

# **A Menu of Job Creation and Business Development Ideas**

*Legislative Republicans*

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## **Small Business – Recruitment and Retention**

### ***Small Business “Deal Closing Fund”***

- Establish a small, bi-partisan committee with broad authority to provide tax exemptions and tax credits for companies looking to relocate to Connecticut – only out-of-state companies.
- Determine the maximum amount of funds per company and for the overall program.
- Apply it to businesses with 50 or fewer employees.

### ***Manufacturer’s Reinvestment Account Enhancements***

- Eliminate the 3.5% withdrawal tax, so that the money in the account is truly tax free.
- Increase the \$50,000 annual cap to another flat amount (for instance \$100,000 annually or to some percentage of gross receipts without a cap).
- Technical Fix: The rules in the law as it is written may not apply to pass-through companies (LLCs, S-Corps, etc...). Part of that might depend on how the agency decides to implement the regulations. We propose to make changes to the statute to make it clear that the program applies to pass-throughs as well as C-Corporations.
- Open this program up to all small manufacturers.
- Create a similar program for all small businesses.
- Create a similar program for all new businesses that relocate to Connecticut.

### ***Modify the Small Business Assistance Revolving Loan Program***

- Allow for loan forgiveness for businesses that expand their workforce.
- Streamline the assistance agreement process with the administering state agency, the Department of Economic and Community Development (DECD) which is often seen as an impediment to the contracting process.

### ***Privatization of State Services***

- Establish a small working committee of various stakeholders to identify opportunities to contract out state services, which historically are more efficiently provided by private companies.
- Once those opportunities are identified, those services and/or functions should be competitively bid to private companies.
- Displaced state employees will be offered other necessary positions within state government.

### ***Expand the Current Small Business Job Creation Tax Credit***

- Increase the current job creation tax credit for small companies that hire people off of the unemployment rolls.

### ***Expand the Current New Job Creation Tax Credit***

- Reduce the eligibility criteria so that any business is eligible to receive if they create one new job.

### ***Provide General Tax Relief for Connecticut's Small Businesses***

- Allow for 30% of any taxable income for small businesses to not be taxed by the state if said 30% is reinvested in the company's inventory, capital improvements, or company expansion.

### ***Expand the Current Angel Investor Tax Credit Program***

- Reduce the required amount that angel investors are required to invest in order to participate in this program.
- Increase the current 25% tax credit that is applied towards the investor's income tax liability.
- Re-define "qualified Connecticut business" to include all business sectors, companies with more than 25 employees, and companies with more than \$1 million in gross revenue.

## **Maximizing Resources and Realizing Our Potential**

### ***Fuel Cell Technology and Next Generation Jobs***

- Manufacture 100 Fuel Cell-Powered Buses over the next 5 years.
- Make Bradley International Airport the most energy-efficient airport in the country using stationary fuel cells to power operations.
- Convert I-95 rest areas to fuel cell power, creating a hydrogen highway
- Allow submetering of businesses that use fuel cells as their source for electric power. (related to the I-95 rest areas)
- Recruit a bus manufacturing company to build the frame and shell for fuel cell buses.

### ***A Commitment to Redeveloping Brownfields***

- Establish a 10-year schedule of property tax abatement for companies that relocate at least thirty employees from another state to a redeveloped brownfield site in Connecticut. (100% property tax abatement for the first three years that the company is in the new location, 75% abatement until the 6<sup>th</sup> year, 50% until year 8, and 25% until year 10).
- Design and implement a nationwide marketing campaign promoting
- Conduct a thorough review of the current brownfield programs and consolidate programs into a single program.
- Form a commission to establish criteria for prioritizing brownfield redevelopment and reviewing applications that would qualify for funding under the new program.

### *Airport Development Zones*

- Extend to this Oxford Airport Development Zone the same tax exemptions and corporation business tax credits that apply to the previously authorized Bradley Airport Development Zone.
- In addition to the Oxford area, this proposal will also include other areas surrounding airports in the state such as the area surrounding Bridgeport Airport.

### *Foster the Placement of Skilled Workers with Potential Employers*

- Create a new office or modify the current Department of Labor Reemployment website to match the skill sets of unemployed individuals with the skill sets that employers are seeking.
- Modify the current Apprenticeship Program or create a new program similar to the Apprenticeship Program that will provide the additional limited training that is necessary for those employees who might have most but not all of the required skill sets for a particular job.

### *Further Encourage Research and Development*

- Permanently lift the 70% tax liability reduction cap for those companies that are utilizing R&D tax credits.

### *Create an Economic Gardening Program*

- Require the disclosure of information that state departments such as the Office of Policy and Management, Department of Economic and Community Development, Department of Labor, and the Department of Energy and Environmental Protection possess such as Geographic Information Systems, market research, and industry trending.
- Set policies to ensure a highly-functioning collaborative working relationship with the Connecticut Economic Resource Center and local Chambers of Commerce.
- Continue to promote infrastructure improvements to public education institutions including the continued investment in our public constituents of higher education.
- Further connectivity within the state by creating a working group amongst such stakeholders as industry trade groups, public sector supporters, and academic institutions. Require such groups to meet on a frequent basis, maintaining open public participation.
- Establish a set Market Information Research resource for Connecticut's companies whose sole responsibility will be the diffusion of information to all relevant stakeholders.
- Continue and accelerate improvements to Connecticut's transportation infrastructure.

### *Economic Development Outreach Campaign*

- This proposal includes a significant outreach campaign aimed at informing businesses of the numerous funding and support programs that are available.
- Utilize part of the \$15 million statewide marketing budget to fund outreach activities.
- Ensure that these funds/programs have sufficient resources to meet the potential increased demand.
- Promote other resources, such as the Connecticut Economic Resource Center (CERC) especially the existing CERC Business Response Center and the SmartStart/Connecticut Licensing and Information Center capabilities.

### *New Economic Development Web Site*

- DECD's current Web site looks like a place to go to find statutes and to tout the most recent achievements of politicians and bureaucrats. For many companies outside of Connecticut, this Web site may very well be their first impression of our state. We have a lot to offer.
- Create separate Web site solely dedicated to attracting new businesses.
- The new site should organize programs and information in a logical way.
- Downplay government and highlight the benefits of moving a company to Connecticut.
- Descriptions of tax incentives, financing, technical assistance and other resources should be consistently concise and easy to read, not links to statutory and other technical language.
- Include more graphics and include not just stories about giving government money to companies, but success stories because we have an environment that allows them to succeed.

### *Eliminate the Film Industry Tax Credits*

- Eliminate the Film Industry Tax Credit programs while honoring those credits that have already been awarded and those projects that have begun work by January 1, 2012.
- The elimination of these tax credit programs will free up monies for other tax credit programs that create permanent jobs within the state.

## Making Connecticut a Friendlier Place to do Business

### *Regulatory and Permitting Reforms*

- Expediting the permit approval process,
- Establish a 90-day maximum period for state review and action on permit applications,
- Direct all state agencies to expedite any completed viable permits and funding applications within 60 days,
- Establish and publish the new expedited review schedules for economic development assistance. Create a marketing campaign of said schedules, demonstrating that Connecticut is Open for Business,
- Place a moratorium on any new regulations that would diminish efforts to maintain and/or grow the state's economy,
- Eliminate the practice of state agencies deducting administrative expenses from state and federal grants which decrease the amount of monies available for economic development,
- Reduce the cost of implementing and overseeing new burdensome regulations by requiring that any regulation submitted by a state agency for approval by the Regulations Review Committee be accompanied by a quantitative and qualitative assessment of the costs and benefits of said regulation,
- Market the Office of Permit Ombudsman which is located in the Department of Economic and Community Development. The Office of Permit Ombudsman coordinates and expedites permits and approvals with the departments of Environmental Protection, Transportation, and Public Health.
- Require relevant agencies (DEP, DOT, DPH) to change focus on major code and regulatory violations to quickly remediate problems.
- Expand on the LEAN process within DEP, where it is currently in use, to include other regulatory agencies in order to expedite the issuance of permits.
- Utilize technology to track and monitor the permitting process. This practice will ensure that permits do not get lost or delayed in the convoluted process.
- Establish two separate categories of regulations. One category will include *permits* that regulate activities that are potentially dangerous or could cause direct harm. The second category will include *guidelines* to be followed by companies for activities that could be detrimental but are not potentially dangerous. In both cases, violations would be subject to fines or other penalties.
- Document costs and environmental benefits based on the discussions with the regulated that occur during the development process.
- Often, it is small businesses that are disproportionately impacted by regulations, permits, and inspections. Agencies should assign staff to serve as partners in the regulatory process to guide and educate businesses instead of harassing them.

### ***Create a new Premium Plus Program***

- Create a new Premium Plus Program modeled after a program that was recently enacted in Hawaii which incentivizes private sector companies and non-profit organizations to hire unemployed residents by subsidizing their health insurance premiums for up to a year.
- Reimburse employers up to \$140 per month for each qualified person hired through this initiative.
- Apply to the federal government to receive a 65% reimbursement rate from the federal government, as Hawaii did.

### ***Prescription Drug Reimbursement***

- A budget-neutral solution to keep pharmacies and their jobs in Connecticut.
- Reach a middle-ground on pharmacy reimbursements (Dispensing Fees and AWP Discounts) - somewhere between last year's levels and this year's levels.
- Require greater utilization of generic prescription drugs to offset increased spending due to higher reimbursements to pharmacies.

### ***Strategic Investments in Connecticut's Transportation Infrastructure***

- Reinststitute the recently abolished Transportation Strategy Board, to prioritize infrastructure improvement projects.
- Expedite high-priority projects, such as the long-needed development of the state's deep harbor ports.
- Require funding of projects as prioritized by the Board.

### ***Modernize State Telecommunication Laws***

- Incentivize investment in wireless infrastructure by allowing a telephone company to withdraw from providing a competitive telecommunications service by providing 30 days of notice to, rather than getting approval from the Public Utilities Regulatory Authority (PURA), the successor of the DPUC.
- Eliminate the floor on certain telephone company charges,
- Review tariff and filing requirements.
- Review state-specific auditing requirements.

### ***Eliminate the Business Entity Tax for Small Businesses***

- Eliminate the Business Entity Tax for Connecticut companies with 50 employees or less.

### ***Create a Commercial Property Sales Price Reduction Program***

- Offer a credit for out-of-state companies that relocate in Connecticut and purchase a location for their business within the state.
- The amount of the credit will equal the amount of the state portion of the Real Estate Conveyance Tax that is paid by the seller of the property.
- The new credit will be applied at the closing. Municipalities will remain whole.

## **Workforce Development**

### ***Expand and Accelerate Learn Here, Live Here***

- Refine Learn Here, Live Here to limit the initial pilot program to graduating engineers. (Determine the number of graduates from engineering programs and possibly add other, similar fields).
- Increase the “set-aside” to 100% of each graduate’s tax liability.
- Increase the dollar amount attributed to the program – currently set at \$1 million. Go to \$10 million.
- Accelerate the timeline to start the program beginning with graduates from the class of 2012.

### ***Encourage Increased Participation in the Apprenticeship Program***

- Lowering the initial and renewal registration fees.
- Improving the linkage with Connecticut Vocational Technical High Schools to increase participation.
- Increasing the maximum amount of tax credits allowed under the Manufacturing and Construction Apprenticeship Tax Credit programs, perhaps increasing to total wages paid.
- Expanding the trades that the tax credits are available for to include all apprenticeable trades.
- Reducing journey person to apprentice ratios.
- Creating a new tax credit program which will provide a significant reduction in Corporate Tax liability for any employer who hires an apprentice full-time upon their completion of the apprenticeship program (could be a one-time tax break).

### ***Create a New Volunteer Internship Program***

- Create a new Volunteer Internship Program modeled after a program that was recently enacted in Hawaii which allows unemployment insurance claimants to gain workforce training by interning at local businesses for up to 32 hours a week for eight weeks, while still receiving unemployment benefits.

### ***Encourage Enrollment in Connecticut’s Vocational Technical High Schools***

- Create a new tax credit for the donation of equipment to Vocational Technical High Schools.
- Embark in a much-needed capital improvement program for the Vocational Technical High Schools which will include the renovation of dilapidated facilities, and the replacement of outdated material and equipment.
- Require a course on vocational education in Middle Schools.