



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

REPRESENTATIVE NICOLE KLARIDES-DITRIA
ONE HUNDRED FIFTH ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING, ROOM 4200
300 CAPITOL AVENUE
HARTFORD, CT 06106-1591

TOLL FREE: (800) 842-1423
CAPITOL: (860) 240-8700
Nicole.Klarides-Ditria@housegop.ct.gov

RANKING MEMBER
REGULATION REVIEW COMMITTEE

MEMBER
FINANCE, REVENUE, AND BONDING COMMITTEE
PUBLIC HEALTH COMMITTEE

Appropriations Committee Public Testimony March 26, 2021 Testimony in Support of House Bill 5607

Co-Chairs Osten and Walker, Ranking Members Miner and France and Distinguished Members of the Appropriations Committee, I would like to thank the committee for allowing me the opportunity to submit testimony on **House Bill 5607: An Act Concerning the Use of COVID-19 Relief Funds to Replenish the Unemployment Compensation Trust Fund.**

This bill is an important proposal to reduce the future tax burden on the state's businesses that are already struggling to recover from the COVID-19 pandemic. This proposal would also require that a portion of COVID-19 relief funds be deposited into the Unemployment Compensation Trust Fund. With a prowling pandemic lingering behind our communities, the thought of uncertainty is still at the forefront of many business owners' minds.

In a recent analysis from the U.S. Bureau of Labor Statistic (BLS), the Local Area Unemployment Statistics (LAUS) recorded that the Connecticut January unemployment rate of 2021 was 8.1%. In a comparison, January of 2020 reached only an average of 3.7%. Furthermore, the unemployment rate in December of 2020 was 8.2%, demonstrating that even during a busy holiday season many still struggled to find some form of employment. People cannot find jobs for one simple reason. Small business closure.

According to the Connecticut Business & Industry Association (CBIA), small businesses make up 48.9% or 750,457 Connecticut employees of our local economy. CBIA also reports that with the slam of the COVID-19 pandemic 37% of these small businesses had to shut their doors from January 2020 to December 2020. It is clear by statistics that large corporations in Connecticut stayed afloat will many small businesses sank.

Small business owners do not need another tax, they need our support and compensation.

I urge the Appropriations Committee to act favorably on House Bill 5607. Thank you.