



Finance Committee Testimony

By Stan Sorkin, President

Connecticut Food Association

Monday, March 15, 2010

Testimony in Opposition to RB-436

Good afternoon, Chairman Daily, Chairman Staples and Members of the Finance Committee. My name is Stan Sorkin, President of the Connecticut Food Association. Our Association provides policy advice, research, legislative and regulatory services to the grocery industry in the state. Our association represents food retailers who conduct business in just one municipality to chain retailers who conduct business in over eighty municipalities. I am here today to testify in opposition to **RB-436, An Act Concerning Municipal Revenue**. This bill would allow any municipality to establish by ordinance any type of tax, including, but not limited to, a retail sales tax, a tax on food and beverages, an amusements tax, a hotel tax or hospital bed taxes.

In today's economic recessionary climate, with business stagnant, with Connecticut's unemployment rate at 9%, this is not the time to create a "hand in the cookie jar" approach to tax policy. It would be detrimental to create a free-for-all atmosphere in which 169 municipalities can add to the tax burden of individuals trying to make ends meet and corporations trying to survive and create jobs.

Currently, according to the Tax Foundation, Connecticut has the third highest state and local tax burden per capita in the United States. 11.1 % of a resident's income goes to cover state and local taxes. This bill would drive Connecticut to the top of the list, an honor that would destroy any hope of economic growth. Why would any person want to face such a tax burden and relocate to Connecticut? Why would any business want to invest in Connecticut when there are at least 47 better alternatives out there? Giving 169 municipalities' tax making authority would:

1. Add to the uncertainty of doing business in the state.
2. Create a tax imbalance between municipalities which would cause an economic shift to the low tax municipalities from the high tax municipalities. It could potentially put companies out of business in the high tax municipalities.

3. Reflect the politics, policies, and social agendas of special interests groups on a town by town basis.
4. Cause an accounting nightmare for companies with multiple locations within the state.
5. Add to the cost of administering the tax codes and thus further adding to the tax burden of business and individuals.
6. Be confusing to consumers and cause consumer resentment when they are subject to the unfamiliar new tax structure.

Today's tax policies must be geared to one priority- Jobs! Jobs! Jobs! and creating a sound footing for economic growth. RB 436 does the exact opposite. It will drive people and business out of the state of Connecticut. For these reasons, **I strongly urge you to vote NO on RB 436, An Act Concerning Municipal Revenue.**