



Chairman Fonfara, Chairman Rojas and Members of the Finance, Revenue and Bonding Committee, my name is Kathleen Burns I'm the Executive Director of the Connecticut Marine Trades Association. I am testifying on Senate Bill 877.

Many of you are new members of this committee, and others who have been here may be tired of seeing me.

But I am here today to ask you, to please keep the 2.99% tax rate on boats, motors and trailers and the economic incentives for winter storage, marine labor and the trade in credit in place for one purpose. It's making money. For the State, for our Businesses for our Workers and their families.

It's outpacing the projections we gave you last year.

- On average boat sales are up about over 41% per month since July 2018
- We have closed the gap on the "effective" tax collection rate, meaning more customers are purchasing boats and choosing to STAY in Connecticut and pay the 2.99% tax rather than buy the boat and move it out of state paying NO tax to Connecticut

#### **Slips**

- Marinas have reported a 13% increase in committed slip rental for the upcoming season. Raising the average occupancy rate from 65% to 78%. TAXABLE Service

#### **Winter Storage**

- This current winter season is up 8% over previous periods. With an average 78% occupancy rate. There is still some considerable growth here – but it is a highly competitive entity across state lines.
- Winter storage is the driver for off-season work, labor and parts that keeps the workforce employed year-round, avoiding layoffs and unemployment claims

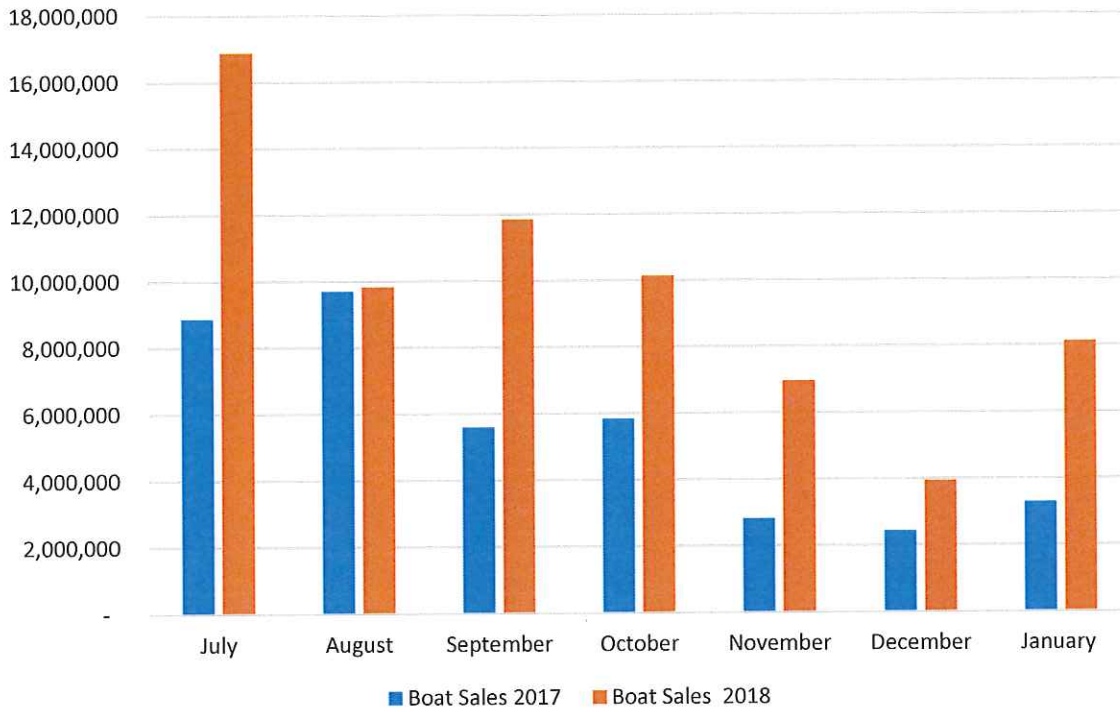
#### **Service Labor and Parts**

- Marinas, Boatyards and Service Dealers have increased their revenue 15% in both service labor and parts over previous periods.
- This is a highly competitive area, not only from the consumer side, but by attracting and employing the top talent. With the work comes the jobs, with the better talent comes more work. It is its on circle.
- Parts are a taxable service and parts sales are driven by the amount of labor provided.

#### **Job and Payroll**

- Since July 85% of all dealers hired additional fulltime personnel.
- The average marine industry company pays over \$90,000 in payroll taxes which is up approximately 14% from 2017.

### Boat Sales 2018/19 vs 2017



### Boat Sales Tax 2018/19 v 2017

