STATE OF CONNECTICUT
HOUSE OF REPRESENTATIVES
HARTFORD, CONNECTICUT 06106-1591

THEMIS KLARIDES
HOUSE REPUBLICAN LEADER

Testimony in Support of:
House Bill Number 5109
House Bill Number 5121
House Bill Number 5123
Finance, Revenue, and Bonding Committee
Wednesday, March 9, 2016

Chairmen Fonfara and Berger, Ranking Members Frantz and Davis, and Members of the Finance Committee: I would like to thank the Committee for raising the following bills:

- H.B. No. 5109 An Act Establishing A Tax Credit Program For Employers Who Offer On-Site Child Day Care Options For Employees.
- H.B. No. 5121 An Act Establishing A Tax Credit For Dependent Child Care Costs.
- H.B. No. 5123 An Act Establishing A Deduction Under The Personal Income Tax For Interest Paid On Student Loans.

The House Republican Caucus stands in strong support of these bills.

These three bills represent a change in approach to addressing problems that almost every family faces at some point: the high and rising cost of daycare and college. Throwing more taxpayer money at the problem just makes it worse; costs continue to rise. Instead, we should offer incentives for businesses to provide quality, convenient daycare, and offer tax breaks to families for out-of-pocket expenses related to daycare and college loans.

HB 5109 gives businesses an additional incentive to create daycare facilities at their place of business. Under the bill, businesses would be eligible for a tax credit against the corporate income tax. It also creates a benefit for parents who are employed by the business: they would have convenient access to daycare facilities and avoid driving all over town to pick up and drop kids off at daycare that might be miles away.

HB 5121 deals with another issue relating to daycare: the high cost. The bill gives parents the opportunity to qualify for a tax credit against their personal income tax for daycare costs. The state credit could be as much as the credit offered currently by the federal government.

HB 5123 provides families with a tax deduction for interest costs incurred from student loans. Not many families these days can afford to pay out of pocket for the cost of college tuition. The high cost forces most people to take out loans. This bill will help to give parents a small break from related interest charges.

We urge the Committee to pass these bills and give families some needed relief from the high costs of educating children.

Once again, thank you for raising these bills and for considering our testimony.