



Statement of Testimony
Finance, Revenue & Bonding Committee
House Bill 5636
March 22, 2016

Senator Fonfara, Rep. Berger, Senator Frantz, Rep. Davis and Members of the Finance, Revenue and Bonding Committee,

I am Kathleen Burns, of Noank, Connecticut, and I present this testimony today representing the interests of over three hundred marine related businesses and their employees as Executive Director of the Connecticut Marine Trades Association of Essex, CT to offer some brief comments on **Raised House Bill 5636**, specific to Section 2. (E) (iii) regarding a three percent sales tax cap on the sale of boats, motors and trailers.

I am, we are residents of this great state, and in no way is our organization or its members trying to find a way out of taxation. In fact, what we support is finding solutions to raise revenue, raise the business climate, raise the quality of life of our employees by making us, a more competitive, more attractive place to do business, to provide services and to service our customers in an industry we know best.

Today the boating business in Connecticut is sandwiched...sandwiched between more tax friendly states. To the east, anyone can buy a boat and keep it in Rhode Island paying no more than the sales price. No sales tax. Residents of this State and others flock there and keep their boats in their waters, enjoying the tax break while filling the economy with work, service, expendables. In New York, you can buy a boat and pay no more than \$18,000 in tax, in Maryland no more than \$15,000 in Florida a cap of \$ 18,000.00 and in New Jersey, no more than 3.5% or \$20,000 cap.

Why have these states been so effective at partnering with their boating business community? Because it is keeping business and businesses in their state. They are making money for their state, their businesses and employees.

And all of them are eating away at what is the boating business in Connecticut and an industry that has been an integral part of the fabric of this State since its founding.

A recent report by a surveyor who provides appraisal surveys on boats being sold indicated that 70% of the boats he is surveying are being sold and transported out of the State of Connecticut. That means no tax dollars to this State. It means no slip rentals, no mechanical and service repairs, no fuel, no nothing. The boat is here – someone is selling it and it is gone. There are no dollars coming to the state. That continuing path will lead to business failure and employment decline.

Numerous dealers have opened offices in other states just to be more competitive in the larger picture. And that means that Connecticut is losing all of that revenue because we just aren't competitive.

Since 2008 we have lost over 12,000 registered boats in this state. Economically that is over \$750,000 in registration fees alone, not accounting for the countless boats that are being sold, stored, and serviced in neighboring states or further. The loss of sales tax revenue is significant.

People have choices. And those whose dollars we desire to stay in this state are savvy enough to know that they can get what boat they want and keep it elsewhere at a substantially lower cost than they can find and do here.

Help us. Partner with our industry. Let us show you how we can reverse years of boat sales decline by helping us be competitive with our neighboring states. Help us gain an edge and keep recreational dollars and all the tax dollars that accompany them – here in Connecticut.

Thank you.

Respectfully Submitted, this 22nd Day of March, 2016

Kathleen M. Burns
Executive Director
Connecticut Marine Trades Association, Inc.