



State of Connecticut

HOUSE OF REPRESENTATIVES
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Friday February 26, 2016
Finance, Revenue and Bonding Committee
Public Hearing Testimony

TESTIMONY IN SUPPORT OF HOUSE BILL 5062 & SENATE BILL 13

Dear Co-Chairs Senator Fonfara, Representative Berger; Ranking Members Senator Frantz, Representative Davis; and esteemed members of the Committee,

I am writing today in support of two bills: **H.B. 5062 AN ACT ELIMINATING THE PERSONAL INCOME TAX ON SOCIAL SECURITY BENEFITS.** To assist Connecticut's senior population by eliminating the personal income tax on Social Security benefits. **S.B. 13 AN ACT REDUCING CERTAIN PROBATE COURT FEES.** To implement the Governor's budget recommendations.

H.B. 5062

According to Kiplinger, Connecticut is one of the least tax-friendly states for retirees and one of only thirteen states that tax Social Security benefits.¹ This is especially evident as many seniors are fleeing to more tax-friendly states such as Florida, North Carolina, and Arizona², both of which do not tax Social Security benefits.³ It is too bad that those who have worked their whole lives in Connecticut are now spending their 'golden years' in other states because they simply want to keep more of what they have earned.

¹ <http://www.kiplinger.com/tool/retirement/T055-S001-state-by-state-guide-to-taxes-on-retirees/index.php?map=15#anchor>

² http://www.huffingtonpost.com/moira-mcgarvey-/best-us-states-to-retire_b_7714490.html

³ <http://www.kiplinger.com/tool/retirement/T055-S001-state-by-state-guide-to-taxes-on-retirees/index.php?map=6#anchor>

When seniors move to other states, it means they are also spending their money in other states as well – whether it’s real estate, food, gasoline, and on various services. Connecticut is losing tax revenue on all of these expenditures, but could reverse some of this course by simply removing the personal income tax on Social Security benefits. Taxes do matter on retirees’ financial and personal decisions and I believe the state is in worse economic shape because of the over-taxation of this population. Let’s do the right thing by making a concerted effort to keep people here and I believe HB 5062 is a great start.

S.B. 13

I applaud Governor Malloy on this proposal to restore a cap (albeit not \$12,500) on probate fees. The change that was made last year to an unlimited probate fee system was a slap in the face to our seniors and made Connecticut the “most expensive place to die in the US⁴”. Many seniors want to ensure that their heirs/children are not overly burdened when they pass away and that their hard-earned dollars are spent wisely, even from beyond the grave. So, it came as no surprise that unlimited probate fees received a negative reaction from our Probate Judges and from the senior population – especially wealthier seniors. In the current fiscal climate, the last thing the State of Connecticut should be doing is chasing more wealth out of this state.

According to the Yankee Institute, Connecticut is losing \$60 per second, much if this wealth to states more favorable to seniors.⁵ Connecticut has been ranked by Forbes as a ‘state not to die in’⁶ and by eliminating the cap on probate fees, this was only made worse. Aside from being overly burdensome to probate users, the idea of funding Probate Courts with this increased fee was both unpredictable and not well thought-out. Probate Courts are more frequently working on mental health, elder care, adoptions, and other important areas, so it made little sense to place such a high burden on decedents’ estate work. I believe it is in Connecticut’s best interest to sensibly fund Probate Courts and to look for potential smart spending cuts within the system. A thorough review of every district throughout the state should be done to ensure the employee and operation spending, especially part-time Probate Judge salaries, actually match the district workload. I also believe much the Probate Court Administrator, Paul Knierim, should be more heavily relied upon for recommendations before enacting any changes to the system.

While I do support restoring a cap, I also believe it should be lowered to \$20,000 with a General Fund appropriation \$14 million as Mr. Knierim suggests.

I thank the Committee for the opportunity to provide testimony on these two very important bills and I look forward to seeing them both move through the legislative session.

Sincerely,

Representative Devin Carney
Proudly Serving Lyme, Old Lyme, Old Saybrook, Westbrook

⁴ <http://bigstory.ap.org/article/44d918d8d7e7499d8095b02dcfd5d8dd/officials-connecticut-most-expensive-place-die-us>

⁵ <http://www.yankeeinstitute.org/policy-briefs/60-a-second/>

⁶ <http://www.forbes.com/sites/ashleaebeling/2014/09/11/where-not-to-die-in-2015/#11dc272f516c>