



## CONNECTICUT

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
BY  
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR  
SUPPORTING  
HB-5545, AAC A STUDY OF THE STATE'S TAX STRUCTURE  
BEFORE THE  
FINANCE, REVENUE & BONDING COMMITTEE  
MARCH 17, 2014**

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:*

**NFIB/Connecticut supports HB-5545.** This important legislation would be a first step in examining Connecticut's tax system and the economic impact it has on the state and upon small business owners. Small businesses play a significant part in our state's economy and are impacted by our tax system through income taxes, corporation taxes including the business entity tax, sales taxes, property taxes, and the estate tax, among others.

Tax related issues continue to be significant problems for small business owners. Small business owners not only find current tax rates a burden but equally problematic is the complexity of tax compliance, inconsistencies in state tax policy, and the frequency of changes in tax laws. In the 2012 edition of "*Small Business Problems & Priorities*" by the NFIB Research Foundation, "Tax Complexity" ranks as the seventh most serious problem for small business owners, with nearly thirty-percent ranking the problem as "critical"; and "State Taxes on Business Income" ranks as the tenth most serious problem for small business owners, with nearly a quarter ranking the problem as "critical".

Given the unique and critical nature of state tax policy on small businesses, NFIB would encourage the Committee to ensure that small business interests are specifically represented on the Panel contemplated in this legislation.

Thank you for your consideration of NFIB's comments in support of HB-5545, and we look forward to working on behalf of small business with members of the Finance Committee and the Panel in this important endeavor.