



All You Need Is Seven!

P.O. Box 26094 • West Haven, CT 06516 • 203-934-2096 • Fax 203-937-0700

Raised Bill 401
Public Hearing: 3-16-12

TO: MEMBERS OF THE FINANCE, REVENUE AND BONDING COMMITTEE
FROM: METRO TAXI
DATE: MARCH 16, 2012

RE: ***OPPOSITION TO RAISED BILL 401, AN ACT CONCERNING LIVERY SERVICE***

Metro Taxi, a full service taxicab company headquartered in West Haven, urges the members of the Finance, Revenue & Bonding Committee to DEFEAT RAISED BILL NO. 401.

The statement of purpose of this proposal claims to equalize the taxation of for-profit transportation services, but the services it attempts to equalize could not be more different in method of delivery, regulation by the state, and underlying purpose.

This bill attempts to remove taxicabs and motorbuses from the listed services exempted as intrastate transportation services under Subparagraph (JJ) of subdivision (37) of subsection (a) of 2 section 12-407 of the 2012 supplement to the general statutes. This is misguided as those services are properly exempted from that definition.

With regard to taxicabs the exemption is warranted as they are a standard form of public transportation, unlike livery for hire vehicles. None of the surrounding states tax public transportation services, as the fare is set by the State.

By statute, all requests for livery service in Connecticut must be received by the livery companies' headquarters and, accordingly, affords the livery company the ability to tax the livery trip according to State laws. In contrast, taxicabs are demand-response and the customer may solicit a taxi via a train, bus, or airport terminal queue, flag down a passing taxi, or call the driver directly via his/her cell phone. Consequently, it is impossible for the taxi company to recognize and therefore comply with taxable trips that either originate or terminate outside of the companies' territory.

The revenue derived by the taxi trip belongs to the taxi driver, not the taxi company. Accordingly, it becomes the responsibility of the taxi driver to remit all tax payments to the State of Connecticut, not the taxi company.

Unlike livery companies, taxicab rates are established by the Connecticut Department of Transportation.

Taxicabs are 24 hour 7 day a week vehicles which cannot refuse rides to the public.

Taxicabs cannot be considered intrastate transportation because they do not get to set in advance the pick up and drop off of a fare in the same way that livery services do. This is why the attempt to limit the exemption to rides within a territory is not feasible because that information would be unknown to a driver in a manner by which they could differentiate the trip from a non-taxable ride.

For these reasons, Metro Taxi urges members to DEFEAT the Raised Bill.

WE RESPECTFULLY URGE YOU TO DEFEAT RAISED BILL 401. Thank you.