

**Testimony of**  
**Paul Ferruolo**  
**Finance, Revenue & Bonding Committee**  
**March 7, 2011**

***In opposition to Sec. 24 (II) of S.B. No. 1007 AN ACT  
CONCERNING THE GOVERNOR'S RECOMMENDATIONS ON  
REVENUE.***

Senator Daily, Representative Widlitz, members of the Finance Committee.

My name is Paul Ferruolo and I am the owner of Mr. Sparkle Car Wash, a self service car wash in East Hartford, Connecticut.

I'm here to testify on S.B. No. 1007 AN ACT CONCERNING THE GOVERNOR'S RECOMMENDATIONS ON REVENUE.

Specifically, I'm here to oppose Sec. 24 (II) of S.B. 1007, which will impose the sales tax on Motor vehicle washing, waxing and detailing services, whether or not automated.

(I plan to bring a coin box to the hearing) This is a typical coin box used throughout the self-service car wash industry to collect money in self-service bays. The electronic coin mechanism is designed to accept a single denomination of coin and cannot dispense change.

Because of the diversity in the carwash industry, a car wash sales tax will result in unintended disparate treatment. Taxing carwashes across the board prejudices self-service car wash operators. Self-service operations are predominantly coin operated and therefore have no way of collecting a tax. For example a coin-operated \$2 carwash simply cannot collect a 12.5 cent tax from the customer -- the equipment is not designed to collect pennies, nickels or dimes. Therefore the self-service owner will be forced to pay the tax, not the customer at the point of purchase. Because of this, the operator with staff to collect money will

be treated differently and better than the self-service operator. It is due to this disparity that the legislature granted an exemption to sales tax on carwashes back in 1992.

It has been suggested that we raise our price. This is not a viable option. Most carwashes do business solely in dollar coins or dollar bills. Any price increase would require us to raise our price by at least 50 percent. The market will not bear this increase.

The current car wash exemption is based on sound principle. Taxing self-service carwashes is unfair because it is not a tax that can be collected from the customer at the point of purchase.

Thank you for the opportunity to testify before you today. I would be happy to answer any questions you may have.