

Dear General Law Committee:

I am the owner of Enfield Discount Wines & Liquors and I would like to thank all you in advance for your time in reviewing this written testimony.

My store location is right off I-91 exit 48, Kohl's plaza on 95 Elm Street – so I am a border store by Massachusetts. In 2011, our revenues reduced by 4.9% compared to 2010. 64% of the loss was July through Dec 2011, coinciding with the excise tax and sales tax increases.

My customers went across the border not because of Sunday, but because of taxes. Since tax was applied on clothing, it provided even more reason for Enfield residents to hop on the highway and go shopping in Massachusetts to buy in bulk of clothing, gas and of course alcohol.

I do see some of these customers during the week, and they tell me that even though many items in my store are cheaper than the stores in Massachusetts, folks are also saving 6.35% on clothing and alcohol as well as lower taxes on gasoline. Since they are already in Massachusetts, they might as well purchase their alcohol there as well.

Extending the hours of operation will not bring my customers back nor bring new customers. The basic economic principal of opportunity cost – especially in this economy has our customers cutting back on alcoholic consumption in order to pay for rising prices in other purchases.

The medallion system is difficult to understand and only adds unnecessary overhead to the state, the retailers and the legal system.

The change in pricing structure will destroy any remaining small business in Connecticut. Besides the fact that I can never afford to compete the quantity discount, I invite you to come to my store and look around to see how I can hold 10 or 20 cases of the same product, same size.

It is difficult for me to understand the motive behind bill 5021. Based on my business at the border of Massachusetts in 2011, tax increases led to my business lost, which led me to paying less taxes. If the purpose of this bill is to generate revenues for Connecticut, it should address the tax problem, not change the infrastructure.

Please do not allow the passage of this bill in the current state, especially the change in pricing structure and quantity discounts.

Regards,

Leon Chu

Owner – Enfield Discount Wines & Liquors