

TRUMPF



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February 6, 2009
State of Connecticut Legislature
Finance Committee

My name is Doug Devnew, Vice President Finance & Administration of TRUMPF Inc. a \$400 million, 650 employee, 30 year Connecticut high technology manufacturing company in Farmington.

I am writing to voice my opposition to several tax bills before you which would adversely our ability to compete and succeed here. These proposals would substantially increase both our business costs and costs to customers and make it much harder for us to continue doing business in Connecticut.

Eliminating key tax exemptions for manufacturers and radically altering the corporate tax system only add more roadblocks to economic recovery in CT. Specifically, we oppose:

HB-6348 (Significantly restricts the ability of Connecticut companies to use corporate tax credits, and reduces the effectiveness of the credits),

HB-6349 (Extends the state sales tax to virtually all professional and business services (professional, insurance, occupational, personal)

HB-6350 (Eliminates virtually all exemptions to state's sales tax, including for manufacturing machinery and equipment and intercompany transfers, and sets the tax rate at 5%),

SB-807 (Imposes unitary reporting under Connecticut's corporation business tax. CBIA has long opposed this because of the negative impact it would have on the economic competitiveness of Connecticut's wealth-creating industries).

SB-815 (Places a two-year moratorium on the use of all corporate tax credits)

As a Connecticut manufacturer of manufacturing equipment, HB-6350 would negatively impact us by increasing the cost of upgrading and expanding our plant in Connecticut. It would also add to cost of machines and lasers that we sell to our customers. State of the art equipment is mandatory to enable both us and our customers to compete in a most competitive world market.

At a time when we are all struggling to maintain employment in Connecticut as best we can, increasing the tax burden on manufacturing employers can only result in more lost manufacturing jobs. As we have seen before in Connecticut, it is most difficult to recover manufacturing jobs that have moved to more business friendly states, even when the economy improves.

We urge you to reject these proposals and work with the business community to enact measures that would only thwart economic recovery in Connecticut. Thank you for your consideration of our position.

With best regards,

A handwritten signature in black ink, appearing to read "S. Douglas Devnew". The signature is written in a cursive style with a large initial "S" and a long, sweeping underline.

S. Douglas Devnew
Vice President – Finance + Administration