

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: HB-6440

Title: AN ACT ESTABLISHING THE JOBSCT TAX REBATE PROGRAM.

Vote Date: 3/16/2021

Vote Action: Joint Favorable Substitute

PH Date: 2/23/2021

File No.: 236

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SPONSORS OF BILL:

Request of the Governor Pursuant to Joint Rule 9

REASONS FOR BILL:

HB-6440 establishes the JobsCT Tax Rebate program. Qualified businesses that create jobs in the state would be allowed a tax rebate, which would be treated as a credit against the taxes imposed under certain sections of Connecticut's general statutes.

Substitute Language – LCO No. 5415

The substitute language made some changes to the requirements individuals and businesses must have to qualify for the JobsCT Tax Rebate program. The substitute language added some additional parameters related to the program's structure and design.

RESPONSE FROM ADMINISTRATION/AGENCY:

1. **David Lehman, Commissioner, Department of Economic and Community Development:** Provided both written and public hearing testimony in support of this bill. Commissioner Lehman gave an overview of the JobsCT Tax Rebate Program. He emphasized that this program was transparent, based on an earn-as-you-grow model, and targeted. He testified about the program's requirements and how it is structured differently than past incentive programs.

NATURE AND SOURCES OF SUPPORT:

1. **Randall Collins Jr., Advocacy Manager, CT Conference of Municipalities:** Provided both written and public hearing testimony in support of this bill. Mr. Collins

stated that his organization strongly supports the added incentives for businesses to expand or relocate in one of the state's opportunity zones or distressed municipalities. They appreciate that this program creates incentives for businesses to locate or grow that does not come at the expense of municipalities in the form of property tax exemptions, which shifts the burden onto other taxpayers.

2. **Peter L. Denious, President & CEO, AdvanceCT:** Submitted written testimony in support of this bill. They noted that this bill reflects the best practices in economic development and is in keeping with the state's inclusive economic action plan. Their testimony highlights some of the program's components that will help ensure that Connecticut sees a return on its investment.
3. **Michael Freimuth, Executive Director, Capital Region Development Authority:** Submitted written testimony in support of this bill. They testified that this program's additional incentive would aid in their assignment to help redevelop the City of Hartford. They believe that this program will help drive investment and create jobs where they are most needed, including our capital city. They also noted that the program's parameters would mean that these new jobs will come with decent salaries.
4. **Kelly McConney Moore, Interim Senior Policy Counsel, ACLU-CT:** Submitted written testimony in support of this bill. They testified that this bill would help address unemployment issues related to individuals with a criminal record. They noted that this law could help fill in the gap left by the Work Opportunity Tax Credit. Unlike the WOTC, these proposed tax credits would apply to individuals regardless of the time since their conviction, instead of the one-year requirement under Federal law. They believe that this tax credit will help bring about the end to employment barriers and discrimination faced by people with a criminal record.
5. **The Middlesex County Chamber of Commerce:** Submitted written testimony in support of this bill. They noted that this bill supports our state's cities, critical to our economic vitality, by incentivizing growth in urban areas. They also highlighted the program's earn-as-you-grow model and the \$40 million cap, which they believe will lead to a solid return on investment for the state's residents.
6. **Ashley Zane, Government Affairs Associate, Connecticut Business and Industry Association:** Provided both written and public hearing testimony in support of this bill. Ms. Zane made a point of underlining this program's accessibility. She highlighted that even though this program incentivizes investment in urban areas, it does not bar rural or suburban areas from receiving investment. She emphasized that this program focuses on mid-sized companies, which historically have been left out of consideration. CBIA also supports the bill based on its focus on increasing the state's return on investment. They believe that this earn-as-you-grow incentive structure is the right direction because it ensures the maximum return and increases transparency and accountability to all parties.

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Peter B. Andrews

Date: 3-29-21