



**News From:**

## **COMPTROLLER KEVIN LEMBO**

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**FOR IMMEDIATE RELEASE**

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### ***COMPTROLLER LEMBO URGES GREATER TRANSPARENCY SURROUNDING STATE TAX CREDITS***

Comptroller Kevin Lembo submitted testimony today to the legislature's Finance, Revenue and Bonding Committee, urging support for a bill that would greatly enhance the state's ability to review whether hundreds of millions of dollars in state tax credits are fulfilling their policy goals of economic development and job creation.

*H.B. 5426, An Act Concerning Reports on Business Tax Credit and Abatement Programs*, would require the Department of Economic Development (DECD) to provide more comprehensive data about state tax credit programs to the legislature's Business Tax Credit and Tax Policy Review Committee.

"Hundreds of millions of taxpayer dollars are deferred from collection every year and, instead, invested in state tax credit programs established to promote business development and job creation," Lembo said.

The legislature's Business Tax Credit and Tax Policy Review Committee, which Lembo serves on, was created to review and analyze whether these tax credit programs are fulfilling their public policy goals – or whether certain tax credits should be modified, eliminated or redeployed to more successful economic development initiatives.

"This bill will greatly enhance the ability of the Committee to analyze the effectiveness of tax credits by providing greater access to data," Lembo said. "With significant taxpayer dollars invested in these business and job-creating initiatives, our state tax credit programs must be monitored closely to ensure their success."

Specifically, the legislation would require that DECD:

- **Demonstrate that a tax credit is meeting the state’s economic strategic plan;**
- **Report on the geographic location of those entities receiving credits, and if they are located in distressed communities;**
- **Conduct a comparative analysis of Connecticut’s state tax credit program against other states – enabling the Committee to evaluate whether Connecticut is economically competitive; and**
- **Report, in more detail, the status of each enterprise zone investment, including data on the types and amounts of state financial assistance provided in each zone.**

**“This additional information will help the Committee assess the effectiveness of the enterprise zone program and determine what types of investments are most likely to achieve our overall economic goals,” Lembo said.**

**“It will also equip the Committee with the necessary data to assess whether or not the tax credit program is addressing the state’s strategic objective of providing economic opportunity to all our businesses, including those in distressed municipalities.”**

**\*\*\*END\*\*\***

