

RE: Regarding House Bill 6572 - AN ACT EXTENDING THE LAND VALUE TAXATION PILOT PROGRAM

March 5, 2015 Testimony from Art Costa, President/CEO Thames Valley Sustainable Connections, Inc.
Former member of the New London LVT Work Group

This act is essential if we are to have in place a model of how such a tax could help our urban environments regain their economic vitality.

New London's attempt to work through a pilot project in the past was thwarted by a time limit that prohibited us from completing the study and thus developing a consensus. Re-introducing this option to New London and other urban municipalities would only be possible with the passage of this bill.

I am submitting this testimony to support the extension of the pilot date. This enabling legislation is very important to both urban municipalities such as New London, and to the state of Connecticut. With an eye toward property tax reform there has never been another real model for such reform other than a structural change to the property tax itself. We know that taxing improvement, which is the primary focus of today's property tax, is regressive and undermines urban revitalization. That is very clear. Tax experts and economists all agree that taxing land over improvement has the least negative impact on commerce of a region than any tax.

It is a fair tax in that it incentivizes improvement by not penalizing those improvements with a burdensome tax. Implemented as a revenue neutral program it will ensure the appropriate taxation is achieved while maintaining the necessary revenue income for the municipalities.

It is essential that this pilot program be available in order to begin the process of evaluating the full implications of using a tax reform which could very well improve the economic well-being of urban communities throughout Connecticut.

Respectfully and sincerely yours,

A handwritten signature in black ink, appearing to read 'Art Costa', written in a cursive style.

Arthur R. Costa