



The Voice of Small Business®

CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
OPPOSING
SB-436, AN ACT CONCERNING MUNICIPAL REVENUE
&
HB-5480, AN ACT PERMITTING A REGIONAL SALES TAX
BEFORE THE
FINANCE, REVENUE & BONDING COMMITTEE
MARCH 15, 2010

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees and membership is scattered across the state and ranges from sophisticated high technology enterprises to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut *strongly opposes the aforementioned bills*, which would allow municipalities and regional organizations the ability to impose an additional sales tax. Connecticut currently imposes a 6 percent sales tax on consumer purchases of goods and certain services. Giving cities, towns and regions the ability to assess an additional percentage on transactions that occur within those localities is bad policy that would hurt not only small business owners but also customers.

Any increase in the sales tax will adversely affect many small retailers and other small businesses in the state, making Connecticut less competitive than other states. Furthermore, the assessment of an additional sales tax in certain cities and towns and/or geographic regions will create confusing tax laws and an un-level playing field between towns or areas that choose the option and those that do not. Small business owners feel it is unfathomable, that in this down economy with many families and businesses struggling, that elected officials would consider creating or allowing a new, additional tax. Small business owners, like many others, are concerned about rising local property taxes, but contend that new taxes are not needed to fund municipalities or regions. Passage of these bills would only serve to generate yet another revenue stream funded on the backs of Connecticut's small businesses and their customers but would do nothing to curb the insatiable spending appetites of both the state and our cities and towns. Rather than allowing municipalities, or even worse, un-elected, unaccountable regional authorities, the ability to impose additional sales taxes, eliminating wasteful spending and improving fiscal transparency and accountability at both the state and local levels, as well as eliminating costly unfunded state mandates on municipalities, should be the priorities of the legislature.