

Support a Revenue Package that Creates a Recovery For All

The Finance, Revenue & Bonding Committee's revenue package adds fairness to the tax code, provides tax relief to low- and middle-income families and raises funds to invest in programs and services that build equity, mitigate racial and economic disparities and generate economic growth.

PROVIDES RELIEF & FAIR REVENUE

- Increases the state earned income tax credit (EITC) from 23% to 40% of federal EITC.
- Establishes a child tax credit for those with incomes of \$200,000 or less.
- Establishes a voluntary payroll tax for which employees may elect to have their employers pay a 5% tax on their wages, allowing a refundable tax credit equal to 95% of those employer-paid taxes.
- Establishes a progressive consumption tax ranging from 0.7% on incomes between \$500,000 and \$2 million to 1.5% for incomes of \$13 million or more.
- Imposes a 2% surtax on capital gains for those with income in excess of \$500,000/year (\$800,000 for joint filers).
- Creates a graduated tax on digital ads placed in the state by companies with annual gross revenues of \$100 million or more.
- Makes the 10% corporation business tax surcharge permanent.
- Maintains pension exemption phase-ins for retired teachers and extends existing pension and annuity exemption to include income from Individual Retirement Accounts (IRAs).

RECOGNIZES RESTRICTIONS OF AMERICAN RESCUE PLAN FUNDS

The American Rescue Plan sends one-time federal dollars to the state. They are intended to cover COVID-related costs and supplement, *not supplant*, operating costs. Without ongoing, fair revenue streams, our recovery will end when the federal dollars run out.

INVESTS DESPITE SPENDING CAP

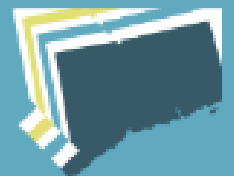
The Finance, Revenue & Bonding Committee's revenue package creates a mechanism to build equity and fund important programs and services despite the restrictions of the spending cap. It is a fiscally and socially responsible proposal that allows us to meet this historic moment while still protecting the state's long-term stability.

The Connecticut Equitable Investment Fund and a nine-member governing council will receive, invest, and support economic growth through investments to:

- Build wealth in underserved communities;
- Reduce income inequality;
- Increasing the availability of venture capital; and
- Reduce municipal reliance on property taxes.

The Connecticut Equitable Investment Fund will be funded by proceeds from:

- Progressive consumption, digital ad & payroll taxes;
- Private investments to be invested in venture capital firms; and
- Taxes collected on recreational cannabis and online wagering.



RECOVERY FOR ALL

