Via Email April 9, 2019

Joint Committee on Finance, Revenue and Bonding
Legislative Office Building, Room 3700
Hartford, CT 06106

RE: CT HB 7410, opposing interior design services sales tax

Dear Co-Chairs Fonfara and Rojas and Ranking Members Witkos and Davis:

On behalf of the National Kitchen and Bath Association (NKBA) and its membership in Connecticut, I am writing in opposition to Section 5 (QQ) of House Bill 7410, which would subject interior design services to sales tax. I respectfully request that these provisions be removed from the legislation.

Kitchen and bath renovations provide some of the greatest ROI for property owners, boosting sales prices and property taxes. Implementing this new tax hurts homeowners, who would be responsible for paying the extra cost of this tax when making kitchen and bath updates. While home renovation updates help them maintain and increase the value of their largest lifetime investment, they may elect to delay or forego such home improvements. Additionally, potential homeowners seeking to make that first investment may be discouraged from doing so. When homeowners and potential property owners delay or eliminate these improvements, kitchen & bath designers and all of the relevant craftspeople who would be engaged to complete the renovations lose business, income and job security.

NKBA represents more than 411 individual members and approximately 159 businesses across all parts of Connecticut. 86 of the individual members are primarily focused on providing kitchen & bath design services who will directly impacted by this tax. NKBA’s members represent additional indirect impacted stakeholders, including retailers, remodelers, manufacturers, fabricators, distributors, installers and others for kitchen and bath products such as large and small appliances, cabinetry, flooring, counters, faucets, lighting, and more.

The overwhelming majority of our kitchen & bath designers are either owners of or employees of small and/or women-owned businesses with annual revenues of less than $500,000. As committed small business owners, they not only act in a design capacity, but also have responsibilities for the project management and oversight, customer satisfaction, sales, technology and bookkeeping functions of their business.

Every hour these kitchen & bath designers devote to their business and customers is precious. This proposed tax creates an additional responsibility and undue administrative burden on these already stretched entrepreneurs, taking away from the time and energy needed to generate the revenues to support their business, employees and families.

NKBA’s local members are unable to attend the April 10, 2019, Joint Committee on Finance, Revenue and Bonding at which time this bill will be discussed. While we will not be sending an official spokesperson to share our perspective at the meeting, we do encourage our members to stay abreast of legislative and regulatory updates, and these Connecticut constituents have indicated their opposition. This letter is submitted as NKBA’s official position opposing a new tax on Interior Design Services, and as proposed in this legislation.

Thank you for allowing me to voice NKBA’s opposition for this legislation. If you have any further questions or concerns, please feel free to contact me.

Kind Regards,

Bill Darcy CEO

cc: Silvia Lattoz, Anne DarConte, Chris VanDeHoef