



# Independent Electrical Contractors of New England, Inc.



TO: Sen. Eileen Daily and Rep. Pat Widlitz  
Members of the Finance Committee

From: Lisa Hutner Stevens, Executive Director

Date: March 7, 2011

**Re: SB-1007, AAC the Governor's Recommendations for Revenue**

The Independent Electrical Contractors of New England (IEC-NE) is very concerned about the size and number of tax increases on the table. While we recognize that Connecticut is struggling to address a budget deficit of more than \$3 billion, imposing additional taxes on the state's employers will put many small shops out of business.

With both residential and commercial construction at an almost standstill and customers concerned about making ends meet, those of us in the electrical trades are facing some very challenging times. We are doing what we can to control our costs but are faced each year with increases in health insurance, unemployment compensation, workers' compensation and energy costs. Increasing personal income taxes, which affects many small and midsize business owners, as well as sales and corporate income taxes, could put many of us at the brink.

Some have suggested that these costs could simply be passed on to customers. But with construction jobs in a steady decline, we can't risk losing more work by passing additional costs onto customers and increasing our prices.

We are also concerned about efforts to expand application of the estate tax. Under the estate tax, taxpayers are essentially paying double taxes – first as they build their estate and then again as they pass it on to the next generation. The estate tax acts as a major hurdle, if not an outright barrier, to passing down family owned small businesses to future generations.

If we are to help Connecticut move toward economic recovery, we cannot make it any more difficult or costly for small and midsize employers to do business in this state. Connecticut must rein in its spending and control costs to address the budget deficit. We respectfully urge you to reject these tax increases and look for meaningful reductions in the size and cost of state government.

*The Independent Electrical Contractors of New England is the premier trade association representing Connecticut, Massachusetts and Rhode Island independent electrical contractors aggressively working with the industry to establish a free environment for merit shop -- a philosophy that promotes the concept of free enterprise, open competition and economic opportunity for all.*

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