

House Republican Press Release

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Rep. Noujaim Calls for Repeal of Business Entity Tax at Small Business Coalition News Conference



One of Repeal Bills Supported by Rep. Noujaim, Coalition, Passes Commerce Committee Today

State Representative Selim Noujaim, other legislators, and Connecticut business leaders today called for the full repeal of the \$250 Business Entity Tax, a nuisance levy that businesses have opposed for several years since it was first put in place in 2002 to close a revenue gap in the state budget.

The state legislature adopted the tax in 2002 during a downturn in the state's economy. The tax was intended as a temporary fix to raise about \$30 million to offset a billion dollar plus deficit. Six years later, the tax remains on the books. The tax currently raises about \$35 million per year and affects about 120,000 Connecticut businesses, Representative Noujaim said.

"Connecticut's small businesses are extremely vulnerable to market forces and increases in the cost of living. They must struggle daily under these conditions to meet both customer demand and employee payrolls. The business entity tax sends the wrong message to Connecticut's small businesses. If the bills [we are supporting pass the state legislature], they will create more jobs, encourage more business investment, and stimulate the economy" Representative Noujaim said.

"Over the past ten years my company has lost 17 customers (17 companies), who we supplied with products and services. They either moved out of Connecticut or ceased operations all together. Combined, these manufacturing firms employed more than 5,000 highly skilled, highly paid, and highly qualified people. Imagine the impact such losses have on their families and on our economy," said Representative Noujaim, who is the executive vice-president of the family-founded and operated Noujaim Tool Company, Inc. in Waterbury.

"With all the agony caused by a state that is so unfriendly to business, we have the opportunity to pass legislation that will rectify a practice that certainly serves no significant purpose other than to chase companies away from our state," Representative Noujaim said.

The full repeal of the business entity tax will "send Connecticut's Small Businesses the message, loud and clear, that they are valued and we want them here," Representative Noujaim said.

Representative Noujaim's remarks came at a news conference today at the Legislative Office Building in Hartford that was organized by the Small Business Coalition, which includes members of the National Federation of Independent Business (NFIB), Chambers of Commerce and Trade Associations. The Small Business Coalition supports full repeal of the business entity tax for Limited Liability Companies, Limited Liability Partnerships and other pass through entities.

Representative Noujaim said the Small Business Association's goal of full repeal of the business entity tax would succeed this year if the General Assembly passes two measures, Senate Bills 400 and 28. Senate Bill 400 (An Act Eliminating the Business Entity Tax) was approved today by the state legislature's Commerce Committee.