

Higher Education and Employment Advancement Committee

JOINT FAVORABLE REPORT

Bill No.: SB-933

AN ACT EXTENDING TAX CREDITS FOR APPRENTICESHIP TRAINING PROGRAMS TO AFFECTED BUSINESS ENTITIES AND TO ALL TRADES THAT HAVE REGISTERED APPRENTICESHIPS.

Title: THAT HAVE REGISTERED APPRENTICESHIPS.

Vote Date: 3/22/2021

Vote Action: Joint Favorable Change of Reference to Finance, Revenue and Bonding

PH Date: 3/4/2021

File No.:

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SPONSORS OF BILL:

The Higher Education and Employment Advancement Committee.

REASONS FOR BILL:

To attract business and compete in an ever-growing marketplace this bill will extend tax credits to certain businesses and trades having registered apprenticeships.

RESPONSE FROM ADMINISTRATION/AGENCY:

None submitted.

NATURE AND SOURCES OF SUPPORT:

[Eric D'Eramo, Director Business Operations & Resources, Environmental Control, Inc.](#) submitted written testimony in support of this legislation stating "As the demand for the skilled trades increases and the workforce supply decreases, the extension of the state income tax credit for employers who hire apprentices as an incentive to create more registered apprenticeship programs along with the removal of the arbitrary hiring ratio in the state can help to close the skills gap while retaining and attracting new business to our state."

[Independent Electrical Contractors of New England \(IECNE\)](#) submitted written testimony in support of this bill but with some areas of concern. "Our concern is toward the proposed credit rate per hour as these rates vary drastically across the three indicated trades. The bill does not address how these rates were calculated and we are concerned that it is unfairly regulated. We feel that all businesses in the three respective categories should receive the same rate structure." They are also concerned about some trades having "a hiring ratio that

restricts the number of apprentices that they can hire. All of those trades fall into the construction trade category which is the same category with the lowest tax credit.”

[Andy Markowski, State Director National Federation of Independent Business \(NFIB\)](#)

submitted written testimony in support of this bill sharing that “This bill is important to provide tax parity to small businesses in the manufacturing sector and the construction trades.”

[Joshua Rodriguez, Director of Public Policy & Economic Development, Waterbury Regional Chamber](#)

submitted written testimony supporting this bill. “Providing smaller manufacturers with the opportunity to use the apprenticeship tax credit will encourage them to hire and train the workers they need, while easing the effect on their bottom lines. The Chamber and our members understand there is a cost associated with this bill, in the form of lost tax revenue. We argue, however, that the financial return to the state in the form of income taxes paid because of the new jobs created, as well as the increased economic output that will result, outweighs the initial cost.”

NATURE AND SOURCES OF OPPOSITION:

Non submitted.

Reported by: Jeanie Phillips, Clerk

Date: April 8, 2021