



News from:

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COMPTROLLER LEMBO LAUNCHES VIRTUAL ROUNDTABLE

Comptroller Kevin Lembo today is launching the first of a "Virtual Roundtable" series online that will provide a forum for all Connecticut residents – and others in cyberspace – to participate directly in policy discussions and development.

The concept is simple: Comptroller Lembo poses a timely policy question to the public online regarding an issue he's working on for their input.

Comptroller Lembo will be engaging directly in the discussions on a regular basis, and will consider participant feedback to direct policy decisions and initiatives.

"The Virtual Roundtable is about promoting and provoking direct public involvement and debate in government – pure democracy," Lembo said. "Policies and laws should not be made in a vacuum. This is an invitation to all Connecticut residents to take the floor and have their say on real policy issues as they're being developed.

"I can't promise that I'll always agree – or that all ideas will be adopted – but I can promise that I will be listening and considering all input carefully with an open mind."

Virtual Roundtable questions will be posted regularly on Facebook at "Comptroller Kevin Lembo" and on the Office of the State Comptroller's website at www.osc.ct.gov. Those who wish to weigh in on these questions and ideas can do so by "liking" the page and weighing in through the comments section – or by emailing Comptroller Lembo directly at comptroller.lembo@po.state.ct.us.

The first Virtual Roundtable question, which will be posted today, is a discussion about

enticing businesses to establish and grow in Connecticut. Specifically, it's a question about Connecticut's Corporate Business Tax (CBT) – and the concept of providing tax credits and expenditures (financial incentives) to businesses and industries each year.

Future questions will likely cover a variety of topics, including the economy, health care, energy – and other issues.



Comptroller Kevin Lembo's

VIRTUAL ROUNDTABLE

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QUESTION 1: CONNECTICUT'S CORPORATION BUSINESS TAX

BACKGROUND

Last year, I called for a review of the tax credits, exemptions and incentives that Connecticut provides to companies and individuals every year. Greater transparency is needed to ensure that these expenditures are fulfilling their purpose, including creating new jobs and enticing new businesses to establish and grow in Connecticut. Since then, a legislative committee met and the Governor created a task force on the issue. I serve on both.

One question deals with the Corporation Business Tax currently at 7.5%*. Many companies receive credits and/or exemptions to minimize this tax burden, while others pay the full rate and receive no credits or exemptions. Like many states, Connecticut has tried to entice companies and industries with financial incentives – however, many smaller employers receive few or no incentives, despite providing the greatest promise for future employment and economic development.

Does government have the capacity to pick winners (and, losers)? Should we discontinue spending resources on these tax credits every year – and instead use that money to drive down the Corporation Business Tax to the lowest possible rate? If big biz ends up paying a little more and smaller businesses less, what is the net change in jobs and tax revenue?



So, here's the question:

If we want to keep and attract employers and good jobs, should we continue awarding incentives to certain businesses and industries or stop the practice and, instead, lower the rate and reduce the burden on all businesses?

Please post your thoughts here and/or email me at comptroller.lembo@po.state.ct.us.

Share this post on your page – and invite others to join in the discussion!

*For tax years 2012 and 2013, corporations with gross incomes over \$100 million are subject to a surcharge equal to 20% of their tax liability under the Connecticut Business Tax.

END

