



Connecticut Association of Assessing Officers, Inc.
Legislative Committee

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Testimony in Opposition of GB 5047 AN ACT CONCERNING EXEMPTIONS UNDER THE PROPERTY TAX

Dear Sen. Fonfara, Rep. Berger, and members of the Finance, Revenue & Bonding Committee:

The Connecticut Association of Assessing Officers wishes to express our opposition to GB 5047 An Act Concerning Exemptions under the Property Tax.

Section 1 wishes to exempt every personal property account that has a total of less than \$10,000 in assessment under the guise that it will reduce 46% of the accounts that need to be serviced. This thought process is flawed because there is no way for municipal assessors to know if someone is under the \$10,000 threshold unless the applicants are still required to file the declaration. Property owners who are exempt one year may be taxable a year later due to acquiring additional property resulting in every property owner still being required to file annually. All accounts will still need to be serviced and in fact, this will cause additional work for assessors as they must audit each of these accounts, verify the accuracy of their reporting, and approve or deny the requested exemption.

The exemption is an unfunded state mandate that will produce revenue loss in all 169 jurisdictions.

The estimated revenue loss depicted is not factual. The State Tax Panel Report (dated December 31, 2015) claimed that the revenue loss was 1% of total collections yet our research shows it closer to 4-7% of our taxable personal property.

If the state wishes to provide a tax credit to personal property taxpayers, the state should provide the tax credit when each business files their state income tax just as they do when they provide a credit for real estate or motor vehicle taxes paid by an individual. This way the state can also fund the tax credit and avoid reducing municipal revenues and ultimately increasing local property taxes on the whole.

Section 2 wants to give Connecticut municipalities additional work to perform and collect data for the State. This could easily be accomplished by having Hospitals file directly with the State, similarly to that of telecommunications companies a few years back with the state imposed \$41 mill rate.

Local assessors best serve the public when they utilize their resources discovering, listing, and valuing property in an effort to ensure a fair and equitable distribution of the local property tax rather than collecting data for the state. GB 5047 would burden assessment professionals and create unfunded exemptions that could easily be provided during state income tax filings; both of which, result in revenue loss to municipalities.

Respectfully,

Legislative Chairman, Connecticut Association of Assessing Officers
David Dietsch, CCMA II, Assessor, City of Waterbury
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