



Testimony Of The

Greater Danbury Chamber of Commerce

**Before the Legislature's
Commerce Committee**

Thursday, March 10, 2016

11:00 AM, Room 2E, Legislative Office Building

**RE: SB 399 AAC The Research and Development Tax Credit,
HB 5574 AAC Stranded Research and Development Tax Credits.**

Good Morning. My name is Stephen Bull and I am the President of the Greater Danbury Chamber of Commerce. We represent more than 1,000 employers in the Greater Danbury area. They employ more than 100,000 men and women.

The Greater Danbury Chamber of Commerce supports SB 399 AAC The Research and Development Tax Credit.

The Greater Danbury Chamber of Commerce supports SB 399 and asks the Committee to take favorable action on the bill which restores the utilization of the Research and Development tax credit program back to the original 70 percent threshold.

We support consistent tax policies that foster a stable and predictable environment for businesses across the state to grow and invest in the economy and workforce. These policies, especially the research and development tax credit, create a competitive environment that helps Connecticut maintain its status as a center of excellence for research and development. Most businesses apply long-term strategic business plans 5-10 years into the future. Changes in tax policy such as the reduction in the utilization of tax credits hamper the ability to plan and make long-term business decisions.

Tax credits like research and development are earned by in-state companies who make investments and create direct and indirect jobs to support the economy, while allowing the State to have a significant return on these types of investments. We respectfully emphasize to the Committee that the research and development tax credit program has provided Connecticut with a significant Return on Investment (ROI) since its inception. Based on Department of Revenue Services (DRS).

The Greater Danbury Chamber of Commerce supports HB 5574 AAC Stranded Research and Development Tax Credits.

Several of our employers in the Greater Danbury area have made significant investments in research and development in the State of Connecticut. Through their ongoing work and investments, they provide a significant economic footprint at the local, and state levels. Without the research and development tax credit many of these investments could not have been made in the state.

We support enabling the Commissioner of the Department of Economic and Community Development (DECD) to have the authority to work with in-state companies to utilize earned, stranded research and development tax credits, which will be an important competitive retention tool for the State's economic "tool box". This will also reaffirm the state's commitment to the high-skilled, high-wage research and development industry and stimulate future investments in Connecticut.

This completes my testimony. Thank you for your consideration.