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Connecticut Council of Small Towns
Before the Finance Committee
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RE: HB- 5047 AN ACT CONCERNING EXEMPTIONS UNDER THE PROPERTY TAX

The Connecticut Council of Small Towns (COST) opposes HB-5047, which exempts small businesses with personal property that totals less than \$10,000 in value from the personal property tax.

According to OPM, this bill will result in a revenue loss to municipalities of \$6 million - a sizable revenue loss for our communities.

The state and municipalities continue to face ongoing fiscal challenges. For small towns, state aid to municipalities has been largely flat funded, putting considerable pressure on property taxpayers to fund more of the cost of delivering critical services, such as education, transportation and public safety. Although we appreciate the efforts of the Governor and lawmakers to hold towns harmless, we are concerned that proposals such as HB-5047 will disrupt the delivery of services on the local level or force homeowners to shoulder more of the property tax burden.

HB-5047 will simply shift the property tax burden from small businesses to homeowners without addressing the need for systemic property tax reform. Although the bill is intended to strengthen state and local economies by exempting business owned personal property from the property tax, these small business owners will wind up paying more for their homes and rental properties as a result.

The bill does not, as purported, provide “significant administrative relief for municipal finance offices.” Towns are hearing from their assessors and tax collectors that the bill will increase the administrative burden associated with the collection of personal property taxes.

COST urges lawmakers to oppose HB-5047.