



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
SUPPORTING
SB-446, AAC REPEALING THE ESTATE AND GIFT TAXES
BEFORE THE
FINANCE, REVENUE & BONDING COMMITTEE
MARCH 18, 2016**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:

NFIB/Connecticut supports SB-446, specifically, sections 1 and 2 of the bill, which would repeal the state's estate tax starting in 2017, providing some much needed certainty and future tax relief to certain small businesses in Connecticut. This repeal can help with succession planning for many of Connecticut's closely-held small and family businesses and farms. As it is, the estate tax provides no incentive for some small and family-owned businesses to expand their businesses in Connecticut or create new jobs. In fact, it taxes the family right out of business in many cases. Much of the cost of the estate tax occurs before the tax itself is levied. This tax applies to property transferred at death if the value of the property exceeds the estate tax exclusion. While the owner of the estate is responsible for the tax, their heirs often are responsible for the payment of the tax upon the death of the owner. For many small businesses, the value of the estate is the physical assets of the business, which means to pay the estate tax they often have to sell actual parts of the business. The mere threat of this tax actually forces small business owners to pay for expensive estate planning if they want to keep their business in their family. Protecting small business from the negative effects of the estate tax is important in order to keep family businesses in business in Connecticut for future generations.

We encourage the Committee and the legislature as a whole to move forward with legislation to address the estate tax. For any questions or additional information, please contact Andy Markowski, NFIB/Connecticut State Director, at 860-248-NFIB. Thank you for your consideration of NFIB's comments.