

Finance, Revenue and Bonding Committee

**TESTIMONY IN SUPPORT OF AND REQUEST TO AMEND
SB 1076, AN ACT INCREASING THE ANNUAL CAP UNDER
THE NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM**

April 6, 2015

Senator Fonfara, Representative Berger and members of the Finance, Revenue and Bonding Committee:

My name is Leo Smith. For the past 23 years, I have encouraged corporations to make donations under the tax credit programs offered under the R.E. Van Norstrand Neighborhood Assistance Act (“NAA”).

NAA specifies tax credit allowances for either 100% tax credit or 60% tax credit programs that meet approval requirements. 100% tax credit programs include energy conservation efforts. 60% tax credit programs include both job training and child care for low income recipients.

SB 1076 would increase tax credits available under these programs and is to be commended. In 2014, all 60% program proposals (funded plus unfunded) totaled \$17,900,172.55, amounting to 54.7% of all NAA programs. All 100% program proposals (funded plus unfunded) totaled \$13,323,968.52, amounting to 45.3% of all NAA programs. The vast majority of these programs involved either energy conservation or job training. **Combined, all program proposals exceeded \$31 million in 2014.**

However, language used in one section of the proposed language may be troubling. As currently drafted SB 1076 states in the last sentence: **“Three million dollars of the total amount of tax credits allowed shall be granted to business firms eligible for tax credits pursuant to section 12-635.”** Another version of the proposed tax credit increase, under SB 323, has language that reads: **“At least three million dollars of the total amount of tax credits....”**

Because section 12-635 cover all 100% tax credit programs under energy conservation, as well as all 60% programs under job training, I would respectfully request that the word **“At least”** be inserted into SB 1076, as was done in SB 323, at the beginning of the last sentence, to avoid the possibility that without this clarification, the language could be interpreted to mean strictly \$3 million – not any greater amount and not any lesser amount.

I respectfully encourage the Finance, Revenue and Bond Committee to recognize the importance of clarifying the last sentence in SB 1076 by inserting at the beginning of the sentence the words **“At least”**. Thank you for your consideration.

Respectfully submitted,



Leo Smith
1060 Mapleton Avenue
Suffield, CT 0607 - 860 668 4000