Achieve Financial
CREDIT UNION

March 11, 2014

The Honorable Senator Leone
The Honorable Representative Tong
Co-Chairmen, Joint Committee on Banks
Legislative Office Building, Room 2400
Capitol Avenue
Hartford, Connecticut 06106

Dear Senator Leone, Representative Tong and esteemed Members of the Banks Committee:

Thank you very much for the opportunity to testify before you today in support of **House Bill 5470, An Act Requiring a Sales and Use Tax Exemption for Sales to Connecticut Credit Unions.** I am the President/CEO of Achieve Financial Credit Union located in Berlin serving education and healthcare employees in Berlin and several surrounding towns.

Over the past five years, the economic down turn has led to record low interest rates. As a result, we have seen our net interest margin sharply decline. This has forced Achieve Financial to look at ways to cut costs to offset the lost interest income in order to mitigate the impact on our bottom line and keep the regulators happy. In 2012 I had our accounting staff separate out all sales and use taxes paid on goods and services. My intent was to measure the financial savings that would result from our Credit Union converting from a state-charter to a federal charter. Achieve Financial is presently evaluating this option. The savings would almost cover the salary of a full-time marketing position which we really need.

Passage of House Bill 5470 would put Achieve Financial and all the other state-chartered credit unions on parity with federal credit unions. It would also remove the incentive I have right now to switch charters and could provide a viable incentive to existing federal credit unions to convert to a state charter.

Sincerely,

Andrew Klimkoski
40 Wildcat Rd.
Burlington, CT 06013

Together We Can.