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February 25, 2015

Testimony on SB-697 – AN ACT CONCERNING AN ENTREPRENUER LEARNER'S PERMIT PROGRAM

Honorable elected officials, thank you for the opportunity to address you with regards to this bill addressing establishing a learner's permit program for entrepreneurs.

I am not sure if this bill is necessary, as presented. It's concerning that this license would require an up-front expense of $250. I have started several businesses here in CT over the last ten years. Depending on the business started, a $250 permit fee could actually be more than the combined current registration fees. I re-started this current business and spent less than $250 in business fees, other than paying the Business Entity Taxes that were past due for the business. I do not view the basic business fees as the main cost driver's with starting a new business. As an example, when I registered with DOL to hire employees, I was designated a new business as I had no history of employees; and all "new" businesses are started at a 4.9% State unemployment insurance rate, regardless of the job category of employees. If the "new" employer rate were just 1% lower, it would provide a savings of up-to $150 per employee per year. The higher new employer rate is an example of a fee that can be detrimental to employers that want to hire employees for the first time.

However, if the intent of this bill is to also waive any State Income Taxes related to income from the business, then I would be in support of the bill. It could be construed that income taxes are "attributable" to the business, per item (1) in the proposed bill.

Thank you for your time. I am open to answering any questions you may have for me.

Sincerely,

Antonio Paulo Pinto