



Finance, Revenue and Bonding Committee
Room 3700, Legislative Office Building
Hartford, CT 06106

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West Hartford, C
(860) 236-3261

To All Committee Members
Eileen M. Daily and Patricia M. Widlitz, Co-Chairs
Re: Senate Bill 1007
March 7, 2011

As with your constituents, AAA Allied Group has been following the state's efforts to balance the budget with more than passing interest. The task you face is daunting.

We have paid particular attention to the proposed tax on towing services. Obviously, this is of concern to the approximately 800,000 AAA members in the state. As you look at this proposal, please consider the following:

- The vast majority of motor vehicle towing is undertaken because a motorist has broken down or crashed. There are very few happy people waiting for a tow truck. Adding tax to the cost of the tow, which will usually be followed by expensive and taxable repairs, places one more burden on a resident who is facing an unanticipated and often budget destroying expense.
- Complicating the issue of towing and taxation, many tows cross state lines. How would the tax be assessed and collected under these circumstances? Would the policy differ if the tow started in Connecticut and ended in a neighboring state as opposed to a tow that started out of state and ended in Connecticut?
- If all towing services are to be taxed, what would be the policy for boat towing that starts or ends beyond Connecticut's waters? Might the imposition of an additional tax for these highly expensive tows discourage boaters from choosing Connecticut marinas for service?
- Could the imposition of a towing tax have the same effect for motorists whose motor vehicles either fail or crash just over the state line? This might be a significant factor when choosing the state in which to service a recreational vehicle that needs towing. Recreational vehicles, because of their size and weight, can quickly generate substantial towing charges.

We recognize the dire circumstances facing the state. However, we believe that adding extra expense to the cost of a vehicle breakdown will impose additional and potentially significant hardships on people facing a difficult situation.

Sincerely,

A handwritten signature in cursive script that reads "James MacPherson".

James MacPherson
AAA Allied Group
Spokesperson