

**TESTIMONY PRESENTED TO THE FINANCE, REVENUE AND BONDING  
COMMITTEE  
FEBRUARY 26, 2016**

*Benjamin Barnes  
Secretary  
Office of Policy and Management*

Testimony Supporting House Bill No. 5047

AN ACT CONCERNING EXEMPTIONS UNDER THE PROPERTY TAX

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Senator Fonfara, Representative Berger and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony on House Bill No. 5047, An Act Concerning Exemptions Under The Property Tax.

This bill exempts small businesses – those with personal property that totals less than \$10,000 in value -- from the personal property tax. It requires businesses claiming such an exemption to request it of the town assessor on a form prescribed by the Office of Policy and Management. The bill also requires hospitals claiming exemptions from property taxes to file the total value of their personal property with the municipal assessor in which the property is located.

According to the State Tax Panel's final report dated December 31, 2015, approximately 46% of all businesses in Connecticut have personal property valued at less than \$10,000. The tax bills on this property are small, and are a nuisance for small businesses. The revenue loss for municipalities statewide of the property tax exemption in this bill is an estimated \$6 million in total property tax revenue, or just under 1% of all personal property tax revenue statewide. However, it eliminates a tax for almost half of Connecticut's businesses and provides significant administrative relief for municipal finance offices.

Non-profit hospitals claim real property tax exemptions worth approximately \$192 million. The State reimburses municipalities for that tax loss through the Payment-In-Lieu-of-Taxes grant. However, the value of their personal property, and the resulting tax loss to municipalities, is unknown. The valuation of hospital personal property should not be a heavy burden on hospitals, which should have such an inventory.

I respectfully request that the committee support this bill. I would like to again thank the committee for the opportunity to present this testimony.