



**FINANCE, REVENUE, AND BONDING COMMITTEE**

**By Stan Sorkin, President**

**Connecticut Food Association**

**March 18, 2013**

**TESTIMONY REGARDING RB No. 1110: AN ACT CONCERNING THE COLLECTION AND REMITTAL OF SALES AND USE TAXES**

The Connecticut Food Association is the state trade association that conducts programs in public affairs, food safety, research, education and industry relations on behalf of its 240 member companies—food retailers, wholesalers, distributors, and service providers in the state of Connecticut. CFA’s members in Connecticut operate approximately 300 retail food stores and 200 pharmacies. Their combined estimated annual sales volume of \$5.7 billion represents 75% of all retail food store sales in Connecticut. CFA’s retail membership is composed of independent supermarkets, regional firms, and large multi-store chains employing over 30,000 associates. Our goal is to create a growth oriented economic climate that makes Connecticut more competitive with surrounding states.

The Connecticut Food Association would like to bring to the attention of the committee its suggestions and concerns regarding specific points contained in the Section 1 of RB NO. 1110 and request that they be addressed:

(3) the advisability of requiring more frequent due dates for the remittal of said taxes, particularly for retailers with a higher tax liability, **Then CT should implement a discount (without a cap) for the extra reporting requirement.**

(4) the benefits and drawbacks of instituting a payment system whereby the state may receive payment of said taxes electronically not later than two business days after the date of the taxable transaction, from an institution processing a credit or debit card payment or electronic funds transfer from a consumer, **This is not feasible or practical for retailers processing hundreds of transactions per day.**

The Connecticut retail food industry will be greatly affected by the analysis undertaken by the Commissioner of Revenue Services. The finance professionals of the companies that are members of the Connecticut Food Association should be consulted for their input on how the proposals being considered would affect their operations and determine what would be the added costs of compliance.