Opposed to: Elimination of Scheduled Car Sales Tax Diversion from the General Fund to STF

Dear Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and Members of the Committee,

While there is a great deal of discussion and debate underway regarding the State's transportation infrastructure and long-term funding solutions, the recent proposal to freeze the move of the existing car tax from the General Fund to the Special Transportation Fund (STF) will, among other things, leave bus and rail riders with higher fares and steep reductions in service.

Many of us, with support of bus and rail riders from across the State, worked hard during the 2018 session to find an interim measure to ensure the solvency of the STF – to protect bus and rail riders, and the businesses that depend on public transportation from massive service reductions and fare increases.

At that time, the General Assembly carefully calculated and passed a measure to expedite the schedule for the diversion of the car sales tax from the GF to the STF to provide a short-term funding solution in order to avoid immediate fare increases, service cuts, and other project deferments.

Later in 2018, we worked together again in support of protecting the funds in the STF from being used for non-transportation related expenses, culminating in a ballot measure that passed with eighty-nine percent of the vote. Connecticut residents want a solvent STF and want STF funding to be used on transportation projects. That much is clear.

The enacted transfer of car sales tax into the STF was scheduled to phase-up to thirty-three percent in 2020 and reach one hundred percent by FY 2023 – preventing service cuts and fare increases. Capping the diversion of the car sales tax to the STF at eight percent now would undo the work that the legislature, riders, and Connecticut voters achieved last year, to the great detriment of Connecticut residents. It will destabilize the STF once again and lead to the fare increases, services cuts, and project deferments that we all worked so hard to avoid.

While a long-term solution is being debated, please know that the insolvency of the STF will lead to unavoidable and substantial reductions in public transportation services in the State, starting in the next fiscal year. Last year at this time Greater Bridgeport transit alone was facing a budget cut of $1.8M which would have been devastating to our services and would have reversed more than twenty years of progress.

Help us work together again to preserve the STF and ensure steady, predictable funding for these important services and to go beyond that toward a permanent solution to provide long-term and sustainable funding in a way that allows Connecticut to maintain and modernize its transportation systems.

If you have questions or require additional information, please feel free to call (203) 610-96551 or email: dholcomb@gogbt.com

Respectfully submitted,
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