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**TESTIMONY OF**

**THE CONNECTICUT MESSENGER COURIER ASSOCIATION**  
**THE GREATER DANBURY CHAMBER OF COMMERCE**  
**THE LUMBER DEALERS' ASSOCIATION OF CONNECTICUT**  
**THE MILFORD CHAMBER OF COMMERCE**  
**THE NORTHWEST CONNNECTICUT CHAMBER OF COMMERCE**

**BEFORE THE FINANCE, REVENUE & BONDING COMMITTEE**  
**MONDAY, FEBRUARY 23, 2009, 10:30 AM, ROOM 2E**

Good morning, my name is Marshall Collins. I am appearing today in my capacity as Counsel for Government Relations for the above referenced five organizations ("the Organizations"). Collectively, they represent more than 3,000 employers of approximately 175,000 men and women in Connecticut. **The Organizations oppose HB 6498 AAC The Sales And Use Tax and SB 934 AAC A Corporation Tax Surcharge**

SB 394 would impose a 30% surcharge on Connecticut's Corporation Business Tax for what would purportedly be a three year period. At the same time, **HB 6498** would increase the sales and use tax from 6% to 7% and eliminate most exemptions. Taken together, these two proposals would significantly increase both the already anti-competitive cost of doing business in Connecticut and also increase the high cost of living.

Connecticut's employers already pay significant amounts of sales tax. Just as individuals have reduced purchases subject to sales tax, so have employers. Increasing the tax only will result in further purchasing reductions.

When employers are confronted by higher costs, they have limited options: a) they can pass the costs through, b) they can reduce their own costs, which include payroll and benefits, c) they can reduce the scope of operations or services, or d) they can close altogether. None of these is in Connecticut's best interest.

With Connecticut in a severe recession, now is not the time to increase taxes. For these reasons, **the Organizations request that neither SB 394 nor HB 6498 be favorably reported.** This concludes my testimony. Thank you for your consideration.