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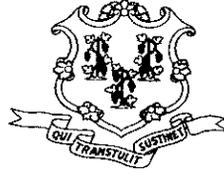
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TO: Senator LeBeau, Representative Berger and Members of the Commerce
Committee

From: Michelle Noehren, Legislative and Outreach Associate

Date: March 6, 2008

Re: Commerce Committee Public Hearing 3/6/08

We are submitting the attached testimony on behalf of women business owners in support of **S.B. 400, AA Eliminating the Business Entity Tax**. This testimony was emailed to us in response to our notification that the bill was up for a public hearing.

If you have any questions, please do not hesitate to contact me at Michelle.Noehren@cga.ct.gov or (860) 240-0016.

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Dear Legislators:

As co-owners of D & D Travel Services, LLC in Bloomfield CT for the past 15 years, we were quite taken aback when the first \$250.00 invoice for the Business Entity Tax hit our mailbox several years ago and have been quite upset by it since then. We are a very small, home-based travel agency comprised of the two of us. Especially in this economy, we are finding it difficult to stay afloat. For that reason, I also hold a position at The Hartford and Dennis has a part time job as well to make sure our bills get paid. We put in 15 hour days to make our business work. We not only pay this tax each year, but property taxes, corporation taxes, insurance registration fees, etc. on our small business as well. \$250 may not seem like a lot of money to you, but it is when added to all the other costs of doing business in Connecticut. As a small business, we need this money to reinvest in advertising and marketing to grow our business.

We strongly urge you to repeal this tax for small businesses. The burden is disproportionate to the benefit gained by the State of Connecticut. We feel it is more important that our government allow us to grow, thereby helping the state's economy, rather than incurring the costs of invoicing us for this relatively small return on the part of the State of Connecticut.

We would be pleased to speak with any of you about our experiences. Feel free to call or email us at any time.

Thank you for your time.

Sincerely,

Donna Hubbs
Co-Owner
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To Whom It May Concern:

February 29, 2008

We are a micro enterprise women-owned partnership, members of MERG, in business for 4 years and would like to express our opinion about proposed bill SB- 400.

Due to the fact that our business start-up was self-funded, we were especially careful about where we spent every dollar. There were many needed supplies, marketing expenses, etc. to make it a success. The first year, all our profit went back into the business. One of the early decisions we had to make was whether to organize as a general partnership or a limited liability partnership (LLP). We could not justify the added expense and chose the general partnership, even though this increased the risk to our personal assets. As we continued to grow, we made choices based on what would be best for our business, for example we joined our local chamber of commerce, rather than become an LLP. To a larger company, \$250 might not adversely affect their budget, but to a micro enterprise, it could mean not doing any marketing at all that month in order to pay the business entity tax bill. If the business makes a smaller profit, that also means fewer tax dollars paid to the state.

We support the repeal of the business entity tax, with the belief that it will encourage more start-up businesses and aid in their growth. If this bill is passed, we would register as an LLP.

Thank you,

Jean Dunning

Karen Gumkowski

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members of Middlesex Chamber of Commerce since 2005

Dear Committee,

This letter is in regards to the repeal of the entity tax. A large burden was put on small business owners such as myself.

I had three small businesses registered as Limited Liability Companies. The decision to register was for legal protection as afforded by law. Two of my businesses have never yet made a profit, yet I was required to pay \$250 a year for the mere fact that I was trying to operate them. This tax is (and when enacted) unfair to all sole proprietors and small businesses.

I am a member of the Micro Enterprise Resource Group (MERG) of CT. There are 315,000 small business like mine in CT and we contribute over 15.3 Billion in sales annually. This tax and those asked of small businesses (as a percentage) unfairly taxes us disproportionately.

Small businesses such as mine cannot operate and grow with this tax and others that inhibit expansion.

Thank you

Shirley Bloethe

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