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President  
Roland Bishop  
Secretary/Treasurer  
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Executive Director

**Finance, Revenue and Bonding Committee**  
**April 23, 2015**

**Senate Bill 1135: An Act Establishing a Sustainable Path for Maintaining the Budget Reserve Fund and Reducing the Effect of Revenue Volatility on the State Budget**

Senator Fonfara, Representative Berger and members of the Finance, Revenue and Bonding Committee:

My name is Bill Buhler. I am member of CSEA SEIU Local 2001 and I am here to support SB 1135 and advocate for new revenue as an alternative to harmful cuts in vital services.

According to tables provided by the Connecticut Department of Labor, wages, salaries and consumer spending have not risen above inflation for at least 13 years. Flat wages are not good for the economy. They don't generate revenue, they don't increase demand and they don't sustain business growth.

Rising income inequality has not led to adequate revenue. The large financial gains of those in the 1% produce substantial revenue, but not enough to compensate for revenue that would be raised if income gains were more widely dispersed.

Large corporations have amassed great wealth but their tax revenue has fallen. Corporate business taxes funded 24% of general fund revenue in 1991, but today, 4%. Corporate tax departments keep finding new ways to avoid taxes by shifting profits elsewhere and by using creative accounting.

Five years ago the Governor of Minnesota was faced with a similar revenue shortfall. He raised income taxes to 9.85% on the top 2%, cut and broadened corporate taxes, and plugged corporate tax loopholes. He cut property tax by 9.7% and with some adjustments to sales taxes he brought in an extra 2 billion. At last report, Minnesota had the 5th fastest growing economy and Forbes rated it as the 8th best state for business.

I urge the Finance Committee to pass SB 1135 and enact specific revenue proposals offered by members of the Better Choices Coalition. Among them are Combined Reporting, new 7 and 7.5% tax rates on the top 2% and either SB 1044 or HB 6791. It is more important to fund vital services than it is to maintain tax breaks for corporations and the wealthy.

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