



CONNECTICUT
STATE COUNCIL

SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

Main Office:

77 Huyshope Avenue
Hartford, CT 06106
860.251.6091
Fax: 860.548.1935

77 Bedford Street
4th Floor
Stamford, CT 06901
203.602.6615
Fax: 203.964.0428

Testimony of Stacey Zimmerman of SEIU-CT State Council
Governor's Bill 828 An Act Concerning State Revenue **Opposed**

March 27, 2009

Good afternoon, Co-Chairs Senator Harp, Representative Geragosian and the members of the Appropriations Committee. Thank you for the opportunity to testify today. The Service Employees International Union Connecticut State Council represents over 53,000 active and retired members in Connecticut. SEIU is the states largest union with both public and private sector members.

SEIU is opposed to a number of the cuts in the Governor's Bill but find the gutting of the Clean Elections Fund extremely disturbing. Section 1 (a) the transfer of \$12,000,000 from the Clean Elections Fund would in essence end the ability of the public financing program to function.

In theory the program would still exist but in practice it in no way would be in a position to finance the 2010 election cycle. A system that 75% of the candidates participated in should be hailed as a success yet this bill dooms it to failure.

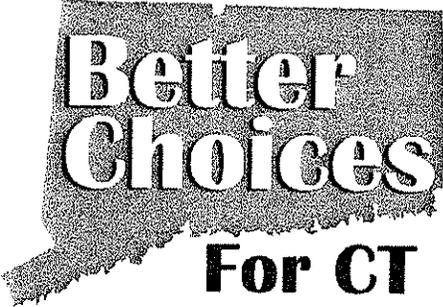
Having run and volunteered on a number of campaigns over the past 11 years I can say first hand that the ability of the candidates to interact with constituents has been greatly increased as the amount of time raising money decreased. This in my mind is what democracy looks like.

It is deeply concerning that in a time of financial turmoil when the public is outraged at the influence of moneyed special interests on government this bill would seek to destroy one of the best mechanisms to build public trust. The cost of decimating this system before its first state wide cycle far out ways the savings gained by such an extensive raid.

Connecticut has been a leader in the fight for clean elections not only by enacting the legislation but by candidate participation. It would be shameful to let such a successful program fade away.

There are Better Choices for Connecticut's revenue problem one of which is asking those that can afford it to be part of the solution by increasing the tax rate a modest sum. This seems to be a much better plan than asking them to donate to campaigns. I have enclosed a proposal of such better choices for your consideration. Thank you again for the opportunity to be here today.

There Are



Better Choices For CT

www.betterchoicesforCT.org

Connecticut is a great place to live and work because of the public structures we've created over the years — public schools, transportation system, courts, health care, police and libraries. These public structures reflect the values of Connecticut residents, who have long supported them. State revenues—taxes, fees and other income — are the collective investments we make to support our communities and maintain the high quality of life we all expect and enjoy. Unfortunately, an unbalanced and antiquated revenue system and an economic downturn have created a

budget deficit that puts funding for these public support structures at grave risk.

Governor Rell's proposed budget makes deep cuts in our state's public services and the safety net that so many residents rely on. Even with these cuts, as of February 4th, the day of her budget release, she was \$2.8 billion short of addressing the budget gap. The proposed budget cuts undermine our quality of life and will damage our state's economy. And worst of all, these cuts are simply not necessary.

In the long run, the state needs a comprehensive solution that would allow for more consistent investments in public structures and a fairer tax system.

Better Choices for Connecticut Plan:

- **Increase income tax rates for those who can best afford it.** Create a progressive tax structure that raises rates for the wealthiest Connecticut residents. **Estimated \$800 million to \$1.2 billion in additional revenue.**
 - Increase the tax rate to 6% on the portion of income over \$200,000
 - Increase it to 7% on the portion over \$500,000
 - Increase it to 8% on the portion over \$1 million
- **Close corporate tax loopholes.** Flaws in our tax code enable many large and profitable corporations to avoid paying their fair share and shift the responsibility for taxes onto in-state businesses and individuals. **Estimated \$130-\$150 million in additional revenue.**
- **Increase the sales tax by 1%** and limit any harmful effects by creating a state earned income tax credit to help working families and a small business property tax credit. **Estimated \$425-\$475 million in additional revenue.**
- **Scale back public subsidies to the entertainment business.** In FY09, the state will lose an estimated \$117.5 million in revenues to the television and film industry through the "movie tax credit." **Estimated \$90-\$100 million in additional revenue.**
- **Increase cigarette and alcohol taxes.** Increasing cigarette taxes will not only raise revenue, it will also discourage smoking, particularly among Connecticut's youth, thereby reducing long-term health costs. **Estimated \$78-\$80 million in additional revenue.**

It's a Better Choice for Connecticut.

Better Choices for Connecticut is a broad-based community coalition working to help Connecticut make the budgetary choices that reflect the priorities and values of its citizens.

For more information, contact Maggie Adair (860) 951-2212 x239 or Bill Meyerson (860) 251-6052 3.10.09