

Good afternoon Senator Fonfara, Representative Rojas, Senator Witkos, Representative Davis and members of the Finance, Revenue and Bonding Committee:

I am writing to express **strong opposition to Section 1 of S. B. 1137 AN ACT CONCERNING DEPOSITS IN LIEU OF TAXES**, which would require nonprofits with a "significant" savings accounts, endowments or pension funds to pay into a state "community development account" the equivalent of 25% of the property tax the organization would pay if it were not exempt from property tax.

This proposal would take funding away from ARI of Connecticut, Inc., a not for profit organization located in Stamford CT. Since 1952 ARI has been providing services for individuals with intellectual and developmental disabilities. Our organization is constantly struggling to make ends meet in order to ensure that the individuals we support receive the necessary and mandated services they deserve. Our agency, like all other ID/DD providers in the state, has not seen an increase from the State of CT to our contract rate in over ten years. To consider a tax on providers that have been operating with the same state reimbursement for over a decade demonstrates a true disregard and lack of understanding of the struggles we face every day to serve one of the state's most vulnerable populations.

This proposal would be a major change in state policy. **Section 1 of SB 1137 would divert funding away from community services, leaving the people that depend on them with nowhere to turn.**

Requiring community nonprofits to pay a 25% tax on property currently exempted from taxes erodes the social compact between community nonprofits and government. Nonprofits have long been exempted from state, federal and local taxes for good reason: **we provide services so that government does not have to. If nonprofits are not there to address community needs that responsibility would fall to government, at a substantially higher cost.**

We have contracts with state government to provide community services. Requiring us to pay a 25% tax on property currently exempt means a portion of the money appropriated to us by the State would be used for a different purpose.

**The proposal would jeopardize our relationships with individual, corporate and philanthropic donors** who want their donations to help people, not pay taxes. We are already struggling to find and retain new donors, and the proposal will only make those asks more difficult.

After a decade of budget cuts, community nonprofits are barely surviving and our ability to serve people in need – your constituents – is at risk.

Nonprofits exist for public benefit. Our mission is to enrich the lives of people with disabilities and their families by enabling them to achieve their fullest potential at home, at work, and in the community. In exchange, we are exempt from property, income and sales tax and have access to tax-deductible contributions from individuals and corporations.

**I urge you to take no action on this proposal.**

Sincerely,

Susanne D. Kuligowski  
President & CEO  
ARI of Connecticut, Inc.