

Finance, Revenue and Bonding Committee

H.B. 6187 and S.B. 821: *AAC the Restructuring of Certain Taxes and Tax Equity*

Submitted by: Madeline Granato, Policy Director

March 15, 2021

The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide nonprofit that advocates for and empowers women and girls in Connecticut, especially those who are underserved or marginalized. For forty-seven years, CWEALF has been a leading advocate for policy solutions to enhance women's economic security and increase gender equity.

CWEALF urges the committee to support H.B. 6187 and S.B. 821: *AAC the Restructuring of Certain Taxes and Tax Equity*.

Over a year after the declaration of the public emergency, Connecticut and the nationally are in the middle of a "shecession" or an economic downturn where job and income losses are affecting women significantly more than men.

Women, especially women of color, are overrepresented in low-wage jobs that are underpaid and inadequately protected on the frontlines of the pandemic, as well as in industries that continue to shed its workforce. For example, women in Connecticut comprise 49% of the state's workforce but make up 78% of the healthcare workforce, 67% of the education workforce, and 56% of accommodation and food service industries.¹

Recent research on the impact of COVID-19 on women in Connecticut indicates that since last March, women have filed the majority of initial and continuing unemployment claims in our state. Significantly more women of color have experienced loss of income than white women, and more than 1 in 3 of initial unemployment claims filed by women were by women of color.²

If even just 1-3% of mothers to children under the age of 18 leave the labor force permanently, Connecticut could see a loss of between \$150 and \$500 million in annual wages for one year alone - numbers that could be a lot higher when accounting for lost income or sales tax revenue.

Without significant and intentional action, the impact of COVID-19 on women could have profound economic implications that could erase a generation of progress toward gender equity and take decades to regain.

¹ [Essential Equity: Women, COVID-19 and Rebuilding CT](#)

² See note 1

The Connecticut we build in the wake of COVID-19 must confront not only the effects of the virus, but also how decades of deep, structural inequities in our state left women and workers of color without any financial cushion to weather the storm of this crisis.

Connecticut's regressive and unfair state and local tax systems require working and middle class families to pay a higher percentage of their income in taxes than the wealthy which has led to significant economic injustice in our state.

The state's current regressive tax system slows economic growth, which harms families and the larger state's economy. House Bill No. 6187 and S.B. 821 provide solutions that will raise revenue to fund essential government services, combat rising inequality in our state, and uplift the state's overall economy.

The scale of the COVID-19 crisis in our state demands a bold response as outlined in H.B. 6187 and S.B. 821, which will improve the state's tax code to allow the state to make significant investments in equitable preK-12 public education, robust public colleges and universities, access to affordable healthcare and realizing affordable housing goals. These investments will create equal opportunities for everyone, regardless of race, gender, income or zip code and ensure Connecticut's recovery is shared by all.