



State of Connecticut
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To Commerce Committee

Re: Senate Bill 323 and SB 546, An Act Increasing the Annual Cap On The Neighborhood Assistance Act Tax Credit Program.

Dear Senator Hartley and Representative Perone and the distinguished members of the Commerce Committee,

I am submitting this letter in favor of the above referenced Senate Bills which seek to increase the available cap and open applications to more business entities. Many nonprofits have benefited from the Neighborhood Assistance Act which in turn, provides services and resources to the community which would otherwise be left without assistance.

I support Bills 323 and 546 which intend to raise the annual cap on NAA from \$5million to \$10million. The Department of Revenue Services is seeing an increase in the usage of the program which started in 1982.

Last year, the House and Senate both approved raising the cap to \$10million but Governor Malloy vetoed SB 75 as the General Assembly failed to include the additional \$5million in the budget. He stated he would support the full increase if the legislature appropriates the funds to increase the cap.

One solution is to include provisions in the Senate Bill 323 to raise the cap to \$10million and include \$2.5 million for new donations from subchapter s corporations and LLC's while increasing the donations from C corporations to \$7.5million. Several nonprofits feel that this funding mechanism is realistic and would meet the Governor's concerns.

Organizations like the Jewish Federations of CT have been told by donors that the increase in the cap as well as the inclusion of S-Corps and LLC would help incentivize them in their philanthropic giving. I believe this incentive would be similarly embraced in other nonprofit communities.

Thank you for your consideration of the request to support Senate Bill 323 to increase the cap for NAA to at least \$10 million and include at least \$2.5 million of this funding for subchapter s corporations, Partnerships, and LLC's which are the critical local businesses supportive of local community charities.

Sincerely,



David A. Baram
State Representative