



Connecticut Association of Assessing Officers, Inc.

John Rainaldi, President
Town of Manchester

Chandler Rose, President Elect
Lawrence G. LaBarbera, Treasurer
Pam Deziel, Secretary

February 25, 2016

Testimony- Planning and Development Committee

John Rainaldi, CCMA II, CCMC, RCG
President, CAAO

Members of the Planning and Development Committee:

As President of CAAO, I respectfully request that you support HB 5182, An Act Exempting Leased Municipal Property from Taxation.

In many cases throughout the State of Connecticut, municipalities will lease equipment or vehicles from a leasing company, and find that the equipment is often taxable. Examples of such leased items often include photocopiers, other office equipment, and school buses.

In these cases, the municipality is in a position where, as the lessee, it has to pay the taxes to the lessor. The lessor then pays the same taxes back to the municipality, the lessee. In some cases, the taxes are directly reimbursed to the lessor, while in others, the taxes are factored indirectly into the lease payments without being directly itemized or billed to the municipality. Under either scenario, the municipality is paying for the taxes billed. In fact, in some cases, if the taxes are factored into the lease payment without being itemized, the municipality might actually pay more than the tax amount to their lessor.

As a result of this practice, there appears to be no cost to the municipalities if HB 5182 becomes law, and this bill would actually eliminate the duplication of tasks that results from having a municipality indirectly pay itself taxes through the leasing company that leases them their equipment or vehicles.

Therefore, on behalf of CAAO, I ask you for your support in rectifying these issues, and thank you again for your interest in this topic.

Respectfully,

John Rainaldi
President, CAAO