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Testimony in Support of SB 329

An Act Concerning a Manufacturing Scholarship Tax Credit

Commerce Committee

February 19, 2015

Good morning, Chairmen Hartley and Perone, Ranking Members Frantz and Camillo, and distinguished members of the Commerce Committee. Thank you for this opportunity to testify in support of SB 329, An Act Concerning a Manufacturing Scholarship Tax Credit.

This bill would establish a tax credit for any person or entity that provides scholarship funds to support students seeking a degree that qualifies them for a manufacturing job with a business identified in NAICS classification sectors 313 to 33999, inclusive. The amount of the tax credit for each donor will equal (1) fifty per cent of the amount donated up to a maximum of two hundred fifty thousand dollars, or (2) one hundred per cent of the amount donated up to a maximum of five hundred thousand dollars for scholarships that target students from municipalities with a population over fifty five thousand. The total amount of tax credits would be capped annually at \$3 million.

I proposed a bill similar to this in 2013, HB 5018, and this Committee passed it unanimously.

SB 329 goes a step farther by increasing the tax credit for scholarships provided to urban students, directly targeting the need for workforce development in Connecticut's major cities.

As with the 2013 bill, its effect on revenue is limited, and I believe this is far outweighed by the near-term benefits to workforce development, job creation, and business competitiveness.

The proposal has several benefits:

- It may help attract young people to careers in manufacturing. This is a need that has been identified by the state's Department of Labor and others who have cited the need to raise the sector's profile and "market" it to job candidates.
- It helps students contend with rising tuition costs and complete the education they need to secure employment.
- It encourages manufacturing businesses to invest in creating and shaping the qualified workforce they need to be competitive.

As the members of this Committee had the foresight to do with the previous bill two years ago, I hope you will move this proposal forward and continue to give it your support throughout the legislative process.