

To: Finance Revenue and Bonding Committee
From David B Bingham MD
Re: **Commission on Fiscal Stability and Economic Growth Report**

Members of the Committee:

The Report provides an important review and set of options for fiscal stability, and many of the recommendations are a step in the right direction.

However, there are two major concerns that I believe will set us back economically and socially, namely raising sales taxes and cutting \$1 billion from the executive budget.

Sales taxes are inherently regressive, hurting the poor disproportionately from the rich, who set aside much of their income rather than spending it all. CT has a very low per capital sales tax burden as a percentage of personal income only because it has a higher average personal income. For those most at risk, sales taxes are already a significant burden. Raising taxes at all on the poorest among us is simply NOT FAIR.

Cutting the executive budget by \$1 billion is an economic loser because it **translates to thousands of lost jobs** at a time when people are leaving the state to look for jobs.

People may think that the State employment is bloated, but in fact it has already been cut to the bone. CT has cut **24,000 CT government jobs** in the last 10 years (US Dep't of Labor data). That is a lot of people who would have boosted the economy, improved business, while providing the State with income and sales tax revenues.

No wonder our youth are leaving the state to find jobs. CT's population has dropped by about 12,000 from its peak 3 years ago (US Census data). We need to restore government services that are foundering, rather than cut them further, and provide jobs while doing so. The drop in our economy compared to other states is directly proportional to CT's loss of government jobs.

To balance the budget, CT should not be dropping its current income tax rates until it has fully funded retirement pension and healthcare benefits.

Thank you for your consideration.

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