

February 9, 2009

William Syme
121 East Rd.
Broad Brook, Ct. 06016

Chairwoman Daily, Chairman Staples and members of the Finance, Revenue and Bonding Committee.

I would like to speak against elimination of the Farmer's Tax Exemption Permit as proposed in H.B. 6350.

Agriculture plays a large roll in our states economy. Connecticut farmers produce fresh milk, eggs, vegetables, fruit and meat that provide the residents of the State of Connecticut with a safe locally grown food supply. Connecticut is also home to a large nursery and greenhouse industry that provides trees, shrubs, and flowers for consumers and business to beautify their homes and businesses. Farms create many jobs, some are on farm jobs but many are in the business that supply products and services to the farms and that move and process the farm products. These farms are also important to Connecticut because they keep many acres of land open for the production of crops. Farm land is valuable to our local communities for aesthetic, economic, and environmental reasons.

Farmers depend on the sales tax exemption to help make their farms viable. Farmers need to buy many thousands of dollars of feed, fertilizer, and fuel to produce their products. If they have to pay sales tax on these products it would add thousands of extra dollars to the cost of production. Farmers unlike many other businesses have no way to pass this extra expense on when they sell their product. Farmers have little control over the price they receive for their product. They receive what the buyers are willing to pay or a price that, in the case of milk, is set by the federal milk marketing orders. The profit margin on a farm is very slim. The repeal of the farmer tax exemption can take way the profit that the farm makes.

I understand that the Connecticut Legislature has a large task ahead to produce a balanced state budget given the tough economic times, but the damage that would be done to Connecticut farms if they lose their tax exemption would be devastating. Many farms would not survive or would move out of state. Along with the loss of the farms would be the support businesses that rely on the farmers for their business. Connecticut residents will also lose because they will no longer have access to locally grown food and communities would lose the benefits of the land that farms keep as open space. I strongly request that the Finance, Revenue and Bonding committee not repeal the Farmer's Tax Exemption.

Thank you,
William Syme