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Testimony on SB No 38: AAC The Interest Rate On Delinquent Property Taxes

Dear Chairmen Osten and Rojas, Ranking Members Fasano and Aman, and distinguished members of the Planning & Development Committee.

I am a single male, 67 years old, and an Army veteran. I was forced into early retirement from my job in Information Technology several years ago. I had been employed in that line of work for 32 years, and currently collect a small pension along with social security benefits.

In particular, my job position was outsourced to India before my normal retirement age and there were no other employment opportunities available to me at that time, though I searched desperately. I had a 401k plan thru my employer, which I counted on for retirement living, however, the stock market crashed a number of years ago and devastated that account.

Under this set of circumstances, it has been very difficult to keep up with basic cost of living increases, as well as local property taxes. I found myself in arrears on property taxes, and finally was forced to withdraw funds from a greatly diminished 401k to cover the rapidly increasing interest on the taxes owed. A couple of years ago I was hired on a project for which I was paid to help me with my tax situation. The money earned went directly to pay interest and property tax. However, this extra income caused me to lose one of my veterans property tax exemptions. This earnings actually made me worse off, and I am trapped between a rock and hard place. Something has to give.

I hope the committee will carefully consider and support the benefits SB-38 will provide. This legislation will not only reduce the burden on individuals with limited incomes, but incentivize them to a higher standard of living. I further would hope that the committee would consider an interest rate below 15% as currently proposed.

When mortgage rates a number of years ago reached 18% or 20%, it was understandable that the delinquent tax interest rate be commensurate with the economy. The economy was good, the majority of residents were working at that time. However, these are not the conditions of our current economy. Many people are struggling, jobs are hard to find, wages are often at minimum rates, real estate is sluggish and mortgage rates are in the 3-4% range. (Torrington Savings Bank, 2/12/14, 15 year fixed-0 points 3%; 30 year fixed-0

points 4%). And, these conditions especially impact seniors who have little to no recourse. An interest rate of 6% would seem more appropriate to help everyone.

In summary, the following facts are very important for consideration:

- Pension incomes will never increase.
- Social Security income is not enough to live on.
- Consumer prices continue to rise and price increases often are on package quantities which have been reduced recently, making the items even more expensive.
- Fuel, medical and hospital bills, goods and services continue to rise.

Taxpayers in general, but especially retired seniors like me, aren't delinquent purposely, but because they don't have the financial resources to meet daily living expenses, and meet their tax obligations. Interest on owed taxes is a terrible, additional burden from which they may not endure. Monies that are being paid in interest should be reducing the tax debt and being put into the upkeep of the properties which are also suffering. My residence has a 40 year old roof that leaks as well as a 40 year old furnace. My living room ceiling is always wet and during the winter ice dams cause water to come in above my bay window. This week I am capturing and removing about 5 gallons of water a day at the window sill.

The lack of jobs and heavy taxes are the primary reasons why Connecticut has been shown to have a net loss in its population growth over the last several years. It is important to bear in mind that property owners historically have the highest percentage of active voters and will be watching the outcome of this specific bill with great interest.

I would like to thank the members of this committee for affording me the opportunity to have my concerns and situation heard. I speak not only for myself, but for all the property owners in Connecticut who are trying to survive on a limited or fixed income in a time of ever increasing costs.

Thank you for your time.

Respectfully submitted-

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