



State of Connecticut
HOUSE OF REPRESENTATIVES
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JUDICIARY COMMITTEE

March 1, 2016

Energy and Technology Committee
Legislative Office Building, Room 3900
Hartford, CT 06106

RE: SUPPORT of SB 212, AN ACT EXEMPTING WATER COMPANIES FROM THE SALES AND USE TAX

Good afternoon Senator Doyle, Representative Reed and Honorable Members of the Energy and Technology Committee.

I come before you today as one of the co-chairs of the Bridgeport Regional Business Council's legislative caucus to express my support of SB. 212, An Act Exempting Water Companies From The Sales And Use Tax.

SB. 212 would reinstate a sales tax exemption for private water company purchases that was originally put in place in 1993. Without this exemption, private water companies are subject to a tax on their purchases which their public water company counterparts are not subject to. This creates an inequity in the tax code and puts a disproportionate burden on customers of private water companies as the cost of the tax will be reflected in customer rates, creating a greater gap between the rates paid by private water customers and public water customers.

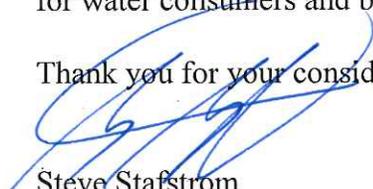
Private water companies are integral to the upkeep of our state's water infrastructure. Private water utilities serve more than 90 towns, including Bridgeport and our surrounding communities, with a safe supply of quality water that meets the needs of public health, safety, fire protection and economic development our communities require. Reinstating the sales tax exemption is vital for private water companies to provide this service at a fair and equitable rate.

It is my understanding that the sales tax on private water company purchases is expected to generate \$4 Million in revenue for the State of Connecticut. Given the fiscal reality our State is currently facing, I understand and appreciate that the Bill raised by this Committee contemplates a delayed enactment date of January 2018 for reinstating the sales tax exemption. I would

respectfully submit that you consider substitute language changing that enactment date to June 2018 to coincide with the fiscal year.

I hope you will join me in supporting reinstatement of this exemption to levels the playing field for water consumers and businesses that have no choice as to the source of their water.

Thank you for your consideration,



Steve Stafstrom
State Representative
129th Assembly District - Bridgeport