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

My name is Brian Korten. I am writing to you as the owner of Water’s Edge Campground, a privately-owned small business in Lebanon, 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. It is also unclear as to whether this tax will apply to state campgrounds as well…another possible competitive disadvantage. Most of this state’s campgrounds are small, family owned businesses which contribute significantly to their communities both financially and as good citizens.

In addition, all the campgrounds I am aware of 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 already 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 or possibly even cancelling the reservations they’ve already made with us.

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. Also, campers who are attracted to Connecticut camping because of the exemption would now possibly just stay away from Connecticut because there would no longer be an advantage to driving to CT. At the same time, the governor is now also
proposing tolls on our state highways, which means campers would now be faced with paying tolls to get here and then be taxed for their stay on top of it. And the tolls they would pay would be increased as well because they are pulling a trailer. And removing the exemption would just add to their costs to camp in CT. Therefore, a decrease in CT camping costs my business (and the state) as well because of lost revenue.

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,

Brian Korten
Owner
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