

February 26, 2015

State of Connecticut
General Assembly
Commerce Committee
Proposed Bill No. 697
Senator Franz, 36 Dist.

Dear Legislators:

I am writing today in support of the bill entitled, "Entrepreneur Learner's Permit Program", introduced by Senator Frantz of the 36th District in Connecticut.

As a small business owner in Connecticut since 1995, I understand the challenges that small businesses face, especially in a tough business climate—from generating enough revenue to cover expense, such as overhead, payroll, sales and property taxes, health insurance, liability insurance, workers compensation and unemployment insurance. It is a lot to manage effectively for an experienced business owner, but can be daunting to a new or prospective business owner. This bill will give new entrepreneurs a chance to get their business off the ground and focus on growing their businesses, and generating a profit so they can hire employees, without the burden of worrying about, regulations, taxes, etc. I have offered a few suggestions to strengthen the bill and improve its clarity to improve its effectiveness:

Suggestions to enhance bill 697:

1. Bill should include a waiver of all taxes attributable to such business and should specifically include mention of: Property taxes both on real estate and other business property, and sales taxes. This will free up cash for business operations.

It would be helpful if the following taxes were also waived to free up cash flow for businesses to grow. This will enable more entrepreneurs to help finance their own growth, especially if they are not eligible for a business loan.

- CT income tax should be waived on pass-through income.
- Unemployment insurance assessments and payroll deductions waiver.
- Worker's compensation insurance should not be required initially and could be funded by the State of Connecticut, should there be a claim.

2. Two years is great but it would be best if the program were extended to 3-4 years as it really takes time for a business to get going and to do well. You could have the taxes phase in if they reach certain thresholds or benchmarks in sales and profitability if necessary.
3. Taxes should be phased on after the 3-4 year period and not be fully implemented for 5 years.

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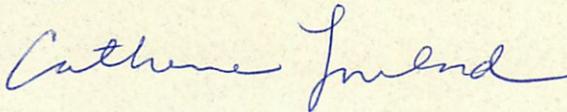
4. Lastly, some or all of this bill's provisions could also be extended to existing small businesses who have started in past 3-5 years and/or ALL businesses who have gross sales under \$5,000,000 to give them a chance to grow their businesses. So many small businesses, even those that have been around a while, could use some relief as well. I feel strongly that many would be able to grow to the next level if they were given some support from the State of Connecticut. More businesses and more jobs will bring in more revenue to the State of Connecticut, especially when you consider that 80% of all jobs are generated by small businesses.

As a Leadership Council Member of NFIB in Connecticut, I recently spent time reaching out with other small business owners in the North Branford and Branford, CT area. Based on their feedback, I am confident that this bill, as I have clarified, would be supportive of business growth in Connecticut. For maximum effectiveness, bill would need to be promoted and supported by media.

By eliminating the burden for new business start-ups, this bill will encourage many individuals with the entrepreneurial spirit, to give it a try and help grow business in Connecticut.

Thank you very much for your consideration of my comments, and I am hopeful that this bill will receive strong support in the State Assembly.

Best regards,

A handwritten signature in blue ink that reads "Catherine Lombard". The signature is written in a cursive, flowing style.

Catherine Lombard
Vice President
Barn Door Lighting Outfitters
Leadership Council Member, NFIB