

CONNECTICUT MARINE TRADES ASSOCIATION

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March 11, 2013

Finance, Revenue, and Bonding Committee
Legislative Office Building
Hartford, CT 06106

Re: **Raised Bill No. 6576 AN ACT CONCERNING THE APPLICABILITY OF THE SALES AND USE TAX TO BOATS**

Chairmen Fonfara and Widlitz, Senator Frantz and Representative Williams and Members;

The Connecticut Marine Trades Association (CMTA) and our membership urge you to give your support to **Raised Bill No. 6576 AN ACT CONCERNING THE APPLICABILITY OF THE SALES AND USE TAX TO BOATS**. This bill in its original form passed both Houses last session only to be vetoed as it was misunderstood. The bill is a revenue bill that would extend the winter window in which Connecticut boatyards and shipyards can solicit out of state vessels to come to Connecticut for winter storage and possibly for significant winter work. This bill was designed to grow the marine business by getting New York, Rhode Island, or Massachusetts boats to winter with our yards and spend new monies in our state.

Connecticut's true summer marine season is but four months long. Much of it is driven by the school year constraining cruising to the four principal months of Jun through September. After that period, occasional fall storms can plague boating and many insurance policies require an end to navigation not too much later. Most boats head for the storage yard or trailer in October and many are being launched in May before the Memorial Day holiday, the real spring benchmark. This would mean new business, new income, new clients, new revenue to the businesses and new tax revenue to the state because all the usual sales taxes are still in effect and collected. Thus Connecticut is left far short. The boat dealers lose business, the boatyards lose repairs, the marinas lose slip and mooring renters and accessory sales too, fall off.

Two other changes clarify whether sales tax or use tax applies to any vessel, regardless of ownership venturing into Connecticut for a shortened stay. The first change is with sales tax and a vessel sale is exempt from such tax unless it is docked in Connecticut in excess of 60 days. This allows a reasonable amount of time after a sale is completed to finish any outfitting and install accessories. The additional business is completely taxable to Connecticut. The second changes exempts a use tax imposition on any vessel when it ventures into Connecticut unless it remains for in excess of 60 days. This too will allow Connecticut marine facilities to generate new business, expand employment and therefor increase the revenue to the state.

We ask you again to support **Raised Bill No. 6576 AN ACT CONCERNING THE APPLICABILITY OF THE SALES AND USE TAX TO BOATS**, it's a valuable initiative offering to regenerate revenue and encourage sales of vessels and especially additional outfitting and accessorizing on all vessels within Connecticut. Normal sales taxes on the work can and will be collected. That makes this a revenue bill and a jobs bill and everyone wins. Thank you for the opportunity to comment on these issues and please know that we are available to discuss them at any time.

Sincerely,

John S. Johnson
Legislative Chair

Grant W. Westerson
President

Linda A. Kowalski
The Kowalski Group