

TO: Finance, Revenue and Bonding Committee

FROM: Gayle Weinstein, First Selectman, Town of Weston.

SUBJECT: Submitted testimony regarding S.B. 843 the Governor's proposal to exempt the first \$20,000 of motor vehicle assessed value from taxation.

DATE: March 4, 2013

The Governor's proposal will result in a loss of \$2,372,158 in motor vehicle taxes. An increase in the property tax mill rate of 92 cents per thousand (3.8%) would be required to restore this revenue. That equates to an increase in the tax bill for the median assessed home of \$635.

Weston statistics are as follows:

8,780 vehicles appear on the current grand list. 6,950 (79%) of these are at, or below \$20,000 in assessment value and would be totally exempt from motor vehicle tax. The lost tax revenue on these vehicles is \$1,485,340.

1,830 vehicles (21%) are above the proposed \$20,000 exempt assessment value. These vehicles currently generate \$1,299,338 in motor vehicle tax revenue. With the first \$20,000 in assessment value exempt from taxation, the revenue generated by these partially exempt vehicles would drop to \$412,520.

\$2,784,678	Current Tax Revenue of all motor vehicles
<u>\$ 412,520</u>	Total Tax Revenue of Motor Vehicles After \$20,000 Exemption
(\$2,372,158)	Total Lost Motor Vehicle Revenue from Exemption Proposal

The administrative savings to the Town in eliminating the collection of 6,950 motor vehicle tax bills is surprisingly small- perhaps a couple of thousand dollars.

If implemented as proposed, this initiative will either force the loss of an important revenue source, or will create winners and losers in the shifting burden for local tax payers. The impact of this redistribution is very dependent upon the type and value of vehicles owned. In our case, this proposal will cause owners of modest homes and modest cars to pay more of the local tax burden, than they do currently.

The Town of Weston does not desire to lose this very important revenue source, nor does it wish to participate in a process that redistributes the burden of local taxes within our community in such a random and haphazard manner.

I strongly urge that this initiative not be adopted. Thank you.