

Council 4 AFSCME Testimony Re: HB 6557, 6558, 6560 and 6561
Finance, Revenue and Bonding Committee March 2, 2009

Good morning, Chairman Daily, Chairman Staples and members of the Finance, Revenue and Bonding Committee. My name is Brian Anderson. I am a legislative representative for Council 4 AFSCME, a union of 35,000 public and private employees.

I am here to testify on the bills relating to the income tax and municipal ability to tax.

Council 4 supports restructuring the income tax in the manner suggested by the "Better Choices for Connecticut" coalition. The Better Choices plan fairly distributes tax obligations of Connecticut citizens.

Council 4 particularly supports an increase in the state income tax on higher income residents. Wealthy earners have gotten massive federal and state tax cuts over the last three decades and during a period of high government spending. For the first time in modern American history, taxes were cut during a war. President Bush cut taxes to high income Americans, after committing the United States to costly wars in Iraq and Afghanistan. All through our history during the time of war, America's wealthy citizens paid increased taxes as their way of helping out the country. It is particularly worthwhile to more fairly apportion tax burden when as the BBC has reported: America has become the most economically stratified society in the western world. The Wall Street Journal recently reported that .01% or 14,000 American families hold 22.2% of the nation's total wealth while the bottom 90%, or over 133 million families, hold only 4% of it.

Governor Rell's continued assertion that any tax increase on the wealthy will hurt the state's economy makes no sense; nor does her proposal that state employees should give back wages. This equivalent tax would be imposed on middle and low income workers. Most of the state employees represented by Council 4 earn between \$21,000 and \$60,000 per year. They spend their paychecks on Main Street. Rell's position boils down to this: Taxing middle class families through any means including givebacks is *good* for the economy, but taxing the wealthy is *bad*. That offends logic. We hope that Governor Rell will reassess her position with an eye towards what is fair and what will truly help get our economy moving.

Council 4 supports the expansion of municipal revenue authority included in HB 6558, HB 6560 and HB 6561. Thank you.