



## **Norwest Marine, Inc.**

A FULL SERVICE MARINA

130 Water St. • Norwalk, CT 06854

March 5, 2011

Dear Governor Malloy and the CT Legislature,

As a 30 year veteran of the boating business, I have first-hand knowledge and experience of what excessive taxing has done to our industry.

In 1991, President Bush imposed a 10% luxury tax on all boats sold over \$100,000. After a two and one-half year battle with the federal government, the tax was removed.

During this luxury tax period, scores of boat manufacturers and dealers had to completely shut down. Thousands of people lost their jobs. Many builders and boat dealers had to file for bankruptcy. Hundreds of professional boat dealers sat with inventory that they could not sell.

How did all this end up? The federal government received about 10% of the revenues they expected and thousands of people were added to the unemployment compensation program. Millions of dollars and thousands of jobs were lost during this luxury tax period. Millions of dollars in sales tax revenues were lost. Taxing the rich backfired.

Concerning the other changes in taxes that you propose, Connecticut will be the worst place for a consumer to purchase a boat.

Bill 1007 removes the tax credit for trade-ins where surrounding states allow the credit. Why purchase a boat in Connecticut? A short drive to New York or Rhode Island could save a consumer thousands of dollars.

Bill 1007 proposes a property tax on all boats. Purchasers of our products will now receive an annual tax bill on their boats based on local mill rates. A typical owner of a family cruiser can expect to pay an additional \$3,000 to \$5,000 a year to enjoy boating in Connecticut. Boat sales will plummet.

Bill 1007 includes taxes on boats stored at our marinas during the winter months. Boat dealers can count on losing the added revenue of winter storage to surrounding states. Most boat owners schedule any major work needed on their boats to be done in the winter. This revenue will be lost.

Bill 1007 includes added taxes on fuel. With gasoline prices approaching \$4 to \$4.50 a gallon this year, why would boaters purchase fuel in CT when they can easily cross the sound and fill up for less money? Any revenue selling fuel will be lost. Every gallon of gas sold in Connecticut is already heavily taxed. Those taxes will not be collected.

Bill 1007 increases our sales tax on all purchases. This is another blow to all residents of Connecticut. Boaters will flock to Rhode Island, whose Governor eliminated taxes on boat purchases to help bring in more revenue.

I have been a professional boat broker, businessman and marina manager for thirty years. I have lived through and financially survived the recessions of the late seventies and late eighties. And, I survived the infamous luxury tax imposed in 1991.

But today, we are all entrenched in the worst financial recession / depression since the stock market crash of 1929. Billions of dollars were lost in the last two years in the stock market when long-time respected companies went bankrupt. Millions of homes are now in foreclosure. Millions of people have now lost their jobs. Millions of people do not have or cannot afford the increasing cost of basic healthcare. Car dealers are closing their doors every day. Boat dealers are sitting on inventory they cannot sell. During the last two years, boat dealers are either forced to layoff seasoned technicians who have mortgages to pay and families to feed, or close their doors. More workers on unemployment are not the answer or solution.

We today, all of America, are in the middle of the worst economic environment since the great depression. The price of staples and basic living expenses have skyrocketed while we are taking pay cuts, laying off our work force or closing our doors. Raising taxes will over-burden the already cash strapped worker. Taxing the rich did not work twenty years ago and it will not work today. They will not stand by and be penalized for doing well. Raising and adding new taxes will only hurt the middle class and poor.

Raising taxes and adding new taxes is not the answer. This path will force businesses, with their employees [who spend money on consumables], to leave our state and force consumers to purchase elsewhere. This avenue will add to our already crippled economy.

During this current recession, we need to find a way to put more money in everyone's pocket, not add additional taxes.

Respectfully,

A handwritten signature in black ink, appearing to read "Anthony J. Bento". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

Anthony J. Bento