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Testimony

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SB 1135: An Act Concerning the Municipal Interest Rate Applicable to Delinquent Property Taxes

My name is Peter Juszczynski, and I am the Tax Collector for the Town of Windsor Locks. I am submitting this written testimony opposing SB 1135, which would allow municipalities to approve a lower interest rate applicable to delinquent taxes. I urge the legislators to reject this bill based on several factors.

During the past few years there have been many legislators which have raised the inequity issue of the motor vehicle tax. The argument is that why should a person pay more tax on the same vehicle from one town to another. I would argue that this would also apply to the rate charged for delinquent taxes. Why should one municipality be allowed to charge a higher rate of interest to its residents than another? Also, we should raise the question of whom will be potentially impacted by this change. Affluent municipalities would be more likely to lower interest rates on delinquent taxes rather than poorer communities. Potentially, this could create almost a regressive tax, where the poorest among us would be paying a higher rate for delinquent interest.

Secondly, levying interest and fees should be uniform and consistent across the State of Connecticut. This consistency is what gives our tax collection system its fairness, strength and transparency. Allowing municipalities to change its delinquent rate of interest could propel this as a constant local political campaign issue. The delinquent rate could potentially be changed yearly or even more frequently. Changing the rate could also be used to raise additional revenue to fill a budget deficit. There are so many unanswered questions such as, how would back taxes at 18% be addressed? Would all prior years be recalculated? I believe if this legislation is enacted, it will lead to many unintended consequences, many of which we may not have even considered.

Therefore, for the reasons I stated above, I respectfully oppose SB 1135 and ask that this be removed from consideration by your committee.

Respectfully Submitted
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Town Of Windsor Locks Tax Collector