



**Testimony  
Robin Wilson  
President & CEO  
Quinnipiac Chamber of Commerce  
Before the Finance Committee  
March 28, 2011**

**RE: OPPOSE HB-6628, AN ACT CONCERNING TAX FAIRNESS**

The Quinnipiac Chamber of Commerce opposes **HB-6628, An Act Concerning Tax Fairness, which will discourage investment in Connecticut by moving to unitary combined reporting for tax purposes.**

Combined reporting bases a company's tax liability on the profits and losses of subsidiary companies that may have no connection to Connecticut. Determining liability involves many complex technical issues and taxpayer specific factual determinations, creating uncertainty regarding the actual impact of such a change in our tax system on business. In fact, in states that have used combined reporting, tax issues are litigated more frequently because of the complex nature of determining tax liability. This uncertainty discourages long-term investment which is needed to promote job growth.

Since March 2008, Connecticut has lost more than 100,000 jobs. Given the job losses and high unemployment rate, creating a more competitive business climate that nurtures and supports job growth must be a top priority this year. Clearly, Connecticut's tax policies are a factor in how competitive Connecticut is with other states. Combined reporting is particularly burdensome to small and midsize companies that may have offices in other states because these companies must rely on outside tax consultants to prepare filings. These smaller companies have been the engines of job growth in Connecticut and should be nurtured using fair, predictable, and consistent tax policies.

Combined reporting is also very costly to administer and would require additional agency staff. Given that many states that use combined reporting have not seen any increase in revenues, it doesn't make sense for Connecticut to move to combined reporting, particularly given the negative impact on investment and job growth.

**We therefore urge lawmakers to reject proposals such as HB-6628 that discourage investment and job growth.**

*The Quinnipiac Chamber of Commerce serves more than 750 member companies from the North Haven and Wallingford area. We are the largest non-metropolitan chamber in the state.*