



Testimony on HB 5028

Submitted by Joe Horvath, Assistant Policy Director

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I would first like to thank the committee for taking this testimony. My name is Joe Horvath. I am the Director of Legislative Outreach for the Yankee Institute for Public Policy, a Connecticut-based free market think tank. I am submitting comment in support of House Bill 5028.

Connecticut employs an extremely diverse set of taxes and fees. The goal is presumably to generate revenue for the state in order to fund the core functions of government. However, many of these fees generate very little revenue, and there is a good chance that a significant amount of state-imposed taxes and fees cost more to administer than they generate. This bill is a solid, common-sense reform: why would the state spend money to collect taxes? In that scenario, the taxpayer would suffer the harm of taxation, and the state would not even enjoy the benefit.

According to recent Yankee Institute research, the bottom 200 sources of revenue generate less than 0.15% of the state's revenue, or, at the time, \$29.6 million.¹ These taxes are inefficient and likely not worth administering.

It is understandable that, in difficult fiscal times, the state would be hesitant to eliminate tax revenue, even though all tax decreases ultimately benefit Connecticut taxpayers. The state must balance its budget, after all. That said, the question remains: why would the state ever want to maintain taxes that cost more to collect than they generate in revenue?

¹ [Yankee Institute fact sheet](#)