

Legislative History for Connecticut Act

**PA 14-69**

SB232

|                 |                               |           |
|-----------------|-------------------------------|-----------|
| House           | 6493-6496                     | 4         |
| Senate          | 1298-1301, 1315-1316          | 6         |
| <u>Commerce</u> | <u>114-121, 124, 125, 271</u> | <u>11</u> |
|                 |                               | <b>21</b> |

**H – 1199**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2014**

**VOL.57  
PART 19  
6233 – 6539**

Is there objection?

Seeing none, so ordered.

Mr. Clerk, will you please call Calendar 471.

THE CLERK:

On Page -- on Page 22, Calendar 471, favorable report of the Joint Standing Committee on Finance, Revenue, and Bonding, Substitute Senate Bill 232, AN ACT CONCERNING THE MANUFACTURING REINVESTMENT ACCOUNT PROGRAM.

SPEAKER SHARKEY:

Representative Perone.

REP. PERONE (137th):

Thank you. Thank you, Mr. Speaker.

Mr. Speaker, I move for acceptance of the Joint Committee's favorable report and passage of the bill.

SPEAKER SHARKEY:

The question is acceptance of the Joint Committee's favorable report and passage of the bill.

Will you remark, sir?

REP. PERONE (137th):

Yes. Thank you very much, Mr. Speaker.

The current manufacturing investment program is a great program that hasn't yet reached its potential. And the Committee feels specifically that allowing manufacturers with more than 50

employees to utilize the program and expanding the tax benefits will attract more manufacturers to this program.

Essentially, the -- the bill raises the employee ceiling to 150 employees. Under current law, participating manufacturers pay 50 percent of the tax owed on funds withdrawn from the account as long as they are used for eligible purposes, including purchasing machinery and equipment.

Under the bill, they pay no taxes on a withdrawal as long as it's used for eligible purposes. Under the current law and the bill, manufacturers must pay the full tax if they use the withdrawal for any purpose other than the permitted uses.

I move adoption.

SPEAKER SHARKEY:

Question before the Chamber is acceptance of the report and passage of the bill.

Would you care to remark further?

Representative Lavelle -- Lavielle.

REP. LAVIELLE (143rd):

Thank you very much, Mr. Speaker. Good evening.

SPEAKER SHARKEY:

Good evening, madam.

REP. LAVIELLE (143rd):

It's still evening.

This is -- this is a good bill that helps manufacturing companies. There are a lot of things that happen that -- in this state that don't help businesses, but this on the contrary does.

The process of using the manufacturing reinvestment account to have a tax exemption to invest in machinery and equipment has been unwieldy. And the amount of trouble it takes to actually get a return on that has been very difficult under current circumstances. So this makes it available to fewer companies, but allows them to have more employees and to get a larger tax exemption. And since only three of them were using it so far, we expect to get far bigger uptake in usage, and for this to help a lot more companies invest in plant property and equipment. So I urge passage.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam. Thank you, madam.

Would you care to remark further on the bill before us? Would you care to remark further?

If not, staff and guests to the Well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll.

Will members please report to the Chamber  
immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the  
members voted?

Members please check the board to make sure  
your vote is properly cast.

If all the members have voted, the machine will  
be locked, and the Clerk will take a tally.

Will the Clerk please announce the tally?

THE CLERK:

Senate -- Senate Bill 3 -- 232, in concurrence  
with the Senate.

|                             |     |
|-----------------------------|-----|
| Total Number Voting         | 144 |
| Necessary for Passage       | 73  |
| Those Voting Yea            | 144 |
| Those Voting Nay            | 0   |
| Those Absent and Not Voting | 7   |

SPEAKER SHARKEY:

The bill passes in concurrence with the Senate.

Will the Clerk please call Calendar 268?

THE CLERK:

House Calendar 268, on Page 37, favorable  
report of the Joint Standing Committee on Banks,  
Substitute House Bill 5577, AN ACT CONCERNING  
CROWDFUNDING STUDY BY THE DEPARTMENT OF BANKING.

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**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
2014**

**VOL. 57  
PART 4  
1014 - 1339**

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SENATE

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April 24, 2014

Will you remark? Will you remark?

Senator LeBeau.

SENATOR LEBEAU:

If there is no objection, I'd like to put this on the  
Consent Calendar.

THE CHAIR:

Seeing no objections, so ordered, sir.

Mr. Clerk.

THE CLERK:

On page 25, Calendar 119, Substitute for Senate Bill Number  
232, AN ACT CONCERNING THE MANUFACTURING REINVESTMENT  
ACCOUNT PROGRAM, favorable report of the Committee on  
Commerce.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Thank you, Madam President. I move acceptance of the Joint  
Committee's favorable report and passage of the bill.

THE CHAIR:

Motion is on acceptance and passage.

Will you remark, sir?

SENATOR LEBEAU:

Thank you, Madam President.

We currently have a manufacturing reinvestment account  
program in the state of Connecticut; however, the program  
is severely underutilized. Only three companies use this.

Now, what is the manufacturing reinvestment account? It's  
sort of like an IRA for manufacturing companies, in that  
they can take dollars, profits, put them aside, put them  
into an account and let them grow. And then upon -- what  
the current law is that, after a period of time, they can  
pay only one-half the income tax that they would normally  
pay on those profits. What the change that we are



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proposing today -- one of the changes that we are proposing today in this bill is to reduce that tax to zero to help enhance manufacturers.

Now, this is a bill that came to the Commerce Committee. It has also been endorsed by the Manufacturing Caucus, and it's something that manufacturers have been looking for, a variety of manufacturers have been looking for. And one of the things we -- the changes we made is we increased the number -- the eligible manufacturers from those companies that employ 50 employees to 150 employees. So we expanded that universe of companies that may -- that may participate in the program, but at the same time, we capped the program instead of at 100 companies, we capped it at 100 -- excuse me -- we capped it at 50 so that the cost would not explode. And we're hoping, frankly, that there will be more companies that will come into this program or use it.

And because what can these dollars be used for? For, the bill says, eligible expenditures; the eligible expenditures are essentially capital investment back in their companies. So, if they take these dollars and they use the dollars that they have earned by having it, in a sense, in this manufacturing IRA -- let's call it that, manufacturing IRA. They can take those dollars. They can reinvest them back in new machinery and new equipment, and if they do that, they won't have to pay tax on the dollars that they made on the initial investment.

So this is a good bill because what it does, it helps our manufacturers to grow their productivity, to increase their capabilities, and to ensure that they keep jobs in the state of Connecticut.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark?

Senator Frantz.

SENATOR FRANTZ:

Thank you, Madam President. And, again, I would like to thank Senator LeBeau for his hard work in ushering this concept forward, as well.

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Revisiting the theme that we were just talking about a few minutes ago, the power of compounding, just think of this as an IRA or a 401(k), if you can compound your money tax free, and I know that there is a time limit here of five years, but if you can compound your money tax free, it's going to make a huge difference at the end of not just the day, but -- but the longer term. And to be able to capitalize on not only the tax-free compounding, which makes a huge difference -- you start to get into hockey stick territory if you're looking at the kind of returns that will over the course of time, but to be able to take it out of that fund and use that money for specified -- specified purposes tax free is a huge incentive to manufacturers who need it so desperately in the state of Connecticut.

Great bill. Please vote for it.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark?

Senator Linares.

SENATOR LINARES:

Thank you, Madam President. I'd like to thank the good Senators LeBeau and Senator Frantz for their leadership on this bill. When I toured manufacturing plants in my district, this was one of the bills that they were looking for, and the Manufacturing Caucus here in Hartford endorsed this bill. This bill passed unanimously from the Commerce Committee. It's supported by business groups across the state, the CBIA, the Middlesex Chamber of Commerce. This bill would improve and enhance the current Manufacturing Reinvestment Account, the MRA Program. An MRA is like an IRA for manufacturers, allowing profits to be reinvested back into companies without having to pay burdensome taxes as Senator Frantz was just mentioning.

MRA's allow companies to make capital investments into property, plant, and equipment and expand facilities and invest in job creation. This is a jobs bill. The bill aims to encourage more of our manufacturers to participate in this program opening up to small businesses with up to 150 employees. The bill exempts from corporation and

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personal income taxes up to 100 percent rather than 50 percent of any withdrawal from an MRA.

By passing this measure, we send a direct message to our manufacturers in all of our districts that we support them. We want them to grow and expand here and that we are listening.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark further? Will you remark further? If not, Senator LeBeau.

SENATOR LEBEAU:

Thank you, Madam President. If there's no objection, I'd like to place on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

Mr. Clerk.

THE CLERK:

On page 29, Calendar 224, Senate Bill Number 485, AN ACT CONCERNING EXPEDITED PERMITTING FOR PRIORITY DEVELOPMENT SITES IDENTIFIED BY MUNICIPALITIES, favorable report of the Committee on Commerce. There are amendments.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Thank you, again, Madam President. I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE CHAIR:

Motion is on acceptance and passage. Will you remark, sir?

SENATOR LEBEAU:

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Immediate roll call has been ordered in the Senate on  
Senate "C." Immediate roll call ordered in the Senate.

THE CHAIR:

If all members have voted; all members have voted the machine will be closed, and Mr. Clerk, will you call the tally, please.

THE CLERK:

On Senate Amendment Schedule "C":

|                        |    |
|------------------------|----|
| Total Number Voting    | 35 |
| Necessary for Adoption | 18 |
| Those voting Yea       | 13 |
| Those voting Nay       | 22 |
| Absent and not voting  | 1  |

THE CHAIR:

The amendment fails.

Will you remark further? Will you remark further? If not, Senator Bartolomeo.

SENATOR BARTOLOMEO:

Thank you, Madam President. If there is no objection, I would ask that this might be put on the Consent Calendar, please.

THE CHAIR:

Seeing no objections, so ordered, ma'am.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, if the Clerk would read the items on the Consent Calendar at this time and then call for a vote on that first Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 6, Calendar 193, Senate Bill Number 3; on page 25, Calendar 119, Senate Bill Number 232; page 26, Calendar

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129, Senate Bill 24; and on page 29, Calendar 224, Senate Bill 485.

THE CHAIR:

Mr. Clerk, will you please call for a roll call vote on the first Consent Calendar, and the machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate. Immediate roll call on today's first Consent Calendar has been ordered in the Senate.

THE CHAIR:

If all members have voted, all members have voted, the machine will be closed. Mr. Clerk, will you please call the tally.

THE CLERK:

On today's first Consent Calendar:

|                             |    |
|-----------------------------|----|
| Total Number Voting         | 35 |
| Necessary for Adoption      | 18 |
| Those voting Yea            | 35 |
| Those voting nay            | 0  |
| Those absent and not voting | 1  |

THE CHAIR:

Thank you. Consent Calendar has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, we have some more items, again, to mark as go, and I believe there are also a couple of committee announcements. The next two matters to be marked "go" would be Calendar page 27, Calendar 167; Calendar page 28, Calendar 189, both from the Transportation Committee. And then returning from that to the three matters marked from the Human Services Committee: Calendars 203 on page 7, 266 on page 8, and 267 also on page 8.

And, also, Madam President, would yield to Senator Meyer, at this point, for an announcement of a committee meeting, and then there may be other announcements as well.

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**COMMERCE  
PART 1  
1 – 511**

**2014  
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Seeing none, thank you, very much, for your time; appreciate it.

HILLEL GOLDMAN: Thank you.

REP. PERONE: Okay. Up next is Frank Johnson, followed by a Briana Fernandez.

FRANK J. JOHNSON: Good afternoon.

REP. PERONE: Good afternoon.

FRANK J. JOHNSON: First of all, I want to thank the committee for raising the bills that are being heard today. My name is Frank Johnson. I'm the President of Manufacturing Alliance of Connecticut, and I'm here today to thank you for hearing these bills.

The manufacturing community is working more closely than ever to make this a great session because we believe, as most of you do, that manufacturing remains the heartbeat of the Connecticut economy. In particular I want to call attention to legislation that we support that would extend the JET program, which is S.B. 78; of course we continue to utilize and support the STEP UP program. We support the modification of the MRA, which is S.B. 232, and I know you received additional written testimony, both from the Connecticut Association of Small Manufacturers and from CBIA. And MAC has been part of -- of working with that group to make some changes to the MRA that will make it a little more functional and a little more useful. And we support the legislation that would create the Connecticut Manufacturing Innovation Fund.

In addition, the manufacturing community is very interested in -- in some other issues, like allowing S corporations and pass-through

corporations to utilize the R and D Tax Credit and the Manufacturing Apprenticeship Tax Credit. So I think that the goals of the manufacturing alliance have been very much in concert with the goals of this committee.

We also believe that creating a Manufacturing Innovation Fund, in addition to helping manufacturers innovate and expand, it helps to support public/private training initiatives, and hopefully it will leverage federal grant funds to support manufacturing in our state and the region. And as has been previously stated, as our workforce ages, we need to be able to back fill our workforce with highly trained, highly skilled individuals.

The Connecticut General Assembly and -- and this committee and other committees have been very supportive in helping to develop the workforce in Connecticut to fill some of the skilled and advanced manufacturing jobs, and we've heard a lot of conversation about that today from a -- a number of different people. But one of the items we included in our legislative agenda, and we would suggest that it could be added to almost any piece of legislation that passes out of this committee and ultimately is passed, is that Connecticut conduct a far-reaching and extremely job-specific survey of the manufacturing community, extraordinarily 5,000 manufacturing companies in Connecticut.

And I would venture to say that a -- a good majority of them are in aerospace or defense-related programs but some are not; I mean, injection, plastic injection molders or companies that make screw machine products or cosmetic cases or any number of the other things that we make in Connecticut. Pez dispensers and Wiffle balls are not going to be



affected by a lot of the advanced manufacturing things that we talk about. So we believe we need to do a survey to determine in a very specific way what jobs manufacturers need to fill today, what jobs they need to fill two years from now, and what jobs they feel they need to fill five years from now. Only by identifying the hole can we create the perfect peg to fit the hole.

We keep hearing conversations from the university system, the community college system, the vocational-technical schools, secondary schools, and any number of technology related organizations about training employees. But I still would, I still would urge you to consider the fact that what we really need to know is exactly what training is needed and exactly what institutions can best accomplish that training.

It really is heartbreaking for me to be involved with training programs that train CNC operators, basic machinists, and they can't find a job, but every industrial plant you drive by has a sign outside that says, "Now hiring" for the following positions. Somewhere there's a gap between the training that's being done and the jobs that are needed, and -- and in order to address that gap, we need to know exactly what -- what jobs are or what skills are needed to fill those openings.

REP. PERONE: Thank you.

Well, thank you, very much, for your testimony; it's, as some of your last comments, I'm very familiar because I think I've made them, you know, just sitting and talking to other people about it. I completely agree.

I think a -- a couple of things. Our -- our

manufacturing capacity not only in the state is not only vast but it's also varied. I mean one part of the state you've -- you've got manufacturing of -- of battery casings; in another part you've got, you know, fan blades for jet turbines. I mean it just, it runs the gamut.

You know, my, I'm -- I'd like, from you, I'd like to get a better, a better sense of -- of really what the, you know, what -- what sort of impact do you think this is likely to make? Because I think our -- our manufacturing base is -- is evolving, going forward; I mean its -- its (inaudible) is there, because of technology and everything else and new demands on -- on, you know, what we can do. So I'm just wondering how do you think, you know, the -- the concepts in this bill actually fit into that.

And to your, some of your last points, how do you think we're able to and do -- what do you think we could do to, you know, align our -- our, you know, upcoming talent pipeline with, with those needs?

FRANK J. JOHNSON: Those are both good questions. I think the -- the intent of the bill or one of the intents of the bill is to create training partnerships with the state university system, with private companies to try to back fill part of that pipeline. But I think there's a bigger need out there to train individuals for the manufacturing jobs that are available in all the communities that you all represent.

And as I said, it's a, you know, the, not long ago, the nationally, National Tooling Machining Association did a survey and asked companies -- and I'm paraphrasing -- if a tool and die maker walked into your company tomorrow, could you

add somebody to your payroll? The answer was yes. And they went through that with a whole list of skills, which leads me to believe that there's an enormous void out there that could be filled immediately if we were training the right people with the right skills for the right jobs.

The -- the problem is that many of the training programs that are innovated are either innovated within the walls of government or they're innovated for specific industries. In Connecticut, we focus a lot on the aerospace industry, the defense industry, as well we should. But there are a whole number of other companies out there that are not part of those industries that also need to have trained employees.

And to your point, I believe that even a company -- I remember going to see the Bic plant, down in Milford -- and even a company that made something as simple as a disposable razor continued to innovate, continued to engineer, continued to add value to the product, and continued to increase productivity. It doesn't matter what you make. You know, as somebody said to me the other day, the definition of advanced manufacturing is anybody who has survived in Connecticut until now.

You know, the -- the high-labor-component jobs went away with NAFTA. The commodity jobs, where companies made a million screws a week, have gone away to Asia and other places, so what we're left with is the highly skilled manufacturing companies. And regardless of what their ultimate product is, they continue to innovate, they continue to improve their processes, they continue to do more with less, and they continue to survive despite the

challenges of being in Connecticut.

My only suggestion is that we survey them and make sure that the training we're doing -- you know, every, everybody comes up here and says we need \$25 million for a new peg; you know, we need a six-sided peg or an eight-sided peg or a round peg, a square peg, a triangular peg. Nobody has identified the hole yet. If we can identify the hole more accurately, we all know what kind of peg we need to fill the hole.

REP. PERONE: Well, you know, going forward, we're probably going to be able to print that peg digitally, in three dimensions.

I am a -- a huge fan or a huge advocate of -- of taking inventory along those lines. That's a, for a long time I've been pushing the idea of -- of asset mapping in our, in our state. But that said, you've -- you've really, you know, the light bulb has definitely gone off for me in the, in a sense that we really, you know, we're obviously very supportive of the manufacturing industry but, you know, it's -- it's, I think we, you know, we need to do a lot more to understand it and understand, you know, the configuration and the, and the, and the scope. And really, I mean, but, you know, we've, the last I heard, we have somewhere in the neighborhood -- give and take -- you know, 40 different industry clusters in -- in the state of Connecticut, and obviously some are more active than others.

But, you know, this -- this all, you know, understanding our -- our manufacturing capacity is going to make us a lot more effective at creating programs and -- and training programs so that can, that can augment that and make a us a lot more competitive. So I -- I agree with you completely -- very controversial here.

So I'd like to know if there are any -- thank you for your testimony -- any further questions?

SENATOR LeBEAU: I just want to say thank you, Frank, for bringing this idea to us -- with others -- and for advocating and for being here today.

FRANK J. JOHNSON: Thank you, very much.

And I want to thank the committee for the work they've done. And, Senator, in my written comments, I also called you out specifically for thanks for the work you've done on this committee, the work you've done with the manufacturing caucus, and hopefully that's a legacy that will continue on for many years in the Legislature.

As somebody said to me when I looked at my testimony, Isn't that kind of premature that thank Senator LeBeau? I said, No, I think I'll just do it every time between now and time he leaves because the -- the impact and the --

SENATOR LeBEAU: Good.

FRANK J. JOHNSON: -- benefit that it means to manufacturing --

REP. PERONE: He never gets tired of hearing that, and --

FRANK J. JOHNSON: Yeah. The -- the impact --

REP. PERONE: -- (inaudible) get --

SENATOR LeBEAU: (Inaudible) you get more flies with honey, right, you know, so --

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mhr/gbr COMMERCE COMMITTEE

February 27, 2014  
10:00 A.M.

FRANK J. JOHNSON: Well --

SENATOR LeBEAU: -- be sweet.

FRANK J. JOHNSON: I -- I have respect for what  
you've done and I appreciate it.

SENATOR LeBEAU: Thank you, very much, Frank.

FRANK J. JOHNSON: Thank you, very much, for having  
me.

REP. PERONE: No, thank you.

Up next is Briana Fernandez, followed by  
Jennifer Herz.

BRIANA FERNANDEZ: Hello. Thank you me, thank you  
for welcoming me to the board. To the Co-  
Chairs, the members of the Commerce Committee,  
thank you for allowing me the opportunity to  
speak about why paid sick days are so important  
for workers like me here in Connecticut and why  
I'm testifying on H.B. 5269.

Just last summer, I applied and was hired as an  
employee at the local McDonald's in my hometown  
of Manchester. One of my primary personal  
goals was -- sorry -- my primary personal goals  
in working there was to earn enough money not  
only to take care of my basic living needs but  
also to possibly save up for college, as many  
other young people do in our state. And just  
like other young people and all other, and all  
people, for that matter, I occasionally come  
down with an unfortunate cold or unforeseen  
cold, flu or medical emergency.

And when the Connecticut General Assembly  
passed the Paid Sick Days Act, in 2011, workers  
like myself all across the state, who up until  
that point had no -- sorry -- up until that

SENATOR LeBEAU: Thank you.

REP. PERONE: Thank you, very much.

SENATOR LeBEAU: Any questions?

REP. PERONE: Questions? No.

Well, thank you, very much, for your time.

Okay. Up next is a Jennifer Herz, followed by a Frank Hagaman.

JENNIFER HERZ: Senator LeBeau, Representative Perone, members of the committee, I am Jennifer Herz, Assistant Counsel with CBIA, the Connecticut Business and Industry Association.

I want to talk to you today about two bills on your agenda and when CBIA supports them. The first is Senate Bill 232, which is the MRA bill, and the second is House Bill 5041, which is the Governor's bill that creates the Manufacturing Advisory Council.

On the first one, Senate Bill 232, basically the bill before you makes some changes, that's existing Manufacturer Reinvestment Account program. The program currently exists. We think some changes to it really make it more effective, so one change is increasing the employee count threshold an employer can have in order to avail themselves of this program. And the second change is to make the tax credits a little bit more attractive, so the two things we've heard from Frank Johnson, that are supported by ourselves, a number, as well as a number of other manufacturing organizations in Connecticut.

HB 5041

The second item I want to touch on is the Governor's bill that you heard much about,

before myself today, and we are lending our support to that bill as well. You know, we think that this could be a great opportunity for manufacturers in Connecticut to continue to innovate and grow. And really what you've also heard about, which is the workforce development aspect of it, I think those pieces together show how important all those issues are to kind of get some manufacturers, and we look forward to seeing this develop as the years move on.

Those are my brief comments. I'll be happy to answer any questions that you may have.

REP. PERONE: Thank you, very much.

The -- I just had a -- a question. You know, Frank did mention the idea of -- of, you know, taking inventory in terms of, or, you know, or basically not only the -- the amount of manufacturers but also understanding, you know, the capabilities and -- and that kind of thing. In this advisory group, I mean, would you, do you see any opportunity for some, would that, do you think that would be a good mix to have something like that fall under there, their auspices?

SB 232

JENNIFER HERZ: You know, I think it's certainly a possibility. The, from what I understand with the (inaudible) right now does in fact look to increase workforce development, so I think certainly learning more about what those needs are would go a long way towards that goal.

REP. PERONE: Okay. I'm -- I'm trying -- are there any other questions (inaudible)? No; think we're good. We're all set.

Thank you, very much --

JENNIFER HERZ: Thank you.



CT20x17

BUILDING A BRIGHTER ECONOMIC  
FUTURE FOR EVERYONE

#MoveCTUp

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TESTIMONY  
BEFORE THE  
COMMERCE COMMITTEE  
LEGISLATIVE OFFICE BUILDING  
FEBRUARY 27, 2014

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing less than 50 people.

I am submitting this testimony in support of **SB 232 An Act Concerning the Manufacturing Reinvestment Program**. CBIA supports this bill because it will help Connecticut's manufacturers continue to grow and innovate in our state.

The current Manufacturing Reinvestment Program (MRA) is a good program that hasn't yet reached its potential and we believe some simple fixes will improve its effectiveness. Specifically, allowing manufacturers with more than 50 employees to utilize this program and expanding the tax benefits will attract more manufacturers to the benefits of this program.

This is a valuable initiative that encourages manufacturers to make capital investments in machinery, equipment, facilities and their workforce. Manufacturing continues to be vital to Connecticut's economy and implementation of this program, with some fixes, will continue to support growth and innovation.

CBIA urges your support of **SB 232** because it will support reinvestment in Connecticut's manufacturing economy.

Thank you for the opportunity to offer CBIA's comments.