



**Connecticut Restaurant Association Testimony
Before the Finance, Revenue & Bonding Committee
March 7, 2011**

SB 1007 An Act Concerning the Governor's Recommendations On Revenue

The Connecticut Restaurant Association represents over 600 restaurants and hospitality industry businesses across Connecticut. Restaurants in Connecticut employ over 145,000. We support government initiatives that help create a strong business climate, create new jobs, promote a vibrant state economy, and restrict government interference in the daily conduct of our businesses. We believe that lower taxes, pro-business legislation and reasonable regulations support our businesses' ability to prosper and make Connecticut more desirable for future business growth.

The CRA opposes SB 1007, AAC the Governor's Recommendations on Revenue, specifically Sections 30 and 31. These sections seek to increase the tax on alcohol by 20%. Connecticut is already one of the most unfriendly states to do business in. Increasing taxes on alcohol will only perpetuate that. Neither higher nor new taxes on small businesses in Connecticut are the answer to the Connecticut's budget crisis. Instead, this measure will be passed on to restaurants by those from whom they purchase their beer, wine, and spirits. Any new or increased taxes will force restaurants to cut their costs elsewhere. Restaurateurs will have to consider decreasing their workforce, reducing employees' hours, potentially increasing prices and in the worst case scenario, closing their doors for business. In our current economic situation, restaurants are already struggling and cannot afford any new or increased taxes.

Higher taxation sends the wrong message. It tells business owners who want to grow their business that Connecticut is not the place to do it. Rather than creating jobs here in our state, business owners will look elsewhere.

We urge you to reject this proposal. Thank you for your consideration.