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*The mission of the
Jewish Federation
of Greater Hartford
is to enhance, build and
perpetuate Jewish life in
Greater Hartford, in Israel
and around the world through
the values of Tzedakah
(righteous giving), Tikkun
Olam (improving the world),*

Testimony February 19, 2015 before the Commerce Committee in support of
Senate Bill 323, An Act Increasing the Annual Cap On The Neighborhood
Assistance Act Tax Credit Program.

Senator Hartley and Representative Perone and distinguished members of the Commerce Committee, my name is Howard Sovronsky and I am the President and CEO of the Jewish Federation of Greater Hartford. The Jewish Federation of Greater Hartford represents Jewish communities in 30 towns within our region which constitutes over 34,000 individuals. Through our annual fundraising we support 26 charitable Jewish social service, education and cultural agencies many of which are also United Way Agencies. We support this bill which intends to raise the annual cap on NAA from \$5 million to \$10 million. The Department of Revenue Services is seeing an increase in the usage of the program which started in 1982. In fact, as a great partnership between the state, businesses and the nonprofit sector, the NAA started as a \$500,000 tax credit program for subchapter S and C corporations. Over the years, the cap has been raised and we support an increase from \$5 million to a minimum of \$10 million to meet the growing demands of the program. The \$5 million cap has been exceeded in the past 4 years, and last year over 29% of C corporate donations were prorated, the highest figure ever.

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

Our recommendation is to include provisions in the Senate Bill 323 to raise the cap to \$10 million and include \$2.5 million for new donations from subchapter S corporations and LLCs while increasing the donations from C corporations to \$7.5 million.

An important statistic to cite is the following: Connecticut ranks second in the U.S. in average household income at \$91,371 according to the Connecticut Council of Philanthropy, but we rank twenty-fourth in the nation in the amount contributed to charity as a percent of adjusted gross income. Increasing the cap in the NAA will create an important incentive to further charitable giving.

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The Federation has been a grateful recipient of funds through the Neighborhood Assistance Tax Credit Program. We have heard from our donors that the increase in the cap as well as the inclusion of S-Corps and LLCs would help incentivize them in their philanthropic giving. Our Federated community would benefit significantly from the increased participation from corporate donors who would be positively impacted by these proposed legislative changes.

In summary, we request the Commerce Committee to support Senate Bill 323 to increase the cap for NAA to \$10 million and include at least \$2.5 million of this funding for subchapter S corporations, Partnerships, and LLCs which are the critical local businesses most familiar and supportive of the charities in their local towns and cities.

Sincerely,

A handwritten signature in black ink, appearing to read "Howard", with a long, sweeping flourish extending to the right.

Howard Sovronsky
President and CEO
Jewish Federation of Greater Hartford