

March 23, 2009

Carl Richter  
11 Far Horizon Drive  
Wallingford, CT 06492

RE: Committee Bill No.327

Committee on Government Administration  
and Elections  
State of Connecticut General Assembly  
Hartford, CT 06106

Members of the Committee,

I wish to strongly urge the committee members to consider *Committee Bill No. 327, An Act Establishing a State Savings Plan for Recent College Graduates Who Work in Connecticut* for approval and consideration by the full Senate chamber. I believe the Bill can be used as a recruiting tool by state businesses to help keep Connecticut college graduates in the state and to entice out-of-state graduates to move into the state.

In May of 2008, I attended the CIAC Connecticut Athlete Scholar Awards dinner with my daughter. The dinner honors high school seniors who show athletic ability in addition to high academic achievement. One of the speakers at the awards dinner was Senator Gaffey. In his speech, Sen. Gaffey requested that those students who were attending college out-of-state to return to Connecticut once they graduate. The sense of urgency in the speech left me to believe that the state was suffering an exodus of its *Best and Brightest*. In other words, a brain drain.

Within a week of the dinner, I was reading a web site that referenced the Tax Foundation's *Top Ten High Tax States*. Each year the foundation calculates Tax Freedom Day for each state by determining the total tax burden of the residents. Ranked number one for 2008, with a Tax Freedom day of May 8<sup>th</sup> was Connecticut.

My initial reaction to the speech at the awards dinner and Connecticut having the latest Tax Freedom Day in the nation was, "What incentive is there for a college graduate to come to Connecticut?". I tried to think of a few incentives that would be attractive to a freshly minted college graduate. One thing is certain; Today's graduates face a Student Loan that rival a home mortgage once they leave school. Coupled with the state's high tax burden and cost of living, it's becoming almost impossible to save for a home purchase.

That led me to e-mail Sen. Gaffey with a few ideas I had developed. I copied my own state senator, Sen. Leonard Fasano, who submitted *Bill No. 327* on my behalf. The gist of the idea is to develop a CHET like plan that would allow college graduates to save for

the purchase of a first home free from Connecticut State Income Tax. I am quite honored to have the Committee consider my proposal.

As the Committee is well aware, a highly trained populace is absolutely necessary to attract and retain high-tech, high paying jobs that are crucial in today's economic environment.

Thank you for your time and consideration.

Sincerely,

Carl Richter