

FISCAL POLICY CENTER

At Connecticut Voices for Children



Testimony In Support of Raised H.B. 6566 *An Act Concerning Transparency in Economic Assistance Programs*

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Finance, Revenue, and Bonding Committee
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Senator Fonfara, Representative Widlitz, Senator Frantz, Representative Williams, and distinguished members of the Committee:

My name is Matt Santacroce. I am a Policy Analyst at Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families. **I am here today to testify regarding Sections 3, 4 and 5 of HB 6566, *An Act Concerning Transparency in Economic Assistance Programs*.** In order, these sections would:

- Require DRS to conduct a regular, biannual tax incidence analysis;
- Require OFA to post online a downloadable, database-friendly version of every passed budget; and
- Require the Office of the State Comptroller to post all financial tables contained within the Comprehensive Annual Financial Report (CAFR) online in a similarly downloadable format.

We applaud these important steps towards increased transparency and accountability in state tax and budget policies, and urge the Committee to adopt this language as currently drafted.

Increasing access to downloadable, database-friendly budget and financial documents would help analysts and advocates both in and out of government perform more frequent, in-depth examinations of short- and long-term trends in state expenditures, revenues, and other fiscal matters. Currently, many budget analyses involve a time-consuming data entry process, as tax and budget data from past years must be manually transferred from PDF or paper documents into Excel before any sort of investigation may be performed. By making it possible for interested actors to avoid this cumbersome process, the state would facilitate more frequent, in-depth explorations of fiscal issues. We encourage the Committee, OFA, and OSC to move forward with this change.

Similarly, the proposed tax incidence analysis would mark a major improvement in the state's capacity to evaluate the fairness and adequacy of our tax system.

Taking a look at precisely who pays what in overall taxes in Connecticut could set the stage for truly meaningful tax reform. Both businesses and individuals stand to gain from this analysis. By ascertaining where inefficiencies and distortions lie in the state's various business tax structures, we could remove barriers to economic growth and job

creation, and ensure some degree of equity among our large, multi-national corporations and our smaller businesses. And, by delineating the net effect of federal, state, and local taxes on individual taxpayers at all income levels, we could make changes to the personal income tax code in a fair and transparent manner. Tax incidence analysis is an important building block for informed debate, and can help state lawmakers better understand the impact of proposed tax changes.

Thank you for the opportunity to testify before you today. I look forward to your questions.