



## Finance, Revenue, and Bonding Committee Public Hearing Testimony - March 3, 2017

### Opposed:

#### **SB 5 - An Act Increasing the Estate Tax Exemption**

#### **SB 58 – An Act Repealing the Estate Tax**

Good afternoon Chairman Fonfara, Chairman Rojas, Chairman Frantz and members of the Finance, Revenue, and Bonding Committee. My name is Zak Leavy and I serve as the Legislative and Political Advocate for Council 4 AFSCME, a union representing 35,000 hard-working employees across Connecticut.

We want to express our deep opposition to ***SB 5, An Act Increasing the Estate Tax Exemption***, and ***SB 58, An Act Repealing the Estate Tax***. Repealing or increasing the estate tax exemption is nothing more than a tax break for millionaires and their families. As a country plagued by income inequality, and a state that is near the top of the list of states with income inequality, the last thing we need is to allow wealth to be concentrated in the hands of a few at the expense of everyone else. Since the Great Recession, we have seen over 90% of all new wealth being concentrated among the wealthiest in America. Connecticut was not immune to that trend. In 2010, we had the 5<sup>th</sup> most millionaires per capita and we currently have the 2<sup>nd</sup> most millionaires per capita. To continue passing policies that only increase the concentration of wealth in the hands of fewer and fewer people would be detrimental to the health of the state and its ability to continue having a high quality of life. Linda and Vince McMahon's family don't need a tax break through raising or eliminating the estate tax.

There is also the practical problem in that it reduces the amount of revenue coming into the state. As we look at lower revenue totals routinely coming into state coffers, the last thing we should be doing is making that problem worse by helping the wealthiest in our state. Instead, we should be increasing personal income taxes on the top income earners to bring us more comparable to surrounding states and joining in a compact to close the carried interest loophole. By increasing our rankings for millionaires per capita, the data, and not anecdotes, show that increasing taxes has not had a negative effect on millionaires living here. These solutions would increase the revenue coming into the state and would protect working people, not the millionaires. It is also somewhat disturbing that in a legislative session where we are cutting the Earned Income Tax Credit that benefits low-income earners and asking for a \$700 million tax increase to state employees, we are giving millionaire and billionaire families a tax cut that they don't need. A budget shows our values as a State and these proposals show values that

negatively impact working and lower income people while benefiting the wealthiest that live here. We strongly urge you to reject SB 5 and SB 58 and to instead look at fair and progressive ways to bring more revenue into Connecticut.

**Support:**

**HB 6469 – An Act Allowing Municipalities to Determine the Property Tax Treatment of Certain Properties**

We support ***HB 6469, An Act Allowing Municipalities to Determine the Property Tax Treatment of Certain Properties***, as it allow municipalities to protect, or increase, their grand list and bring in revenue that will allow them to continue providing quality services to the public.

Municipalities where there are large numbers of wealthy nonprofit hospitals, such as New London, Hartford, and New Haven, consistently have to struggle with more and more of these institutions buying buildings and taking them off the tax rolls. This then impacts the municipality's ability to continue providing the necessary services for the public or face raising property taxes which disproportionately hit lower-income and elderly residents. This legislation will allow municipalities to make that determination themselves when buildings change ownership and debate that within their legislative body. This will help empower municipalities and reduce the times when they have to make painful cuts to services or raise property taxes. This bill, tied with greater municipal aid from the state, could go a long way in helping the financial health of municipalities that have an increasing amount of property being brought by large, wealthy hospitals claiming to be nonprofits. We urge the committee to support this important legislation.