

# CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

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TO: Legislative Program Review and Investigations Committee

The Connecticut Automotive Retailers Association offers a few comments about the economic situation in Connecticut.

CARA represents more than 270 new car dealerships in Connecticut. Combined, our dealer members employ more than 13,000 employees in our state. Since this time last year we have lost more than 50 dealerships, 20 just since January 1<sup>st</sup> of this year, and this has resulted in the loss of approximately 2000 jobs, jobs which, on average, pay about \$50,000 per year with excellent benefits for health and retirement.

New car sales alone account for 17% of the state sales tax revenue. That is more than \$350,000,000 in the budget.

Although the "Cash for Clunkers" program did result in an increase in new vehicle sales in July and August, we still don't know whether this positive trend will continue in the months ahead.

CARA would encourage the committee to review and recommend policies that will encourage companies to create new jobs here in Connecticut. Holding the lines on taxes and new state or local regulations would be helpful in this regard. Thank you.