

March 3, 2017

Finance, Revenue and Bonding Committee

State Capitol Building, Room 110
Hartford, CT 06106

RE:

Proposed Bill No. 5 AN ACT INCREASING THE ESTATE TAX EXEMPTION

Proposed Bill No. 58 AN ACT REPEALING THE ESTATE TAX

Proposed Bill No. 62 AN ACT REPEALING THE GIFT TAX

Dear Finance, Revenue and Bonding Committee:

Connecticut is driving out successful retirees. It's time to reform our state's estate and gift taxes in order to keep our more successful retirees from leaving Connecticut.

As two residents of Connecticut and successful businessmen in the state, we are writing to support Proposed Bill No. 5 An Act Increasing the Estate Tax Exemption, Proposed Bill No. 58 An Act Repealing the Estate Tax and Proposed Bill No. 62 An Act Repealing the Gift Tax.

We believe these proposed laws will help stop the mass exodus of successful retirees from leaving our state and ensure that our state retains its senior citizens. These taxes unfortunately encourage residents to move out of the state or simply not choose Connecticut as a place to live. This results in a loss of economic opportunity for our state, as well as lost revenue.

According to the Yankee Institute, from 2011-2013, the state lost 30,417 people and \$3.83 billion in taxable income to states without estate taxes. Connecticut is one of the few states that have an estate and gift tax. For example, Minnesota repealed its gift tax in 2014 a year after it was adopted in 2013. Louisiana repealed their gift tax in 2007, North Carolina in 2008, and Tennessee in 2012. Following in the footsteps of these states will help encourage retirees to stay in Connecticut.

Unlike the federal estate tax, Connecticut's estate tax is not fixed to inflation so the tax remains at \$2 million, which makes it more likely to impact additional taxpayers every year. The federal threshold for 2015 was \$5.43 million, up from \$5.34 million in 2014.

Let's change the narrative. Please pass Proposed Bill No. 5 An Act Increasing the Estate Tax Exemption, Proposed Bill No. 58 An Act Repealing the Estate Tax and Proposed Bill No. 62 An Act Repealing the Gift Tax so we have more options for solving our state's fiscal challenges.

Regards,

Louis Tagliatela, Jr.
Managing Partner
Franklin Enterprises