



Testimony Submitted By Suzanne Bates, Policy Director of the Yankee Institute for Public Policy, to the Planning and Development Committee on SB 1.

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The Yankee Institute for Public Policy is a Connecticut think tank that develops and advances policy solutions to promote smart, limited government; fairness for taxpayers; and an open road to opportunity for all the people of our state.

I submit this testimony in opposition to Senate Bill 1.

The changes in Senate Bill 1 to the collection and distribution of car and property taxes represent a significant departure from the way things are done today.

While the Yankee Institute does not shy away from supporting significant changes, we do believe more preparation is needed before a change like this can be successful.

The changes suggested here would have a significant impact on the budgets of the towns and cities in our state, and would also represent a tax increase on many residents, while lowering the taxes for others.

A move to a statewide mill rate on cars is an interesting idea. However, the revenue should still go directly to towns without first going to the state. Also, this change should have a longer lead time. Cities and towns would need to have the time to assess what this would mean for their budgets, and to make the necessary adjustments.

It would be hasty to implement these changes without an inclusive conversation with all of the relevant stakeholders. Changes like these should only be made within the context of a larger tax reform plan.

We would encourage the proponents of this plan to bring these ideas to the Tax Review Committee, which is tasked with taking a holistic look at the tax system in Connecticut, and then with proposing ways to make it better.

At the Yankee Institute we plan to participate in these tax reform discussions and would like to explore ideas like reform to PILOT and statewide tax rates for commercial property and motor vehicles.

While there are many intriguing ideas here, this bill tries to make important reforms on an unrealistic timetable.