



STATE OF CONNECTICUT
SENATE
STATE CAPITOL
HARTFORD 06106-1591

SENATE REPUBLICAN OFFICES

**Testimony in Support of *SB 328, AAC A Community Development Tax Credit* and *SB 329 AAC A Manufacturing Scholarship Tax Credit*
Commerce Committee
Thursday, February 19, 2015
10:00 AM in Room 1D of the LOB**

Good morning Chairman Hartley, Chairman Perone, Senator Frantz, Representative Camillo and members of the Commerce Committee. Thank you for the opportunity to testify on *SB 328 AAC a Community Development Tax Credit* and *SB 329 AAC a Manufacturing Scholarship Tax Credit*.

SB 328 - AAC a Community Development Tax Credit

SB 328 is intended to spur new business and job opportunities in what one can conceivably argue are our most needy communities by creating a new tax credit program that is available to any company, pass-through entity or individual that invests in a start-up for-profit company in a municipality targeted in this bill. Those municipalities that have per capita income that is less than our statewide average as determined by the American Community Survey are eligible for participation in this new tax credit initiative.

This proposed tax credit would be equal to 50% of their investment, up to a maximum of \$1 million in total credits per investment. We would propose capping the entire program as \$10 million per year.

Hopefully, establishing such a tax credit would entice investors to explore sound investment opportunities in Connecticut's urban areas and other municipalities that have per-capita income that is less than the statewide average.

SB 329 - AAC a Manufacturing Scholarship Tax Credit

We have heard from many manufacturers that they have jobs available, but lack qualified applicants. SB 329 is designed to prepare more students to enter into manufacturing careers. SB 329 would establish a tax credit for any company or individual that provides funds for a scholarship program where the ultimate degree achieved results in a job in a manufacturing sector, with great incentives for providing scholarships to individuals that reside in municipalities with a population over 55,000.

The proposed parameters of the program would include: a) the student would be seeking an associate or bachelor's degree and b) the degree sought would result in employment in NAICS classification sectors 313 to 33999 (this range includes all non-food, beverage and tobacco manufacturing).

Each tax credit would be equal to 50% of the amount donated for the scholarship up to a maximum of \$250,000 or 100% of the amount donated for the scholarship up to \$500,000 if the scholarship specifically targets students residing in a municipality with a population over 55,000. We propose capping this tax credit program at \$3 million annually.

Again, we thank the committee for holding this public hearing on these bills and request both bills be acted favorably on.

Len Fasano
Senate Minority Leader

Kevin Witkos
Senate Minority Leader Pro Tempore