

HB21-1311 & HB21-1312
Wednesday, May 26, 2021
Senate Finance Committee
Opposition Testimony, Laura Rizzo, Denver Metro Chamber of Commerce
Committee Chair: Sen. Brittany Petterson

Thank you, Madame Chair and members of the committee, for the opportunity to provide this written testimony today. My name is Laura Rizzo and I am the senior vice president of external affairs for the Denver Metro Chamber of Commerce. I submit this testimony on behalf of the Chamber, our 3,000 members and their 400,000 employees, to express our opposition of House Bills 1311 and 1312.

We are grateful to bill sponsors Sen. Hansen and Sen. Moreno for their willingness to listen to our concerns and their openness to potential changes. They've engaged us in conversations, and we appreciate that stakeholder process. While we've agreed on improvements in the House, we continue to be concerned about the policy, priority and timing in these bills.

Let me be clear, there is great value in expanding and enhancing both the Child Tax Credit as well as the Earned Income Tax Credit (EITC). My comments aren't about the merits of either.

But the reality is working families need tax relief AND good jobs, which is why we are in opposition to these bills.

State budget projections are strong and extensive federal assistance is on its way to our state to provide further financial help. We just saw earlier this week that Colorado will receive \$27 billion in federal stimulus, which includes \$2 billion in expanded child tax credits. It doesn't make sense, given strong state budget projections and federal assistance, to provide emergency relief to employers through federal stimulus, while simultaneously rewriting the tax code and making it more expensive to do business and provide jobs in Colorado. This

legislature has acknowledged the importance of job creation through its previous work to provide stimulus to support Colorado's economic recovery.

Today, we have funding that will allow us to both expand these important tax credits for working families and avoid raising taxes for the same employers that keep our working families working by providing jobs.

Proposed state spending for the 2021-22 budget is \$4 billion+ over this year's budget. And the state's reserve fund is at its highest level in two decades.

Why are employers and their employees being asked to increase state revenue when there is such an influx of available funds? We can accomplish both goals of increasing tax credits like the EITC and Child Tax Credits while also helping our businesses get people back to work and helping our economy continue to build.

Beyond our general objection to raising taxes on business during our national recovery, these proposals have some very specific problems:

- They add sales and use taxes on digital goods that make Colorado less attractive for economic development and investment.
- They stand to harm non-profits across the state by discouraging contributions to their causes.
- And finally, they risk hurting the more than 300,000 families who use Colorado's successful CollegeInvest program to save for their children's college.
- Additionally, none of these proposals include indexes that attempt to account for economic conditions in the future, locking in these caps at what will ultimately make little sense in a decade.

While good intentioned in their support for child care tax, EITC and business personal property, we question the timing of these bills and respectfully request a no vote.