**TESTIMONY**
**ROBERT WESNIESKI, PRESIDENT**
**THE AVON WATER COMPANY**
**FINANCE, REVENUE & BONDING COMMITTEE**
**OF THE CT GENERAL ASSEMBLY**
**FEBRUARY 24, 2017**

My name is Robert W. Wesneski, President of the Avon Water Company. Our Company is an investor owned public utility servicing 4,700 customers or about 16,000 people in Avon and a small portion of Farmington and Simsbury.

I submit these comments in **support** **SB-273 - AN ACT ELIMINATING THE SALES TAX PAID BY CUSTOMERS OF PRIVATE WATER COMPANIES**, which restores the exemption from the sales tax paid by customers of private water companies because customers of regional and municipal water companies are not subject to the same tax.

The Avon Water Company serves three communities in Connecticut. Unfortunately, all of our customers in Avon and a small number of customers that we serve in Farmington and Simsbury are burdened with a sales tax on purchases of goods and services made by Avon Water Company even though those same purchases are not subject to a sales tax if purchased by a regional or municipal water company. This puts an unfair burden on customers simply because they are served by a water company that is investor-owned.

Customers of private water companies are also burdened with other state, federal and local taxes and costs not shared by municipal and regional water companies, creating certain rate disparities. As a result, lawmakers helped to address this inequity in 1994 by exempting purchases by private water companies from the sales tax.

Unfortunately, the exemption was repealed in 2015 as part of a budget implementer bill and we were unable to provide input at a public hearing or communicate with our legislators as to how this would impact residents in their communities. In addition to burdening our customer with additional costs not borne by customers of other water utilities, collecting and remitting the sales tax imposes administrative costs on private water company customers.

**Please support SB-273 which addresses this unfairness.**

Thank you for the opportunity to comment.