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**Senate Bill 58: AN ACT REPEALING THE ESTATE TAX**  
Finance, Revenue, and Bonding Committee  
March 3, 2017

Senator Fonfara, Senator Frantz, Representative Rojas, and members of the committee:

As President of the SVFT, I am proud to represent 1200 educators in the CTHSS. There are many requirements for the position of SVFT President, and being an expert on the tax code is not one of them. As the elected representative of the teachers in our State-run school system, however, I understand the implications the budget has on our students and our teachers. The decisions the legislature makes on revenue and spending are not ultimately about money; they are decisions about the people in Connecticut and the services they need. As former Vice-President Joe Biden says, “Don’t tell me your values. Show me your budget, and I’ll tell you your values.”

We have been hearing about are the “tough choices” we must make in this budget, and how the “new economic reality” means there must be “shared sacrifice.” In the Governor’s budget, the CTHSS receives in effect a \$7.6 million cut. The Governor projects \$1.5 billion in labor savings. Many towns see their education funding drastically reduced. Important services cut in last year’s budget have not been restored. The list of cuts goes on and on.

Senate Bill 58 would repeal Connecticut’s estate tax, which taxes estates of more than \$2,000,000. A less severe though to me still deeply troubling bill, Senate Bill 5, would amend Connecticut’s tax to meet the Federal threshold of roughly \$5.5 million. This tax is hardly a burden on the middle class, since a person inheriting an estate worth less than \$2,000,000 currently pays no estate tax. The rationale seems to be that eliminating the estate tax persuades people from leaving Connecticut. The Yankee Institute’s website points out that Connecticut loses residents to Florida, which has no estate tax. Their website also states that other states like New York changed their estate tax to “make it friendlier to mid-sized estates.” The implication is that Connecticut is at a competitive disadvantage to attract professionals and other higher paid

workers because of the estate tax. There is no evidence provided this assertion is true. This bill is a tax break for the wealthy and no one else. A \$2,000,000 estate is not “mid-level,” even in Connecticut. It must also be pointed out people are moving from New York to Connecticut in large numbers, so Connecticut’s lower threshold for the estate tax isn’t dissuading New Yorkers from moving here. Study after study shows “Connecticut tax flight” is a myth; the claim is based on ideology, not evidence.

Our budget is a series of financial, political, and moral choices. I cannot claim to be an expert on the financial aspects of the estate tax, though I have read several articles that question the claims of the Yankee Institute on it. But as someone who represents teachers who care deeply about their students, I do see the moral implications of this bill. How can we leave our CTHSS students without teachers because of the unfilled positions created by the rescissions, but also eliminate an annual \$200 million source of revenue? How can you turn to State workers asking for help once again, but also hand one more tax break to our richest citizens? Why is eliminating the estate tax more important than returning rape victim advocates from layoff? How is that “shared sacrifice”? As Connecticut struggles with its budget, as we seek to balance revenue with the work of government for our citizens, we cannot afford to give yet another tax break to the people who least need it. I strongly urge you to defeat this bill.

Thank you.