND BONDING COMMITTEE

Labor and Public Employees Committee Tuesday, March 11, 2014 Testimony in Support of,

H.B. 5314, An Act Concerning Interest Payments on Advances from the Federal Unemployment Account

Honored Chairs, Ranking Members, and Members of the Labor and Public Employees Committee

I would like to take this opportunity to thank you for considering H.B. 5314, An Act Concerning Interest Payments on Advances from the Federal Unemployment Account. I offer the following testimony in favor of this proposal.

As we are all aware, a surcharge for the special assessment on businesses is being charged to pay the interest on the money Connecticut had to borrow from the Federal Government when the state unemployment fund went broke in 2009. Today, I speak on behalf of numerous small business owners in my district and throughout the State of Connecticut who continue to face a hostile business climate. The purpose of this Bill is to alleviate some of the pressure on these already over-burdened businesses by eliminating the surcharge. Using a portion of the available unexpected revenues the state has accrued to pay off interest payments would be the fiscally responsible thing that should be done. This would have no effect on future budgets.

We must not forget that small businesses are the driving engine for Connecticut's economy. Indeed, this surcharge is particularly detrimental to small businesses. Businesses throughout the State will have to pay the surcharge in August of 2014 which will inhibit their ability to hire new workers and expand. This proposal offers a better alternative. By prepaying the interest, this Bill will provide \$60 million in tax relief to all businesses and will send a clear message that Connecticut is truly working towards a business friendly environment.

I urge you to support H.B. 5314 because it is both business friendly as well as a responsible allocation of the State's excess revenue.

Thank you for your consideration and please support H.B. 5314.

Prasad Srinivasan, State Representative, 31st District