NFIB is the leading small business association in the nation with thousands of members in Connecticut representing a cross-section of the state’s economy. For more than 75 years, NFIB has been advocating on behalf of America’s small and independent business owners, both in Washington, D.C., and in all 50 state capitals. NFIB is nonprofit, nonpartisan, and member-driven. Since our founding in 1943, NFIB has been exclusively dedicated to small and independent businesses and remains so today. On behalf of those small- and independent-job-providers in Connecticut, NFIB offers the following comments:

NFIB in Connecticut opposes SB-1143 as currently drafted, since this bill appears to be a new mandatory payroll tax on all employers. While the intent of this bill may be to address an issue related to the limit of the state and local tax deduction (commonly referred to as the “SALT” cap) under the 2018 federal tax reform (“Tax Cuts and Jobs Act”), doing so through a mandatory complicated payroll tax (unlike similar voluntary proposals seen in other states) with employee or individual credits is unnecessary and will be a burden on most small businesses. In addition to the direct costs of such a proposal, small business owners are concerned about any attendant increase in the administrative burden, additional paperwork, filings, or compliance measures that would be necessitated under a new payroll tax. Finally, at a macro level, in spite of federal tax reform and its limits, if the tax burden at the state level is still too high, then that is where policy changes need to be focused and made.

Thank you for the opportunity to comment and for your consideration of NFIB’s concerns on behalf of small business. For any questions or additional information, please contact Andy Markowski, NFIB’s State Director in Connecticut, at 860-248-NFIB.