



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

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**RANKING MEMBER**  
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**MEMBER**  
HOUSING COMMITTEE  
INSURANCE COMMITTEE

### Thursday, February 19, 2015 Public Hearing Testimony Commerce Committee

Dear Senator Hartley, Representative Perone, Senator Frantz, Representative Camillo, and esteemed members of the Commerce Committee,

I submit this testimony in support of HB 5132, AN ACT ESTABLISHING A TAX CREDIT FOR FIRST-TIME HOME BUYERS, and thank the committee for its continued support of homeownership in Connecticut.

Homeownership is a strong backbone of a sound economy. As you likely know, Connecticut's real estate market appears to be improving, but continues to be sluggish, further hindering economic growth in the state. Homeownership, nationally, for young families is at an all-time low. Due to economic uncertainty, many families in Connecticut, despite low interest rates, have been hesitant to reinvest in their communities by purchasing a home. Many reports, however, have indicated that for every two homes sold, one job is created in our economy. From construction, to service jobs, home purchases stimulate local economies here in Connecticut while encouraging entrepreneurship and a reinvestment into our communities.

This bill would create a new tax credit program that is similar to the incentives the federal government offered between 2008 and 2010 for first-time homebuyers. Like the former federal program, the credit would be limited to the purchase of a taxpayer's primary residence, and would be capped. Similarly, the credit could be structured to phase out based on the taxpayer's modified adjusted gross income so the credit can be used to target those individuals and families most in need of assistance. Much like the former federal tax credit program, this credit could be used to reduce a taxpayer's tax bill, or increase their refund depending on the taxes owed to the state. Furthermore, in order to protect against fraud and increase the likelihood of the credit impacting those in which we intend, the taxpayer would also be required to pay back all or portions of the credit, similar to the former federal program, if they sell the home within three years of the date of purchase.

I urge the committee's favorable consideration of HB 5132 in order to help promote a stronger Connecticut economy for years to come.