

East of the River Chambers of Commerce Association

ERCCA

"Working Together Works Wonders"

East Hartford Chamber of Commerce
Glastonbury Chamber of Commerce
Greater Manchester Chamber of Commerce
North Central CT Chamber of Commerce
South Windsor Chamber of Commerce
Tolland County Chamber of Commerce

TESTIMONY

DENISE CARTER

EAST OF THE RIVER CHAMBERS OF COMMERCE ASSOCIATION

BEFORE THE FINANCE COMMITTEE

FEBRUARY 23, 2009

- **SB-937-- AN ACT CONCERNING A BUSINESS TAX SURCHARGE**
- **HB-6498 - AN ACT CONCERNING THE SALES AND USE TAX RATE.**
- **S.B-837 - AN ACT CONCERNING VARIOUS FEES.**

The East of the River Chambers of Commerce Association (ERCCA) *opposes SB-937*, which imposes a 30% surcharge on the Corporation Business Income Tax.

Connecticut has experienced significant job losses in almost every industry sector. We are deeply concerned that any tax increases will result in further job reductions in this state. Connecticut must position itself for economic recovery, not further decline.

We understand that the state is facing an unprecedented budget deficit. However, the budget deficit cannot be addressed by tax increases without regard for the impact of such increases on the overall economy, which is already suffering. Policies that nurture job growth and job retention must be part of any solution to the state's budget crisis. Adding a 30% surcharge to the corporate income tax may be a short-term fix to the budget deficit, but it will have a long-term impact on Connecticut's economic competitiveness.

The East of the River Chambers of Commerce also *opposes HB-6498 and SB-837*, which will increase the sales tax rate from 6% to 7% and increase numerous licensing, permit and registration fees.

Rich personnel benefits, duplicative state agencies and unnecessary programs and services have contributed to the tremendous cost of state government. The state must reduce the size and cost of government to address the deficit before resorting to wholesale increases in taxes which will hurt businesses and consumers alike.