



State of Connecticut
HOUSE REPUBLICAN OFFICE
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

December 3, 2020

The Honorable Ned Lamont
State Capitol
210 Capitol Avenue
Hartford CT, 06106

Dear Governor Lamont,

On behalf of myself and the other members of the House Republican Caucus, I am writing to ask that you take four actions immediately in order to provide some much-needed relief to our state's workers job creators during this ongoing pandemic:

1. Direct surplus COVID relief money to replenish our insolvent Unemployment Trust Fund;
2. Allow our state's businesses to defer the payment of their personal property taxes until April 1, 2021;
3. Amend Executive Order 7W to extend the moratorium on the "Experience Rate " that's applied to businesses that have had to layoff employees during this unprecedented time, and
4. Suspend the implementation of an additional tax on workers to fund a new Paid FMLA program.

As reported just today, we have only until December 30th to decide what to do with more than \$196 million remaining from the \$1.382 billion we have received in COVID relief funds from the federal government. The state's Unemployment (UIC) Trust Fund has been overwhelmed by the number of layoffs that have occurred during this pandemic – many of which were required due to closures forced by government shutdowns – and ran out of money last August. Consequently, we have already had to borrow over \$800 million in federal loans in order to replenish the fund and keep paying benefits. Unfortunately, our state's job creators will be responsible for repaying these loans. Less than 7% of COVID relief funds have been used to help our state's businesses. Using the surplus funds to replenish the UIC Trust Fund, as other states have done, will reduce the burden on these businesses and make it easier for them to dig their way out of the fallout from this pandemic.

Even if our UIC Trust Fund didn't require federal loans to shore it up, Connecticut businesses are still responsible for funding it, in part, through an "Experience Rate" charge that's related to the number of employees they have to layoff. Unfortunately, the pandemic and resulting shutdowns have forced unprecedented numbers of layoffs and, recognizing that these layoffs were not the business' fault, you ordered a moratorium on charging their experience accounts. As we go into a second, and stronger, wave of the pandemic we urge you to extend this moratorium and avoid imposing an undue burden on contributing employers whose employees have had to file unemployment claims as a result of the extraordinary effects of the COVID-19 pandemic.

We are also asking that you allow businesses in our state to defer payment of their personal property taxes until April 1, 2021. Allowing businesses an additional 90 days to pay the taxes that would otherwise be due next month will provide them with additional flexibility and give them one less thing to worry about as they try and recover as quickly as possible.

Finally, as you are aware, starting January 1, 2021 a 0.5% payroll tax will be taken out of Connecticut workers' paychecks to fund a new paid family medical leave program. This represents an additional burden on our state's workers which could not come at a worse time – and for a program which won't pay one dollar of benefits until 2022. We respectfully request that you consider temporarily suspending this tax.

The recent reports indicating that CT ranks last in actual job and income growth outcomes should prompt further consideration of the policies that we pursue as a state. We are very concerned that failure to take immediate action on these four items will further hinder Connecticut's economic growth and erode the confidence of the constituents and businesses that we serve. I trust you'll agree that we should be doing everything we can to help restore that confidence during this period of uncertainty which all of our businesses and employees are facing.

Sincerely,

A handwritten signature in black ink that reads "Vincent J. Candelora". The signature is written in a cursive, flowing style.

Vincent Candelora, 86th District
House Republican Leader Elect