



## CONNECTICUT BUS ASSOCIATION, INC.

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Statement before  
Finance, Revenue and Bonding Committee  
March 16, 2012

### **SB 401 An Act Concerning Livery Service:**

Senator Daily, Representative Widlitz and members of the Finance Committee, my name is Jean Cronin and I am the Executive Director of the Connecticut Bus Association, a statewide trade organization representing Connecticut's charter bus companies. I am here today to speak in strong opposition to SB 401 AAC Livery Services.

This bill would place a sales tax on intrastate transportation services provided by motor bus companies in Connecticut. Motor buses provide an economical and environmentally sound mode of travel by reducing the number of vehicles on the road. The average motorbus holds 56 passengers, which essentially removes dozens of vehicles from the road with each trip. Taxing this service would be a disincentive to using it.

The majority of motor coach customers are comprised of senior citizens, school children on field trips, athletic teams, girl and Boy Scout troops and other civic organizations. Many of these groups are fundraising now to afford to pay for these trips. An added 6.35 percent will have a significant impact on these groups which are least able to afford it -- And keep in mind, these trips are discretionary.

The imposition of a sales tax will have an impact on our state's tourism industry. Many of our member companies perform work for national tour companies that book trips to Connecticut. If Connecticut companies must now charge sales tax on the transportation services, these groups may decide to reduce their costs by initiating their trip in a neighboring state, or skipping Connecticut all together.

None of our surrounding states have a sales tax on motorbus transportation services. This bill would put Connecticut companies at a disadvantage as out-of-state companies would come into Connecticut to provide transportation services and try to avoid paying the tax. Currently, these out-of-state buses are allowed to do pickups in Connecticut only if they obtain operating authority through DOT, but the vast majority of these companies do not. DOT is so short staffed that they cannot enforce these violating companies now. If a sales tax is passed on transportation services, there will be more of these out-of-state companies coming into Connecticut to provide services.

The charter bus industry is being hit hard right now by sky rocketing fuel costs, and can only surcharge so much on trips that have been booked and paid in advance. And like many other industries in Connecticut, they are still reeling from the impact of the largest tax increase in the state's history last year, which has significantly increased their business costs already, not to mention the paid sick leave legislation.

Imposition of a sales tax on transportation services provided by charter buses will be the straw that breaks the camels back. Please send a positive message to these Connecticut companies and defeat this legislation. Thank you.