



Testimony of Ashley Zane
Government Affairs Associate, CBIA
Before the Commerce Committee
Hartford, CT
March 1, 2022
Testifying in support of:

SB 98: AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP TAX CREDIT TO PASS-THROUGH ENTITIES

My name is Ashley Zane and I am a Government Affairs Associate for the Connecticut Business and Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of CBIA member companies have 100 or fewer employees.

I am here in support of SB 98, '*An Act Extending the Manufacturing Apprenticeship Tax Credit to Pass-Through Entities*'. Many small to mid-size manufacturing companies are structured as S corporations, limited liability companies, and limited liability partnership companies, which collectively are referred to as pass-through entities. Due to the current tax structure, these companies are unable to take advantage of the manufacturing apprenticeship tax credit which can only be applied to the corporation tax.

According to the Governor's Workforce Council's strategic plan, the demand for manufacturing employees is projected at 6,000 new workers per year due to the impact of retirements and new defense contracts. SB 98 would give these smaller companies that have aging workforces the opportunity to offset the cost of training for new employees. This bill would help address the demand and put smaller companies on an equal playing field with the larger companies who can afford to take on new apprentices, in part because of this tax credit.

The manufacturing sector needs labor, but they need skilled labor in order to be successful. For many companies, apprentices are an important investment in their future. However, many companies may not want to invest in these individuals knowing that 58% of companies noted that workers cited competition from other employers offering higher wages and benefits as a reason to leave their current employment.

The manufacturing sector is essential to the state's economic landscape and will be a critical facet to the state's pandemic recovery. The manufacturing sector in Connecticut:

- Represents 10% of the state's workforce- and is growing!
- Generates \$2.79 in additional activity for every \$1 spent
- Creates 3.4 additional jobs in other sectors of the economy for 1 job created in manufacturing
- **Wages totaled \$15.4 billion in 2020**
- Contributed 92% of all Connecticut exports in 2020

Incentivizing smaller to mid-sized manufacturing companies to re-skill and skill-up individuals through the manufacturing apprenticeship tax credit incentivizes growth in a sector that creates highly skilled and well-paying careers, not just jobs.

Lastly, attached is a profile for a machinist in Connecticut. This tax credit not only helps businesses offset costs but helps provide livable wages to skilled individuals. Using the average hourly wage, an individual can make approximately \$56,100 per year not including overtime, benefits, and other forms of compensation with minimal to no student loan debt. Manufacturing is an industry that can be accessible to anyone regardless of socioeconomic status, gender, age, and race and the pipeline should be supported and encouraged through state tax policy.

In conclusion, CBIA strongly supports this piece of legislation. Please feel free to reach out to me with any additional questions or concerns you may have.

Department of Labor Market Information: Machinist


Economy • Workforce • Careers
STATE OF CONNECTICUT - OEWS
2021 Occupational Employment & Wages

Home
State 
Bridgeport-Stamford
Danbury
Hartford
New Haven
Norwich-New London
Torrington
Waterbury

Connecticut 
Select Occupation
51-4041 Machinists 

State of Connecticut (1Q 2021)	
All Industry	
Estimated employment	8,950
Mean wage	\$26.01
Entry wage	\$16.88
10th percentile wage	\$14.99
50th percentile wage	\$25.91
90th percentile wage	\$38.09

Top Employing Industries	
Industry	Employment Percent
Manufacturing	8,050 90.0%
Administrative and Support and Waste Management and Remediation Services	610 6.9%
Other Services (except Public Administration)	40 0.4%
Wholesale Trade	

Best Paying Industries	
Industry	Employment Median Wage
Wholesale Trade	29.67
Other Services (except Public Administration)	40 28.36
Manufacturing	8,050 25.95
Administrative and Support and Waste Management and Remediation Services	610 23.71

Machinists (51-4041)

Set up and operate a variety of machine tools to produce precision parts and instruments out of metal. Includes precision instrument makers who fabricate, modify, or repair mechanical instruments. May also fabricate and modify parts to make or repair machine tools or maintain industrial machines, applying knowledge of mechanics, mathematics, metal properties, layout, and machining procedures. Machinists who primarily program or operate computer numerically controlled (CNC) equipment are classified in Computer Numerically Controlled Tool Operators and Programmers (51-9160).

Median Wage History					
Year	This Occupation		Compared to Occupational Group		Difference
Current	\$25.91		\$21.49		\$4.42
2020	\$25.22	+2.7%	\$20.92	+2.7%	\$4.30
2019	\$24.41	+3.3%	\$20.25	+3.3%	\$4.16
2018	\$23.69	+3.0%	\$19.65	+3.0%	\$4.04
2017	\$22.97	+3.1%	\$19.05	+3.1%	\$3.92
2016	\$22.34	+2.8%	\$18.53	+2.8%	\$3.81
2015	\$21.73	+2.8%	\$18.02	+2.8%	\$3.71
2014	\$21.24	+2.3%	\$17.62	+2.3%	\$3.62
2013	\$20.83	+2.0%	\$17.27	+2.0%	\$3.55
2012	\$20.46	+1.8%	\$16.97	+1.8%	\$3.49

Year	This Occupation		Compared to All Occupations		Difference
Current	\$25.91		\$25.22		\$0.69
2020	\$25.22	+2.7%	\$24.57	+2.6%	\$0.65
2019	\$24.41	+3.3%	\$23.88	+2.9%	\$0.54
2018	\$23.69	+3.0%	\$23.18	+3.0%	\$0.51
2017	\$22.97	+3.1%	\$22.52	+2.9%	\$0.45
2016	\$22.34	+2.8%	\$21.99	+2.4%	\$0.35
2015	\$21.73	+2.8%	\$21.44	+2.6%	\$0.29
2014	\$21.24	+2.3%	\$20.98	+2.2%	\$0.26
2013	\$20.83	+2.0%	\$20.60	+1.9%	\$0.23
2012	\$20.46	+1.8%	\$20.21	+1.9%	\$0.25

Reference Date: 1st Quarter 2021

Note: The mid-wage is the median wage. The average wage is the mean wage. The entry-level wage is equal to the average of the lower third of reported wages for the occupation. The wage range consists of the 10th and 90th percentiles; 80% of workers earn between this wage range. 10% earn less while 10% earn more.



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CT Department of Labor- <https://www1.ctdol.state.ct.us/lmi/wages/20211/090100009/51-4041.htm>