
STATEMENT FOR THE RECORD
BEFORE THE COLORADO GENERAL ASSEMBLY FINANCE COMMITTEE ON
HB 19-1164: Child Tax Credit
February 25, 2019
Hunter Railey, Colorado Director
Small Business Majority

Dear Chairman Herod, Vice Chair Tipper and members of the Committee:

Thank you for allowing me to share comments with you regarding an important measure to put more income back in the hands of Colorado's working families, including many small business owners, their employees and other self-employed entrepreneurs.

In 2013, Colorado's legislature took an important step to extend federal assistance for parents by creating an additional child tax credit against state income taxes. But implementation was made reliant on the passing of a federal Marketplace Fairness Act, delaying additional tax relief for working families in Colorado. Last year, a Supreme Court decision, *South Dakota v. Wayfair*, ruled that states can begin collecting sales tax from internet sellers and negated the need for a Marketplace Fairness Act. HB 19-1164 will strike this trigger from the 2013 legislation and allow the 2013 child tax credit to take effect beginning with the current tax year. This will mean additional income back in the hands of parents making less than \$75,000 as an individual or couples making less than \$85,000 annually.

This group includes many of Colorado's small business owners, freelance workers and the employees of small businesses and will be particularly beneficial for self-employed entrepreneurs. According to the U.S. Small Business Administration, the median income for Coloradans employed by their own incorporated business was \$49,977 in 2016. For self-employed individuals who haven't incorporated, this figure was just \$24,631 in 2016.

We know from our scientific opinion polling that small business owners and their employees often face financial challenges. Particularly, those that are parents face barriers in accessing affordable child care, which impacts their bottom lines. Indeed, more than 1 in 3 (36%) small business owners who are parents said a lack of access to affordable, high-quality child care was a barrier to starting their business. This holds true for small business employees as well, with more than 3 in 10 employers saying their employees' family and child care issues have affected their job performance or productivity. Expanding the child tax credit will help small business owners and employees deal with the costs associated with child care, increasing productivity and enabling more individuals to pursue entrepreneurship.

Other polling we've conducted has shown that small business owners also deal with high healthcare and prescription drug costs, struggle with debt from student loans and don't feel they are able to adequately save for retirement. Expanding the child tax credit will put more money back in the hands of working families, which in turn will help Colorado's small business owners and employees achieve greater financial security.

Expanding the child tax credit is an investment in Colorado's working families, including small businesses. In turn, this will help grow our economy and improve long-term financial wellness for thousands throughout the state. We strongly urge you to support HB 19-1164.

Thank you.
Hunter Railey, Colorado Outreach Manager
Small Business Majority