



# Protecting Small Business Jobs

Connecticut's small business community has been squeezed by the pandemic and policies enacted by legislative democrats. While corporations and investors have fared well, small businesses have been struggling to recover. Wall Street may be thriving but our local Main Streets are still struggling. A survey of small business owners reported that 8 of 10 respondents experienced a decline in revenue compared with the prior year and 60% reported that their expenses either remained the same or were higher than the prior year. Employers have also complained about the difficulty of finding enough staff to fill needed positions and it's estimated that the state is still 87,000 jobs short of where we were before COVID-19 hit. The legislature needs to focus on making Connecticut more business friendly and promoting policies that help businesses grow.

## Unemployment Trust Fund Support

The unemployment trust fund is primarily funded through unemployment taxes paid by businesses. The fund was drained during the pandemic, and the state had to borrow roughly \$900 million from the federal government to provide benefits to workers in their time of need. Business owners are responsible for paying back this loan, a burden that will get in the way of their efforts to recover from the economic catastrophe that has gripped our state.

- Use federal funds to shore up the underfunded and overutilized unemployment trust fund in order to ensure its availability to workers who will need it in the future, and to reduce the impacts of the pandemic and the sluggish recovery within our state's business community.



## Apprenticeship & Trades

- Encouraging the hiring of additional apprentices by expanding the apprenticeship tax credit to trades that hire apprentices who complete 2,000 hrs. of relevant on the job training. This credit is currently provided to businesses who hire registered apprentices who complete 2 or 4-year programs in construction or qualified manufacturing programs with periods of 4,000 or 8,000 hrs.
- Allow contractors to respond to increased demand and to replenish an aging workforce by adjusting the cap on the number of apprentices that may be hired by an employer in the construction trades.
- Extend the manufacturing apprenticeship credit to pass-through entities, which will diversify opportunities for potential job seekers.



## Tax Relief

- Legislative Democrats in 2019 championed eliminating the annual business entity tax the state levies on businesses, adopting an effort long-sought by Republican lawmakers. At the same time, however, they increased the annual business reporting fee paid to the Secretary of State to \$80 from \$20. We'll work to eliminate that increase.
- Restore the Pass-Through Entity Tax Credit multiplier to 93.01% after the 2019-2020 budget reduced it to 87.5%. Democrats reduced this credit to what it is now to fill a void in the state budget, ultimately increasing taxes on these businesses. Restoring the multiplier credit to match the federal standard will end up saving businesses money by having a higher limit on acceptable deductions.



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