

Testimony of Mr. James T. Fleming

Of Simsbury, Connecticut

Before the Joint Standing Committee on Finance Revenue and Bonding  
concerning

**House Bill No. 5636 (RAISED) AN ACT CONCERNING MUNICIPAL TAXING  
DISTRICTS, THE SALES TAX, THE APPRENTICESHIP TAX CREDIT, CERTAIN FEES  
AND THE TAX CREDIT REPORT'**

Tuesday, March 22<sup>nd</sup> 2016

My name is James Fleming, President of the Connecticut Automotive Retailers Association (CARA) which represents 270 new car dealers in this state and the 14,000 employees who work in our dealerships. I am here to testify in favor of portions of **House Bill No. 5636 (RAISED) AN ACT CONCERNING MUNICIPAL TAXING DISTRICTS, THE SALES TAX, THE APPRENTICESHIP TAX CREDIT, CERTAIN FEES AND THE TAX CREDIT REPORT'**

CARA dealers help drive the economy of this state. Last year we sold over \$10 Billion dollars' worth of new and used cars at our 350 stores, accounting for about 19% of all retail sales in this state; helping to ensure millions of dollars of sales taxes and fee income to the state government.

Connecticut is the only state in the United States that imposes a "luxury tax" on certain motor vehicles priced over \$50,000.

CARA supports Section 2, lines 84 -123 of LCO 3303 which phases down the 7.75% additional tax on motor vehicles priced over \$50,000 to 6.35% after October 1, 2019. This legislation will again make Connecticut auto dealers competitive with our neighboring states.