

CONNECTICUT MARINE TRADES ASSOCIATION

20 Plains Road
Essex, CT 06475-1501

(860) 767-2645 • Fax (860) 767-3559 • e-mail cmta@snet.net

February 23, 2009

Finance, Revenue, and Bonding Committee
Legislative Office Building
Hartford, CT 06106

Re: **Raised Bill No. 6498 AAC the Sales and Use Tax Rate**

Chairmen Daily and Staples;

Distinguished members of the Finance, Revenue, and Bonding Committee the members of the Connecticut Marine Trades Association (CMTA) urge you to support **Raised Bill No. 6498 An Act Concerning the Sales and Use Tax Rate**. It is a simple and prompt way to address a current and temporary problem.

The Recreational Marine Industry in Connecticut has over 450 businesses employing 10,000 hard working people. Every business and employee has felt the impacts of our deteriorating economy. No one wants to see tax and fee increases, but **Raised Bill No. 6498** should quickly and efficiently help fund and maintain state services while the current situation exists.

The economy in our state has taken some significant fiscal hits and our boating industry, like most others, has been severely impacted. Increasing the sales and use tax by 1% is a broad based equitable action that should be terminated or sunsetted when the current emergency is expected to end. This state needs additional funding but it doesn't need to generate it by imposing unnecessary constraints, inequities or impositions on different local businesses. Opportunities, helping hands, assistance, and relief are needed, not obstacles or old impediments mandated from government. Increasing the existing sales and use tax by a modest amount across the board is a reasonable way to respond.

This has been referred to as a temporary problem and as such, the best resolution is the simplest and increasing the rate of sales and use tax does just that. The increase should be instituted promptly and **written to sunset in two or three years** when the economy is anticipated to return to normal. The sales and use taxes are broad based and impact the entire state and economy, fairly and evenly.

We urge you to support **Raised Bill No. 6498 AAC the Sales and Use Tax Rate** It is the right action and at the right time; businesses cannot support mandates or changes to their cost of doing business and the workforce needs some stability at this confusing juncture. Thank you for supporting this initiative and we would be pleased to discuss this further at any time.

Sincerely,

John S. Johnson
Legislative Chair

Grant W. Westerson
Executive Director

Linda A. Kowalski
The Kowalski Group