

CONNECTICUT MARINE TRADES ASSOCIATION

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Finance Committee
Legislative Office Building
Hartford, CT 06106

Re: R.B No. 5425 An Act Concerning the Applicability of the Use Tax to Vessel Storage, Maintenance, or Repair.

I'm Kathleen Burns, General Manager of Noank Shipyard & Seaport Marine in Noank and Mystic respectfully. I also am Chairman of the Connecticut Marine Trades Association (CMTA). On behalf of my staff and the membership of CMTA we urge you to support **R.B No. 5425 An Act Concerning the Applicability of the Use Tax to Vessel Storage, Maintenance, or Repair.**

Since July of 1983, through PA 83-455, vessels that come into the state of Connecticut, exclusively for storage, maintenance, or repair are exempt from any liability for a use tax from October 1 to April 30.

The objective was to allow vessels from other states to winter at a Connecticut facility in order to have work done. This work includes mechanical repair, fiberglass, major restorations and complete vessel repowerings - all very important winter work. Work that keeps staff employed annually thus avoiding seasonal layoffs and unemployment insurance costs.

This was a business builder and a jobs initiative. Recognizing, as many other states have, that there could be significant sales tax revenue generated and additional people employed if other vessels were unhindered during the winter season.

However two issues have effected this situation. The scale of work and state of the economy.

First and most importantly, these "large jobs" those that have the greatest economic impact on the facility and ultimately the State, often simply take longer. We need windows of opportunity in warm weather to complete and test these projects. Many of them are accomplished outside - and if we have a winter such as last year often we can't even start until the early days of March....and often later. A customer should not be penalized by the State for a bad winter or a significant project that is benefiting the yard, its employees and again, ultimately the State.

Two. Vessels brought into the state for storage or work - are tending to stay in the winter facility longer in the spring - as their recreational time allowance shrinks with the economy. It is becoming more and more difficult to get these "winter visit" vessels back in the water and off to their owners before the end of April as the current Section 12-413(a) requires.

R.B No. 5425 would extend the window of work until the end of May, a reasonable "launch date" for boaters tend to want that Memorial Day Weekend.