



**Testimony
Betsy Gara, Executive Director
Connecticut Council of Small Towns
Before the
Finance, Revenue & Bonding Committee
March 18, 2016**

SUPPORT – HB- 5627 AN ACT ELIMINATING THE SALES TAX ON PARKING FEES AT CERTAIN FEDERAL, STATE AND LOCAL PARKING LOTS

The Connecticut Council of Small Towns (COST), which represents 115 small towns throughout Connecticut, **strongly supports HB-5627** which eliminates the sales tax on parking fees at municipally owned parking lots. This issue was identified as one of COST's top priorities this session.

Last year, the legislature adopted provisions which inadvertently eliminated the exemption from the sales tax for "seasonal" non-metered parking lots with more than 30 parking spaces, including municipal and state-owned parking lots.

This tax, which became effective shortly after it was adopted, created a lot of confusion and headaches for residents and municipal officials in many small towns. Towns had to scramble to determine the best way to collect the tax without imposing a hardship on residents and visitors.

Collecting the sales tax also imposed an administrative burden on small towns that may not have to collect the sales tax for any other municipal services they provide.

COST supports efforts to repeal this tax and urges passage of HB-5627.

COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. Its members are Connecticut towns with populations of less than 30,000. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns.

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