

**BONNIE D. SRTEWART  
VICE PRESIDENT OF GOVERNMENT AFFAIRS  
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION  
BEFORE THE  
PLANNING & DEVELOPMENT COMMITTEE  
HARTFORD, CONNECTICUT  
FEBRUARY 13, 2013**

**Testimony in Opposition to  
PSB-463, An Act Authorizing Municipalities To Reduce The Mill Rate For Motor Vehicles**

Good morning. My name is Bonnie D. Stewart. I am vice president of government affairs for the Connecticut Business and Industry Association (CBIA). CBIA represents 10,000 companies in the state of Connecticut. Our membership includes large industrial and financial corporations, but the vast majority of our members are small businesses with fewer than fifty employees.

I would like to testify today in **opposition** to **PSB-463, An Act Authorizing Municipalities To Reduce The Mill Rate For Motor Vehicles**. Property tax classification schemes have been around for quite a while, and have been rejected by the legislature on numerous occasions. The Planning & Development Committee should reject **PSB-463** this year.

This measure would allow a municipality to reduce the mill rate for motor vehicles. The effect of this is to increase in the mill rate on all other personal and real property. The burden of this change falls squarely on the shoulders of commercial taxpayers, particularly personal property taxpayers.

Every time a property tax classification scheme has come before the legislature, it has been rejected because of the impact it will have on employers in the state, especially those with significant personal property. Many of our competitor states do not tax personal property, putting Connecticut companies at a competitive disadvantage.

A mill rate differential only exacerbates the situation by increasing the property tax on

employers. While it may seem politically expedient to reduce the tax on motor vehicles, the long-term results to a municipality are damaging.

Classification schemes only end up pitting one class of property against other classes, and help to inhibit grand list growth through higher property taxes on personal property and commercial real property. It is not the answer to any problem, and indeed make many problems worse. **Please reject PSB-463.**

Thank you for the opportunity to present this testimony.