

Testimony – Senate Bill 843

As an individual, and as Chairman of Colchester Board of Finance, it is hard for me to understand that with all of the fiscal difficulties being faced by the State and local governments, any attempt is being made at this this time to debate the idea of eliminating the motor vehicle property tax for most Connecticut taxpayers.

This partial elimination will result in a loss of 3.7 million of tax revenue to our town. This lost revenue will need to be made up from other local property taxes. It also creates additional work for our Assessor as he will still have to assess every vehicle to determine which property owners (estimated to be 3%) will still owe some relatively small tax.

This proposal brings no additional tax revenue to the State.

I can think of two reasons why the Governor would propose this. Either it is to reform the motor vehicle property tax; or it is to create a distraction to divert taxpayers from focusing on fiscally irresponsible budget proposals that continue to borrow to pay for previous borrowing and continued unrestrained spending.

If it is the former, I applaud the effort, but it should not be a part of the budget process. This proposal is not well thought out and deserves more attention than to be pushed through, lost among many other proposals.

If it is the latter, I am not surprised at the attempt, but I think the governor underestimates the taxpayers' ability to recognize that this simply changes what we pay taxes on. One state representative suggested that the legislature would look for sources at the State level to reimburse towns for the loss revenue. Whose pockets would that come from? For those taxpayers that initially see this as tax relief, a 15 second conversation causes them to see the duplicity in this proposal.

If the goal is true tax reform, do it a time that doesn't distract from the development of a responsible State budget and at a time that the reform can get the focus it deserves.

I feel this is a poorly conceived idea intended to make taxpayers feel that they are receiving meaningful tax relief while massive and irresponsible borrowing continues to hide poor fiscal management and the Governor's previous poorly conceived strategy to solve a massive fiscal crisis brought about by years of poor decisions.

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