

Friday, May 14 2021  
State Library Finance  
Committee Chair: Rep. Shannon Bird  
Upon Adjournment Room Old  
(1) in house calendar.

Thank you, Madame Chair and members of the committee, for the opportunity to provide this written testimony today. My name is Kelly Brough and I am the President & CEO of 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 Reps. Sirota and Weismann as well as Speaker Garnett for their willingness to listen to our concerns and openness to potential changes. They've engaged us in conversations and we appreciate that stakeholder process. While we've agreed on improvements, 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 Care Tax Credit as well as the Earned Income Tax Credit. 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. 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 jobs 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. The state is slated to get \$3.9 billion in federal funding from the American Rescue Act.

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 Care 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 complicate Colorado filings for multi-state and multi-national companies – an added burden at a time when these companies should stay focused on getting people back in jobs. We are hopeful this provision will be changed.
- 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 used 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.