



# JFACT

**Jewish Federation Association of Connecticut**

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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 the distinguished members of the Commerce Committee, my name is Robert Fishman and I am the Executive Director of JFACT (Jewish Federation Association of Connecticut). We represent the 9 Federations in the state and over 25 charitable Jewish social service agencies many of which are also United Way Agencies. We support this bill which intends 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. 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 \$10million 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 \$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.

Our recommendation 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.

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.

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 LLC's which are the critical local businesses most familiar and supportive of the charities in their local towns and cities.

Sincerely,  
Robert J. Fishman, Executive Director