

TESTIMONY OF
BONNIE STEWART
VICE PRESIDENT OF GOVERNMENT AFFAIRS
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION
BEFORE THE
FINANCE, REVENUE AND BONDING COMMITTEE
MARCH 28, 2011

My name is Bonnie Stewart. I am vice president of government affairs for the Connecticut Business and Industry Association (CBIA). CBIA represents approximately 10,000 member companies in virtually every industry. They range from large, global corporations to small, family owned businesses. The vast majority of our member companies have fewer than 50 employees.

One of the best ways to improve our economy is to promote fair tax policy. CBIA supports **SB 1213 An Act Concerning the Burden of Proof in Tax Appeals** which clarifies that that unless otherwise specifically provided by statute, the standard of proof in tax cases where there is no allegation of fraud is a “preponderance of the evidence.”

Currently, if a business has a good-faith disagreement with the state tax department, it still must prove its case in court by “clear and convincing evidence” — a much higher standard than the “preponderance of the evidence” standard used in most civil cases.

In Connecticut, the clear and convincing evidence standard usually only applies in cases involving civil fraud or other instances in which a very high degree of certainty is required.

The Department of Revenue Services has significant discretion and authority to make assessments. If a taxpayer chooses to appeal an assessment, it is appropriate that the taxpayer should have to prove that the facts are more likely than not as the taxpayer alleges in order to prevail. To require that the taxpayer prove them by clear and convincing evidence places an unfair and unnecessary burden upon a taxpayer seeking to assert its rights.

Bonnie Stewart, CBIA

SB 1213

The preponderance of the evidence standard strikes the appropriate balance between the needs of the State and the rights of the taxpayer. **We urge passage of SB 1213.**

Thank you for the opportunity to share our support for this measure.

