

***TESTIMONY PRESENTED TO THE FINANCE, REVENUE AND BONDING
COMMITTEE
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Testimony Supporting House Bill No. 6387

AN ACT CONCERNING PERSONAL PROPERTY TAX EXEMPTIONS

Senator Daily, Representative Widlitz and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony on House Bill No. 6387, An Act Concerning Personal Property Tax Exemptions.

Connecticut, like most states, is facing a severe budgetary crisis. Many of the same fiscal pressures bearing down upon the state are also confronting our local governments as well. In recognition of that fact, a key objective of the Governor's proposed budget is the diversification of the municipal tax base as part of the overall budgetary solution. Toward that aim, this proposal expands the property tax base to include vessels and aircraft as taxable personal property at the local level. By allowing municipal assessors to collect a property tax on aircraft and vessels, at a uniform mill rate of 20 mills, it is estimated towns and cities will receive approximately \$42.7 million in FY 2013.

As vessels will no longer be exempt from local property taxes, this bill also repeals payments to towns for the Vessel PILOT program and the non-appropriated boating account. This will result in an increase in funds deposited to the general fund. Once fully implemented, this small reduction in municipal revenue will be more than offset by the increased property tax on vessels and aircraft.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the committee support this bill and I will be happy to answer any questions you may have.