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**TESTIMONY OF
ANDY MARKOWSKI, STATE DIRECTOR
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
SUPPORTING
HB-5457, AA SUSPENDING PENALTIES & INTEREST FOR CERTAIN LATE FILINGS
FINANCE, REVENUE & BONDING COMMITTEE
MARCH 8, 2021**

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 here in Connecticut, NFIB offers the following comments:

NFIB strongly supports HB-5457, An Act Suspending Penalties And Interest For Certain Late Filings. This common-sense legislation would provide for reasonable relief from punitive penalties and/or interest to struggling small business owners who may have inadvertently missed or delayed a fee filing or tax payment during and proximate to the Covid-19 pandemic. Thank you to the Committee for hearing and considering this important pro-small business bill.

It is no secret that the impact of the pandemic has been felt greatly by small business owners across the state. According to a Harvard website that tracks the data, there was a 36% decrease in the number of open small businesses in Connecticut last year. For those businesses still open and holding on by a thread, such as restaurants, event-related companies, and those in amusements, travel or tourism, it has been extremely difficult to survive, and the road ahead still remains very uncertain. A NFIB survey from December showed that one in four small business owners responded they would close in the next six months if economic conditions do not improve. Nearly half of the small businesses say they do not expect a full recovery until 2022 or beyond. According to the most recent (10th edition) of the "Small Business Problems & Priorities" report by the NFIB Research Foundation, published in August 2020 but reflective of the four-year period pre-pandemic, small business problems generally fall within one of ten generic problem clusters. Each cluster contains all of the survey's problems related to that topic. In order of importance, "Taxes", "Regulations" and "Costs" make up the three of the top four problem clusters respectively. Problems related to state and local permits, filings, fees and the related paperwork burden help comprise these problem clusters. When small businesses are struggling like many have been during the pandemic, unfortunately it can be difficult from both a time and expense standpoint to make timely payments and maintain necessary filing compliance with multiple licenses, permits, fees and taxes that small business owners face on an ongoing basis. This legislation can directly assist these business owners during and recovering from the pandemic, sending a positive message that the state is able to provide for reasonable relief from added punitive costs under these unprecedented circumstances.

Thank you for the opportunity to comment in support of HB-5457 and for your consideration of NFIB's perspectives 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.