Good afternoon Senator Fonfara, Representative Rojas and distinguished members of the Finance, Revenue & Bonding Committee.

My name is Peter Brown. I am speaking to you as the owner of Lone Oak Campsites, a privately-owned small business in East Canaan, CT. We recognize the serious challenges caused by the ongoing state budget crisis. We respect the work and difficult choices you will have to make to resolve this problem.

We hope you will consider NOT repealing the sales tax exemption for campsites as has been proposed in the Governor’s Budget and HB 7410.

Adding this new tax would give other states without a tax or less tax, a distinct competitive advantage over the 48 private campgrounds in Connecticut. Most of these campgrounds are small, family owned businesses which contribute significantly to their communities both financially and as good citizens.

It is also unclear as to whether this tax will apply to state campgrounds, which if not, will possibly contribute to an additional competitive disadvantage. The possibility of tolls also poses a significant disadvantage given that vehicles towing camping trailers and RVs will pay a much higher toll than a car would. Adding tolls and a sales tax on campsites could dramatically change the cost of camping in Connecticut as compared to other locations.

In addition, all the campgrounds take reservations as much as a year ahead. A removal of the exemption would cause us to have to go back and add the sales tax after the payment has been made. This will clearly make our customers unhappy and may cause them to have second thoughts about staying in our campgrounds in the future.

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Removing this exemption could cause campers to “vote with their wheels” and simply go where there is no tax or less tax, causing an economic loss to the state of Connecticut.

The 48 campgrounds in Connecticut are a significant economic contributor with almost a quarter of a billion dollars ($210,700,000) of expenditures annually. Almost 1,000 direct jobs, with $36.1 million in annual direct wages are a result of these small businesses. (Sources: RV Industry Association, Connecticut Campground Owners Association, Connecticut Center for Economic Analysis). Clearly, we want this impact to grow and not do anything to cause these numbers to shrink. A tax will have a negative economic impact for Connecticut in the future.

We look forward to your support and thank you for all your hard work on behalf of the citizens and small businesses in Connecticut.

Sincerely

Peter Brown