



**STATEMENT FOR THE RECORD BEFORE THE HOUSE FINANCE COMMITTEE ON HB
23-1112: EARNED INCOME AND CHILD TAX CREDITS**

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Lindsey Vigoda, Colorado Director
Small Business Majority

Thank you Chairman Snyder and Members of the Committee:

My name is Lindsey Vigoda and I'm the Colorado Director for Small Business Majority, a small business organization with offices nationwide, including here in Colorado. Our mission is to empower America's diverse entrepreneurs to build a thriving and equitable economy. Today, I am testifying in support of HB 23-1112, legislation that would expand the state-level Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) for working Coloradans.

The proposal brought forward by Rep. Bird and Senators Hansen and Kolker would expand the state level EITC in 2023 and remain in effect until 2026. This is a well-known tool that provides a boost for hardworking Coloradans, including small businesses and their employees. [Data](#) shows that in 2021, approximately 430,000 Coloradans submitted EITC claims, accounting for \$773 million in money back in their pockets and lifting thousands of people out of poverty.

This is particularly important to Colorado's economic success because the majority of small businesses—nearly 80%—are solo enterprises, many of which are low- to moderate-income. According to the U.S. Small Business Administration, the median income for self-employed Coloradans at their own unincorporated firms was just \$29,928 in 2018. It's critical for state lawmakers to support proposals like the expansion of the state EITC to effectively increase take-home income for Coloradans and support low to moderate-income small business owners, their employees and self-employed individuals.

For Coloradans with children, including small businesses owners and their employees, expanding eligibility and increasing the state CTC percentages will provide additional savings for more than 260,000 Coloradan families. What's more, the state CTC is targeting and providing greater savings for lower income families, which have been more frequently impacted by the coronavirus pandemic and need the additional financial support to make ends meet.

We're confident that HB 23-1112 will provide, if passed, an added boost to small businesses, their employees and local economies. These are powerful tools right at our disposal that can truly make a difference in our economic recovery. We encourage you to act swiftly and support Coloradan small businesses through these tax credits.

Thank you,
Lindsey Vigoda
Colorado Director, Small Business Majority