Finance, Revenue and Bonding Committee
JOINT FAVORABLE REPORT

Bill No.: SB-877
Title: AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE BIENNIAL BUDGET.
Vote Date: 5/1/2019
Vote Action: Joint Favorable Substitute
PH Date: 3/15/2019
File No.: 913

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

SPONSORS OF BILL:
Sen. Martin Looney, 11th Dist.

REASONS FOR BILL:
To implement the Governor’s budget recommendations

RESPONSE FROM ADMINISTRATION/AGENCY:
Melissa McCaw, Secretary of Office of Policy and Management

Secretary McCaw testified in support of SB877. She stated that our state needs to make real and substantive changes to our revenue to facilitate a stable and sustainable financial future. As the economy and people change, we need to demonstrate Connecticut’s state government can keep pace. She stressed that the Governor is proposing a tax policy package that provides a stable and predictable environment for its residents and businesses without reliance on volatile revenue streams.

She testified that the Governor’s revenue proposals fall into five main categories:

1. Maintaining FY2018-2019 Biennial Budget Policy
   Continuation of the current user fee and federal reimbursement for increased hospital supplemental payments. Continuation of a stable 10% surcharge on large companies with an excess of $100 million in revenue will provide a more predictable environment for growth, compared to varying rates of 10 to over 25% over the past few years.

2. Sales Tax Modernization
Expanding the sales tax to a larger portion of the service economy, thereby ensuring fairness and better reflecting a 21st century economy. Certain necessities, such as food remain exempt from the sales tax. Business to business transactions are exempted from the modernization in order to avoid increasing the cost of doing business here in Connecticut.

3. Promoting Health and Wellness

The largest component includes a 1.5 cent per ounce tax on sugar sweetened beverages beginning in FY2021. The governor is also proposing to tax e-cigarettes at a rate comparable with traditional cigarettes and to raise the smoking age to 21.

4. Promoting a Better Environment

In order to impact consumer behavior and to reduce litter in the state, to include a 10 cent surcharge on plastic bags, 1 25 cent deposit on wine and liquor bottles, and a 5 cent deposit on 50 milliliter containers.

5. Targeted Tax Relief

Elimination of the business entity tax, eliminating gift tax and extending the due date for estate tax filings from 6 - 9 months. The Governor is also proposing a new tax credit for property taxes for those burden by property tax. Filers whose property taxes exceed 6.5% of their income will be eligible for a credit worth 1/3rd of their excess property taxes, up to a maximum of $1,200 per filer.

According to Secretary McCaw’s testimony, with all the changes, the General Fund revenue would increase by $1,061.2 million in FY 2020 and $1,486.5 million in FY 2021. Special Transportation Fund revenue would decrease by $83.6 million in FY 2020 and $111.5 million in FY 2021. Tourism Fund revenue would increase by $1.8 million in FY 2020 and FY 2021.

Commissioner Katie S. Dykes, Connecticut Department of Energy & Environmental Protection

Commissioner Dykes presented testimony on behalf of the Department of Energy and Environmental Protection (DEEP) in support of a “bottle bill” law to include wine and spirits bottles at a redemption rate of 25 cents. She stated that such a bill would lead to these types of bottles being returned at a high rate. She quoted that states with a 10 cent deposit typically see redemption rates at over 80 percent, while Connecticut’s 5-cent redemption rate ran around 50 percent – among the lowest of any bottle bill state. The bill also extends to the 50 mL redemption rate of 5 cents. 50 mL bottles are a common litter item, and their inclusion speaks not only to a desire to increase recycling rates, but also to a key intent of the original bottle bill as a litter reduction mechanism.

The Commissioner also stated the agencies support of the 10 cent fee on single-use plastic bags that stores provide at the point of sale. She stressed the serious environmental concerns for two main reasons:

They escape into the environment, often ending up in the waterways and harming marine life through ingestion, entanglement, and pathogens.

They are a major contaminant in the curbside recycling stream, where they become entwined in sorting equipment and must be manually removed, decreasing the efficiency of sorting and reducing the value of potentially recyclable material. In addition to the impact on recycling equipment and processes, entanglement raises worker safety concerns.

She stated that these provisions of the bill will increase overall recycling rates, improve the quality of our recyclable materials by reducing contamination, and ensure that Connecticut continues to have a robust recycling industry.

Representative Kim Rose, 118th Assembly District

Representative Rose testified in opposition of section 60 of the bill which puts a 10 cent charge on plastic bags under 4 mils in thickness with no charge on paper, which is not a sustainable alternative due to the production energy costs and environmental damage caused by tree harvesting. The section exempts any “compostable” bag from the 10 cent charge,
which is a misleading categorization because of the standard that compostable bags must meet certifying that the bags must break down in an industrial composting facility. This does not suggest that these bags will ever break down if they escape into the environment.

She stressed that to achieve environmental protection goals, the section must be amended to remove the exemption for paper and compostable plastics from the fee.

**State Representative’s Christine Conley and Joe de la Cruz**

Representatives Conley and de la Cruz request that the committee oppose the repeal of the promised retirement income tax relief. They pointed out that the lower and middle income retiree’s in our state are already struggling, and the repeal of this exemption would be devastating. This will have an impact on retiree’s ability and willingness to stay in Connecticut because of the high cost of living. Additionally, their economic contribution is forty seven percent of the GSP and forty-nine percent of state and local tax revenue. This is unacceptable. We cannot afford to have more of our seniors leaving the state, and our seniors living on a fixed income cannot afford the additional tax burden. We need to work to make Connecticut more affordable for our retirees, and they urge the committee to oppose the language that eliminates the phase out of the income tax on retirement income.

**State Representative Jillian Gilchrest**

Rep. Gilchrest asked the committee to consider increasing the tax on ammunition to 50% in their final revenue package. According to the Office of Fiscal Analysis, it is estimated that $25 million in ammunition is sold annually in Connecticut. Under the current tax rate of 6.35%, the state generates $1.6 million annually. By increasing the tax to 50%, the state can generate about $12.5 million in tax revenue, an additional $10.9 million in revenue annually. Even if sales drop by 50%, the state would still bring in roughly $6.25 million or a net gain of $4.65 million annually. Aside from its incalculable emotional toll, gun violence carries a substantial financial cost. According to the Giffords Law Center, gun violence costs the American economy $229 billion every year. The increased revenue generated by taxing ammunition at 50% can be used to offset this cost to taxpayers. She also points out that increasing the tax on ammunition may also lead to reduced use of guns and potentially less gun violence.

**NATURE AND SOURCES OF SUPPORT:**

**Dr. Tatiana Andreyeva, Associate Professor of Agriculture and Resource Economics & Director of Economic Initiatives at the UCONN Rudd Center for Food Policy and Obesity, University of Connecticut**

Dr. Andreyeva testified in support of taxation of sugary beverages. She testified that the Rudd Center wholeheartedly supports many types of efforts to decrease sugary beverage consumption. Just as tobacco taxes are credited with reducing smoking rates in the US, many economists and public health experts, including the World Health Organization, a leading health agency in the world, predicts that sugary beverage taxes will be one of the most powerful methods of reducing added sugar consumption and subsequently, decreasing risk of diet-related chronic disease and mortality and lowering healthcare costs.

The Rudd Center recommends that any new sugary beverage tax policy use an excise tax. An excise tax on sweetened beverages could provide the state with a source of revenue that could be used to fund public programs and services that are experiencing funding shortages and focus on decreasing the risk of childhood obesity, diabetes, and heart disease. An excise tax differs from a sales tax in that the wholesale distributor pays the tax based on volume of product sold, and then passes the added cost of the tax on to the retailer, which is visible to the consumer while making the purchase. The higher shelf price will discourage purchases of taxed products and will encourage consumption of untaxed, healthier alternatives such as water. Further, sugary beverage taxes will likely incentivize companies to create and promote healthier products that do not have added sugar. It is also critical that all consumers of sugary beverages pay the tax.

**Mary Moran Boudreau, Registered Dental Hygienist**

**Roberta R. Friedman, Chair, Advocacy Committee, Connecticut Public Health Association**
Merrill Gay, Executive Director of the Connecticut Early Childhood Alliance
Pareesa Charmchi Goodwin, Executive Director, The Connecticut Oral Health Initiative, Inc.
Kaya Goldfarb, Connecticut Association for Human Services
Thomas Strahle, VP/COO, Pepsi Cola Bristol
Elsa Nunez, President – Connecticut Association for Human Services
Andrea Petitte, Connecticut Advocacy Chair, American Diabetes Association
National Tax Payers Union (NTU)

The above testified in support of taxation on sugary beverages. They state that there is scientific evidence that the consumption of sweetened drinks contributes to a number of serious chronic diseases such as obesity, diabetes, and heart disease. Also to another serious chronic disease is dental decay.

They stated that one and a half cent-per-ounce tax on sweetened drinks would reduce consumption, and raise over $200 million in one year for Connecticut. It would also make our state the U.S. leader, setting an example for other states to follow, so that nationally we can begin to make a dent in the high rates of serious illnesses and dental disease which are related to sweetened drink consumption.

They recommended that the revenue from this tax be expensed on public education, outreach, research and the other avenues to reduce the societal impacts of obesity, heart disease, diabetes and oral health.

Jennifer Brownlee
Carol Gee
David Gedraitis
Karen Healy
John Williams
Michael Doyle
John Williams
Eileen Healy, Woodbury, CT
Matthew Rowe
Benjamin Szczersicki, Norwich, CT

The above testified in support of the preservation of funding for the Department of Mental Health and Addictive Services programming along with their support for non-profit organizations, which has helped them with their recovery and mental issues. They stressed the need for the state to raise additional revenue to increase the funding for non-profits which have helped them.

Thomas M. Fiorentino, West Hartford
Mr. Fiorentino testified on behalf of the various revenue enhancements proposed in the bill. He stated that he is in favor of raising the revenue necessary to permit the State to carry out its commitment to the core services of the State.

Greg Florio, Executive Director of CREC
Tim Sullivan, Superintendent of CREC Schools

They testified in support of a revenue package that can provide more funding for magnet schools. Magnet schools have suffered from a loss of revenue for too long, and it is time to reverse the trend. They stated that CREC and other RESC-managed magnet schools have the ability to charge tuition to sending districts, however the sending districts have carried the burden of covering rising costs because they have not seen an increase in state funding in 9 years. Host magnets are not as fortunate as those run by RESC’s. They are not allowed to charge tuition and find themselves increasingly overburdened with having to subsidize the education of students coming from sending towns.

Ken Farbstein
Randall Konigsburg, Rabbi – Temple Beth Shalom B’nai Israel
Jim Williams, State Government Relations Director
Ruth Canovi, Director of Advocacy, American Lung Association of Connecticut
Kim Hall, Wilton, Ct.
Seth Lapuk, Pediatric Cardiologist- CCMC
Corliss J. Montesi, Chairwoman of the Board, American Heart Association of Central CT
VP, Functional Transformation – Shared Services at Stanley Black & Decker, Inc.
Nishwa Nawaz, Newtown CT
Leigh Pechillo, Southington CT
Robert Roose, Chief – Trinity Health of New England
Leslea Snyder, Senior Regional Manager – JUUL Labs
David Spross, VP – RAI Services Company
Susan Troupe, Waterbury, CT
West Haven High School students

The above provided testimony in support of SB 877- specifically the Governor’s proposal to raise the tobacco sale age to 21 and implementing a tax on electronic cigarettes. They noted that tobacco use is a very present and real issue in Connecticut impacting too many citizens, especially the most vulnerable populations. They stated that it’s The American Lung Association’s belief that increases in tobacco prices help reduce tobacco use while also improving the overall public health of the state’s citizens. They pointed out that E-cigarettes are unregulated tobacco products which make up for a strong market share of tobacco products- representing a significant opportunity for revenue growth for the state.

Connecticut Conference of Municipalities
Wayne Pesce, Ct. Food Association
Rachel Stieber, Avon, CT

The above testified in support of the ten cent tax on plastic bags however would prefer that the bill is amended to a statewide ban on single-use plastic bags. They stated that fees have proven to be effective in reducing the proliferation of single use bags while protecting the environment. They also testified that supports legislative initiatives that would encourage reduced use of plastic films and increase recycling through a manufacturer operated and financed program, as part of a longer initiative.

Louis Burch, Citizens Campaign for the Environment
Sean Hughes, Assistant Director, CPSA
Bryan Hurlburt, Connecticut Farm Bureau Association Executive Director

The above testified in support of the expansion of the bottle bill. This included increasing the container deposit on covered containers to 10 cents and putting a refundable deposit on wine and liquor bottles. Connecticut’s 5 cent deposit has not been adjusted over time to keep up with inflation. Connecticut’s bottled bill saves taxpayers and businesses roughly 2.3 million in avoided solid waste disposal costs annually. Based on recent beverage sales data from the State of Connecticut, those savings could increase by up to $200,000 per year just by adding non-carbonated beverages to the deposit system. This would include a wide array of juices, teas, sport drinks and other non-carbonated drinks. The expansion of including non-carbonated beverages could increase container recycling by up to 193 million additional units each year. The expanded bottle bill could generate $7.5 million in additional revenue to the State of Connecticut annually, which could help fund recycling infrastructure that our state urgently needs. He also stated that by putting a refundable deposit on wine and liquor bottles, glass collection in Connecticut would increase by more than 31,000 tons annually. This would be a significant increase over the 6,000 tons currently being collected

Jeff Shaw, Senior Director of Public Policy & Advocacy, The Alliance

Mr. Shaw testified in support of raising the revenue necessary to avoid budget cuts to the high quality, efficient essential community based services provided to the people of Connecticut by nonprofits. He stated that the combination of ongoing budget shortfalls and growing fixed costs mean community nonprofits are a shrinking piece of the diminishing pie which puts Connecticut’s quality of life at risk.

Scott Shepard, Policy Director, Yankee Institute

Mr. Shepard testified in support of the elimination of the gift tax, repeal of the business-entities tax and for adding a modicum of risk sharing to SERS. He stated that the Institute believes that the estate tax is, like the gift tax, an expensive and unproductive tax that has more power in driving away high tax payers from our state than raising revenue. They support its immediate elimination. He stated that although the Governor calls for the repeal of the business-entities tax, he undermines this positive step by in the same budget raising annual licensing fees by 5 times, thus reversing the good
achieved by the BET repeal. He commended the Governor suggesting that a small amount of risk sharing be added to the State Employees’ Retirement System (SERS) through a somewhat variable COLA rate that would be tied to fund performance. They hope that he will hold out for this small change, and that it will be an opening move toward making all yet-unearned pension benefits affordable. To do otherwise risks both the long term financial stability of the state and therefore the financial safety of government-worker retirees.

**Universal Health Care Foundation of Connecticut**

The Foundation submitted testimony specifically regarding the Medicaid/HUSKY programs and their support of ensuring adequate revenue to preserve these programs that support the health and economic wellbeing of over 800,000 state residents.

**National Federation of Independent Business (NFIB)**

The NFIB strongly supports full repeal of the Business Entity Tax. The BET is levied on top of the numerous other taxes and fees that small businesses must pay in this state, including costs associated with state and local permits and licenses related to the business, sales taxes for goods and services, property taxes and personal income taxes—taxes and fees that are considerably higher than most other states. They feel that repeal of the BET would send a notable message to small businesses in and out of Connecticut.

**Sheldon Toubman, Attorney with the New Haven Legal Assistance Association**

Mr. Toubman testified in support of the revenue proposals to preserve essential safety net programs like Medicaid, and also in support of additional revenue options to prevent the significant cuts to that safety net which has been proposed by the Governor to balance the budget. At minimum, all of the Governor’s revenue proposals should be adopted, and this includes expanding the sales tax to cover currently exempt goods and services, such as services used only by the wealthy individuals like horse training and boarding. Taxing those additional services will help address some of the extreme income equality in our state.

Mr. Toubman also testified in support of the recent proposal by Senator Looney to enact a tax on luxury homes.

**NATURE AND SOURCES OF OPPOSITION:**

Joyce Acebo-Raguskus, Clean Water Action Advocate, Coalition for A Safe & Healthy CT
John Hall, Executive Director, The Jonah Center for Earth & Art
Louis Burch, Citizens Campaign for the Environment
Surfrider Foundation
Matt Seaholm, Executive Director – American Progressive Bag Alliance

The above testified in opposition to Section 60 which puts a 10 cent charge on plastic bags under 4 mils in thickness with no charge on paper, which is not a sustainable alternative due to the production energy costs and environmental damage caused by tree harvesting.

Additionally, this section exempts any “compostable” plastic bag from the 10 cent charge, which is a misleading categorization because of the ASTM D6400 standard that compostable bags must meet only certifies that these bags must break down in an industrial composting facility (i.e. anaerobic digester). This does not suggest that these bags will ever break down if they escape into the environment!

In order to achieve our environmental protection goals, this section must be amended to remove the exemption for paper and compostable plastics from the fee.
Gregory J. Costa, Sr. Director, State Affairs, The Association of Food, Beverage and Consumer Product Companies (GMA)
Mario Lopez, President – Hispanic Leadership Fund
House Republican Office
Wayne Pesce, Connecticut Food Association
Christopher Roos, President – Teamsters Local 1035
Bree Dietly, The Northridge Group – Western Massachusetts

The above testified in opposition of the taxation of sugar-sweetened beverages. They stated that they are opposed to any tax proposal that would create a new and distinct tax on beverages for either revenue purposes or as a means to address a social issue. They stated that by placing a tax on certain items within a category and excluding other items lead to consumer confusion and establishes preferences that may unfairly affect consumer purchasing decisions. The package claims to promote healthier choices, but it does so in a punitive manner rather incentivizing better public health choices. They also stated that by instituting the tax it would present time consuming paperwork for a business as well as the state and municipalities.

For communities on the border in Connecticut, the proposed tax creates an incentive for residents to take their business out of state to New York, Massachusetts, and Rhode Island, where there is no beverage tax. A beverage tax in Connecticut would dramatically increase the scope of the forced bottle law and would drive up prices considerably.

Toni Boucher, Connecticut Business Woman

Ms. Boucher testified in opposition of raising taxes. She stated that data strongly suggests Connecticut has reached or exceeded a tax tipping point after enacting historically high back to back tax increases in 2011 and 2015. This resulted in flat total tax revenues from 2013 to 2015. In 2016 revenue actually fell 1.9%.

She is strongly opposed to tolls in Connecticut along with state wide property taxes, millionaires tax, home heating oil tax, a second electricity tax, legal, accounting and veterinary services tax. Other taxes she is opposed to are on: sugary drinks, plastic bags, groceries, textbooks, non-prescription drugs, alcoholic beverage bottles, haircuts, drycleaners, real estate, boat storage, interior design, newspapers/magazines, waste collection, parking, renovations and repairs, car trade-ins, helmets, car seats, camps, sport programs, swim lessons and licenses for cats.

She feels that lawmakers should consider that other historic tax increases stalled economic recovery, reduced revenues and lowered property values as people and jobs left. Once the tipping point is reached, further taxation will increase the number of residents leaving the state.

She stressed the need for administration and legislators to follow the example of growing states that are reducing taxes. This is a proven way to grow the tax base and generate the revenues needed to breathe life back into Connecticut’s economy.
Attorney Joy Moore  
Past Presidents – Connecticut Bar Association  
Connecticut Trial Lawyers Association (CTLA)  
Jaqeulyn Conlon, Esq.  
Scott Schwefel, Attorney  
Virginia P. Mihalko, LLC  
John Walters, Trumbull, CT

The above submitted their testimony in opposition of SB 877 as it proposes to levy a tax on legal services. It is they’re opinion that such a tax would inflict undue harm to citizens in need of legal assistance and could result in costing Connecticut more in lost business/income tax than it would gain in sales revenues. Such a tax would create a barrier to the inalienable right of access to justice by effectively publishing responsible citizens who seek counsel, and those seeking to exercise their right to counsel. Raising the legal services by 6.35% will cause many to forego counsel and choose to represent themselves in court, increasing the already overwhelming burden that the unrepresented place on our judicial system.

Connecticut Lodging Association  
John Lombardo, General Manager – Saybrook Point Inn & Spa  
Kate Mosley, Marina Manager – Saybrook Point Marina  
Bob Murdock, President – Connecticut Convention and Sports Bureau  
Stephen Tagliatela, President – Connecticut Tourism Coalition

The above testified in opposition to raising the state occupancy tax to 17%. They state that Connecticut’s occupancy tax is the highest statewide hotel tax in the nation, and if the hotel tax is increased tourism will significantly decline in the state, and ultimately occupancy tax revenues will also decline. The CLA estimates that over 40 new hotels are now proposed, or in Connecticut’s pipeline build, and the hotel tax will only deter new builds and will stomp market growth.

Sal Luciano, President of Connecticut AFL-CIO. The Union feels that the revenue proposal is a missed opportunity to resolve longstanding in equities. While they appreciate the proposal to increase the minimum wage to $15.00 per hour, and the establishment of a family and medical leave program, they oppose reducing the estate tax and the eliminating the gift tax which they feel only benefits the ultra-wealthy and that the marginal rates on the state income tax should be raised. They feel that rather than raising income tax rates on retired workers’ Social Security and pension payments, the state should be taxing capital gains and dividends at higher rates while closing the carried interest loophole. The union also feels that rather than taxing text books and non-prescription medications while eliminating the sales tax-free week upon which so many working families depend, we should be maintaining the business-entity tax and scrutinizing the billions of dollars in corporate tax expenditures the state doles out like candy.

In addition, they support the proposal to enact a tax on luxury homes and past proposals to establish a low-wage proposal fee that would discourage large, profitable corporations from paying employees poverty wages and force them to access taxpayer-funded safety net services. Finally, the union urges the Committee to amend the recently enacted volatility cap which restricts the state from taking advantage of the additional revenue.

Ioana Baczo, Milford, CT  
Shubashree Balakumar, Paul Bailey Architect, LLC  
Paul B. Bailey, Paul B. Bailey Architect, LLC  
Frank S. Barucci, President, Mechanical Plumbing & Heating, Inc.  
Janice Blanck, Paul B. Bailey Architect, LLC  
Christina Buompone, Paul B. Bailey Architect, LLC  
Jarett Crooks, Paul B. Bailey Architect, LLC  
Karla Butterfield, Sustainability Director, Steven Winter Associates, Inc.  
Dwight Pierce, Town of Stafford  
Raphael Podolsky, Connecticut Legal Services  
James V. Fera, Sustainability Consultant, Steven Winter Associates, Inc.  
Patricia Gilligan, Stafford Springs  
Richard Hartenstein, Town of Stafford Selectman  
Sam Kirby, Paul B. Bailey Architect, LLC
Anna Kumm, Paul B. Bailey Architect, LLC
Mark W. Gendron, Acorn Consulting Engineers, Inc.
Kiley Gosselin, Executive Director, Partnership for Strong Communities
Joanna Grab, Steven Winter Associates, Inc.
Paul Haynes, President of Paul Haynes Construction
Beth Hogan, Director of Government and Community Partnerships with The Connection
Louis Kaufman, Esq., Ponemah Riverbank, LLC
Linda Wray, Advance Resources, LLC
Housing Authority, Town of Stafford
Emily Wolfe, Executive Director, Sheldon Oak Central
Sabina Mazare, Paul B. Bailey Architect, LLC
Susan Odell, Paul B. Bailey Architect, LLC
Carey Ramino, Paul B. Bailey Architect, LLC
Cheryl Sacce, Paul B. Bailey Architect, LLC
Ralph Spinelli, Paul B. Bailey Architect, LLC
David Klezos, Stafford Springs, CT
Giulia Luci, Sustainability Consultant, Steven Winter Associates, Inc.
Patricia Maviouganes, VP – Magna Steel Sales, Inc.
David Morin, President, Parkville Revitalization Association
Northwestern CT Regional Housing Council
Jocelyn Pierce, Town of Stafford
Raphael Podolosky, Public Policy Advocate, CT Legal Services
Carla Weil, Director of Lending of Capital for Change

The above all submitted testimony expressing opposition to the reduction of the value of the tax credit used for affordable housing development from $1.00 to $0.501, as proposed in SB 877. They feel that this 50% reduction in tax credit value would be a major blow to current projects as well as negatively impact potential projects. They feel that with this and the elimination of bond funding for affordable housing it will virtually eliminate the Department of Housing’s ability to build or renovate any multifamily affordable housing in Connecticut. They stated that Connecticut has the sixth highest median housing prices in the nation, has too many single family homes, and needs more affordable apartments, condos and starter homes throughout the state. In addition they are concerned that these actions will have a crippling effect on the affordable housing infrastructure over the long term. Having the ability to borrow to build houses will increase supply, reduce prices and help keep and attract people to Connecticut. They also stated that housing creation is good economic growth, for municipalities’ grand lists and good for the people who can live affordably. They ask that the Legislature support bond funding and support maintaining the tax credit value at its current level.

Samantha Dynowski, State Director, Sierra Club of Connecticut
Louis Burch, Citizens Campaign for the Environment

The above testified in opposition of taxing plastic bags. They stated that this approach however would support plastic bag legislation that would result in an elimination of plastic carry-out bags and move consumers to using their own reusable bags. As such they urge you to either eliminate this section of the bill or amend it to ban single-use plastic carryout bags, and to remove the language on compostable bags, and implement a 10 cent fee for paper. This would eliminate harmful plastic pollution while generating some revenue through a charge on paper/reusable bags.

Ann Berman, Member of Environmental Concerns Coalition (ECC)

Ms. Berman testified on behalf of the ECC in opposition of the 10 cent charge for a brown paper bag. They felt she could support it if it existed for a short period of time and was eventually withdrawn. She pointed out that we are now experiencing the nemesis of the ubiquitous plastics which are in the process of affecting the health and life of all humans and destroying the planet in all of its environs. We need to reduce the use of plastic, specifically the single use plastic bag. The brown bag is not recyclable, but is compostable. We also need to promote the use of handmade or otherwise reusable bags.
Anthony J. Amenta, AIA, LEED AP – Amenta/Emma Architects
Marc G. Andre, AIA, NCARB, Marc G. Andre Architects, LLC
Bruce Beinfield, FAIA, President, Beinfield Architecture PC
Douglas VanderHorn, AIA
Gina Calabro, Executive Director, AIA Connecticut
Angelina Falotico, AIA, Brooks & Falotico
Vincent Falotico, AIA, Principal, Brooks & Falotico
Stephen Fennell, AIA, LEED Green Associate
Roger Ferris, Architect
Oliver Gaffney, ASLA
Rodolfo Garcia, AIA
Daniel Conlon, AIA
Jarett Crooks, Paul B. Bailey, Architect, LLC
John Cruet, Architect
Dorgan Architecture & Planning
George Fellner, AIA
Barbara Geddis, President, Geddis Architects
Anthony Gentile, AIA
William Goromby, Architect
Robert Grzywacz, Architect
Connecticut Chapter American Society of Landscape Architects (CTASLA)
Sarah Holmes, AIA
Jonathan Hubbell, Architect
Whitcomb Iglehart, AIA
Maura Juan, Principal Architect
Howard Kelly, Sr. Project Manager – Brooks – Falotico Manager
Stuart Lachs, AIA
Stephen Lasar, AIA
Lovas Architects
William Malmstedt, AIA
Michael McClung, AIA-Shope Reno Wharton
David Milliken, Douglas VanderHorn Architects
Jeffrey Mills, Executive Director of the Connecticut Chapter of the American Society of Landscape Architects
Joe Moore & Partners
Rainer Muhlbauer, AIA
Chad Nehring, Associates Architecture LLC
Nelson Edwards Company Architects, LLC
Zachary Nelson, AIA
Karen Pannone, AIA
David Scott Parker Architects
Patriquin Architects
George Penniman, AIA
Jim Perras, CEO-HBA
Laura Pirie, Principal – Pirie Associates
Robert Roach, VP – Friar Architecture
Mahdad Saniee, AIA
Hugh Schweitzer, AIA
Joseph Sepot, AIA
Jonathan Shapiro – President – Ct Bar Association
Melissa Spoelstra, Architect
Robert Storm, AIA
Wesley Stout, Architect
Peggy Sullivan, AIA
William Thompson, AIA
Colin Vanderhorn, RA
Douglas Vanderhorn, AIA
Patrick Walker, AIA-d-w
Carly Weismann, AIA
The above testified in opposition of the taxation of architectural service. Currently, the only states that broadly tax services in this country are Hawaii, New Mexico and South Dakota. They feel that taxing these services will drive clients out of the state of Connecticut for their architectural services in order to avoid the sales tax, which in effect will affect the other businesses architects refer and patronize. They believe the sales tax would surely negatively impact architectural firm growth in the state. Large architectural practices that have offices in other states would run their projects through the states that don’t tax the services. Some smaller firms could try and hide the tax by absorbing the fees themselves, but the gap between revenue in small and large firms would continue to widen, and eventually drive the small firms out of business.

Nicole RG Arel, Manchester
Jonathan Bartolotta, Vernon
Erica Bloch
Laura Embleton, Government Relations Director, Associated Bodywork & Massage Professionals
Anthony Vidal, Ellington, CT
William Creech
Matt Demichele, Licensed Massage Therapist, West Hartford
Albert Iacolino, East Windsor
Massage Therapy Foundation
Ashlee Shaw, Licensed Massage Therapist
Rebecca Torns-Barker, President of the American Massage Therapy Association – Ct. Chapter (AMTA-CT)
Julie Varga
Jodi Wolf
Lindsey DellaVecchia
Bruce Matthias

The above massage therapists oppose the taxation of massage services. She stated that massage therapists are regulated under the Department of Public Health and are held to the same standards as the other licensed healthcare professionals in Connecticut and are often further required to follow local or town health ordinances if they open their own business. Most states see massage as healthcare and as such, do not charge sales tax. Massage therapy does have a code assigned and is utilized by many physicians, chiropractors, PT’s and acupuncturists. She states that while Medicare has released guidelines for 2019 that massage therapy is a service to be covered by insurance and many insurers presently cover massage therapy under their HSA program or through a reimbursable benefit, she testified that to tax massage services makes massage therapy no more than a personal service and will take away many client’s ability to use the benefit from their health care plan and insurance provider. In terms of costs to the state, massage can help keep residents off of disability and out of the chronic care system. She implores the Legislature to reconsider the inclusion of massage as a sales tax item.

Linda Auger, Taylor Brooke Winery, Woodstock, CT
Keith B. Bishop, Bishop Orchards, Guilford, CT
Brescome Barton, Inc.
Jim Frey, Owner, Walker Road Vineyards
Matt Dogali, American Distilled Spirits Association (ADSA)
Sean Hughes, Assistant Director, CT Package Stores Association (CPSA)
Bryan Hurlburt, Executive Director, Connecticut Farm Bureau Association
Jamie Jones, Jones Family Farm & Winery
Carol A. Martel, Northeastern Counsel, Wine Institute
James Melillo, Priam Vineyards, Colchester
Amy Senew, Haight Brown Vineyard
Steven Vollweiler, President – Sharpe Hill Vineyard
The above testified against including wine bottles in the bottle bill expansion, by requiring a refundable deposit on wine bottles. They stated that by doing so it would be extremely burdensome to the Connecticut’s over 40 Farm Wineries.

1. We would have to redesign and reprint our labels.
2. We would have to keep additional records on our sales and add another monthly report to the State.
3. We would have to incur the cost of picking up our wine bottles from our wholesale customers, since we self-distribute our wine.
4. Many of us of are located on the MA and RI border where there is no sales tax on alcohol, let alone on the bottles, making us less competitive.
5. The increase in empty bottles at our wineries will result in us adding more dumpsters or increasing the frequency of pick-up, costing more money.
6. Most importantly, taking back dirty bottles at our wineries runs the potential risk of spoilage in our production facilities. The main problem is a bacteria which can turn wine into vinegar. Try leaving an empty bottle of wine (not rinsed) outside in the summer, and you will understand.

Rob Baril, President of SEIU Healthcare 1199 New England  
Yashica Engram, Manchester – SEIU Healthcare Member  
Renita McClendon, Hartford, SEIU Healthcare Member  
Norm Peloquin, Canterbury, SEIU Healthcare Member  
Yvonne Foster, CAN, SEIU Healthcare Member  
Michelle Hart, Baltic, SEIU Healthcare Member  
Katherine Jones-Newton, New Haven, SEIU Healthcare Member  
Derrick Hall, SEIU Healthcare Member  
Juan Hernandez, Vice President and District Leader, 32BJ SEIU Healthcare  
Joanne Cunningham, Head Nurse, Southbury Training School, SEIU Healthcare Member  
Chelsea Daniels, Licensed Practical Nurse, SEIU Healthcare Member  
Yvonne Davis, Licensed Practical Nurse, SEIU Healthcare Member  
Lynnette Dockery, PCA, SEIU Healthcare Member  
Betsy Eakins, LCSW, SEIU Healthcare Member  
Kelly Schafer, LCSW, SEIU Healthcare Member  
Shomit Sengupta, New Britain, SEIU Healthcare Member  
Shirley Watson, LCSW, SEIU Healthcare Member  
Kay Wright, New Haven, SEIU Healthcare Member  
Shanna York, Oak Hill, SEIU Healthcare Member  
Shanna York, SEIU Member  
Kay Wright, Home Care Worker  
Norm Peloquin, Canterbury, SEIU Healthcare Member  
Jennifer Rodgers, SEIU Healthcare Member  
Avis Ward, SEIU Healthcare Member

The above testified in opposition of SB 877. The SEIU 1199 New England represents 26,000 public and private workers in Connecticut. Their members are caregivers, mostly women, minorities and immigrants. They are strongly against cutting corners and care for their patients. They feel that the bill proposes revenue options that will barely allow them to continue funding vital services that the state already provided and it leaves the wealthiest in our state untouched. Middle class workers and low wage earners will continue to pay more taxes and fees across the board as a percentage of their incomes than those at the top.

As an example, the current budget would mean privatizing services for women in need of support with substance addiction, abuse and trauma. As the opioid crisis grows, this budget will cut access to opportunities that can help women lead successful and drug free lives. The quality of care will not be the same. Effective
services that are currently in place will no longer be available. The Young Adult Services/Community Living Services Program would be cut. This would mean that teaching at-risk young adults essential life skills is no longer a priority in Connecticut. It is imperative that young people receive the help they need.

The current budget flatlines and in some cases cuts much needed social services:

- It freezes the reimbursements for nursing homes that provide much needed care for the elderly
- To “save money” this budget cuts and privatizes important mental health services in DMHAS that many Connecticut residents rely on
- It underfunds inmate health care in the Department of Correction

These services support many of our state’s most vulnerable population. We should be looking to craft an equitable budget that ensures that Connecticut’s wealthiest and corporations pay their fair share.

Tony Candelaria, LPN

Mr. Candelaria testified in opposition of SB 877. He stated that we need a robust revenue proposal that expands and shares the tax burden among everyone in our state. He stressed that the bill fails to address income inequality in our state and doesn’t ask the top 1% in Connecticut to share in the sacrifice and help fund critical services that working families desperately need. He stated that as the need for robust social and medical services are growing, Connecticut continues to ask its working class to shoulder the burden of funding these services and when that it is not enough the services get cut. He asks that Connecticut legislature look to create an equitable revenue plan that will ensure that the State’s wealthiest pay their fair share.

Doug Bedard, Sr. Director of Sales Operations for Southern New England

Mr. Bedard testified on behalf of Coca Cola of Northern New England (CCNNE), in opposition of the sweetened beverage tax of $1.5 cents per ounce, on such products as lemonade, juice drinks, iced teas, soft drinks, coconut water and energy drinks. He stated that the tax would be a burden on those who can least afford it as well a job killer for local businesses across the state.

As an employer of over 750 people at their three Connecticut locations, and having a combined payroll of $40 million, Coca Cola has enjoyed being a contributor to Connecticut’s economy for over one hundred years along with serving more than 100,000 customers in the state. The impact of a beverage tax in Connecticut would always be destabilizing, but this proposed tax comes at an especially bad time for CCNNE. Having closed a production facility outside of Boston last year, we viewed Connecticut as an excellent place for investment. For this reason we are expanding our capacity in East Hartford with a brand new $22 million can production line that is scheduled to come online in early 2020. We are also constructing a new $43 million sales center in South Windsor that will have state-of-the-art-technology. The sales center will transform a corn field that generated just $7,000 in annual revenue for South Windsor into a positive economic force that will generate $125,000 annually in taxes, making these two growth projects into a $65 million investment in our state. While other major corporations are leaving or considering leaving the state we are doubling down on our investment.

Many of the local businesses in the state rely on beverage sales for their profits. Estimates from the American Beverage Association, show that retailers would lose $290 million in sales if the tax was to go into effect. Naturally this would lead to job losses.

The proposal was made under the guise of benefiting public health, but the legislation doesn’t direct any of the revenue towards public health initiatives. We have evolved our business into a total beverage company and are committed to doing our part to lower the amount of sugar people get from beverages.

Today half of all beverages sold contain no sugar. We feel this tax would hurt consumers, retailers and local beverage producers and distributors while doing little or nothing to contribute to public health.
Paul Bergantino, President, Lifeway Mobility. He testified as a small business owner concerned with the provisions in the bill that would expand the sales tax to include the remodel of a home. Their work is related to accessibility design, helping individuals with limited mobility remain their homes.

It is estimated that 40% of all home improvement work in our state is conducted by unregistered contractors for cash. If enacted, more consumers will utilize the services of these unscrupulous unregistered contractors. Unregistered contractors do not contribute to the Home Improvement Guaranty Fund, as such, an increased number of homeowners will not have access to these funds and will be left exposed and without recourse should something go awry.

Keith R. Brothers, Business Manager/Secretary Treasurer CT Laborers’ District and President, New London/Norwich Building and Construction Trades Council

Mr. Brothers testified on behalf of the 5000 members and families of Laborers’ statewide in urging the rejection of particular sections of the bill. He stated that it was agreed upon that the work on the State’s deteriorating and dangerous public highway infrastructure must continue by utilizing a combination of bonding and by the direction of the sales tax on new motor vehicles be made available to enable such work. Sections 14 (K) and 16 (K) reverses that action and for that reason they oppose the section of the bill. They feel that should tolls be enacted, the infrastructure should not continue to deteriorate while waiting for the STF from tolls.

Nate Brown, Operating Engineers Local 478
Doug Holcomb, AICP, General Manager, Greater Bridgeport Transit
Samuel Gold, Executive Director, AICP
Mary Tomolonius, Executive Director, Connecticut Association for Community Transportation
House Republican Office, State of Connecticut
Francis R. Pickering, Executive Director – Western Connecticut Council of Governments
Donald J. Shubert, Connecticut Construction Industries Association, Inc.
Joseph Spirgeon, East Haddam, CT
Rachel Stieber, Avon, CT

They testified in opposition to the freezing of the scheduled car sales tax diversion from the General Fund to the Special Transportation Fund at 8%. They stated the importance of a fully functional transportation system in Connecticut for both economic prosperity and fiscal stability, and that the operational expenses and debt service requirements have increased to the point that the current revenues are not adequate to support an STO bond sale. They also stated that Connecticut’s current transportation-related revenue streams, combined with the changes in federal Transportation policy have had a severely negative impact on the State’s ability to maintain transportation systems and services. They stressed the need for a steady revenue stream over the next few years in order to go to bonding and get our infrastructure projects underway. To not fully fund over the next few years of the STF would have a severe impact on the State’s economic development, quality of life, public safety and jobs.

Peter Brown, Owner of Lone Oak Campsites, East Canaan, CT
Michael Busch, Owner of White Pines, Barkhamsted, CT
Lelah Campo, Owner of Cozy Hills Campground, Litchfield/Bantam, CT
Breda Hornat, Owner of Laurel Lock Campground, Oakdale CT
Brian Korton, Water’s Edge Campground, Lebanon, CT
Tracy Zelonka

The above testified in opposition of the removal of a sales tax exemption for the 48 private campsites in the State. They are a significant economic contributor with almost a quarter of a billion dollars ($210,700,000) of expenditures annually, almost 1,000 direct jobs, and $36.1 million in annual direct wages. They stated that removing the exemption it would cause campsite owners to go back and add the sales tax after the payment has
been made and would hurt business in the future. Removing this exemption could cause campers to go where there is no tax or less tax, causing an economic loss to Connecticut. They stated that adding sales tax could dramatically change the cost of camping in Connecticut as compared to other locations, and will have a negative impact for Connecticut in the future.

Bill Buhler
Mr. Buhler testified in opposition of the governor’s Bill 877. He stated that 3,936 households in Connecticut report annual income above $1 million while over the last 12 years income growth for all residents combined fell 5.5% when adjusted for inflation. He believes that much of the growth is due to outsourcing jobs and that the outsourcing of jobs does nothing to stimulate the economy. He stressed that progressive tax reform is needed to restore revenue growth to the state. He stressed the need to increase the minimum wage to $15, referring to a United Way report that 40% of Connecticut families are struggling to meet basic necessities when the cost of basic necessities requires $19 per hour.

Kathleen Burns, Executive Director of the Connecticut Marine Trades Association
Tasha Cusson, Atlantic Overboard
Ron Helbig, Chairman, Connecticut Marine Trades Association
Alexa Kangley, Noank Village Boatyard, LLC
House Republican Office, State of Connecticut
Stanley Mickus, Director of Public Affairs – Thames Shipyard & Repair Co., Inc.
Whit Miller, Rex Marine Center
Kate Mosely, Marina Manager – Saybrook Point Marina
House Republican Office

They testified to keep the 2.99% tax rate on boats, motors, trailers and the economic incentives for winter storage, marine labor and the trade in credit in place for one purpose. They quoted the following:

- Boats sales are up 41%
- More consumers 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
- Marina’s report a 15% increase in slip rentals
- Winter storage is the driver for off-season work, labor and parts that keeps the workforce employed year-round, avoiding layoffs and unemployment claims. With the work comes jobs.
- Marina’s, Boatyards and Service Dealers report an increase in their revenue of 15%
- Parts are a taxable service and parts sales are driven by the amount of labor provided.
- Since July 85% of dealers have hired additional fulltime personnel.
- The average marine industry company pays over $90,000 in payroll taxes which is up 14% from 2017.

Lorie C, Thomaston CT
Elliot Matos, Service Director, Hoffman Group
Kim Hall, Wilton, Ct.
Jill Silverman, Owner – Richard Chevrolet, Cheshire, CT

The above testified that the consumers in Connecticut do not the repeal of the sales tax exemption on the trade-in of a vehicle. The trade-in many times is the largest part of a consumer’s down payment. It eases the amount of cash a consumer must come up with to qualify for a loan. Connecticut is geographically situated close to three other states that consumers always have the option to cross the border, thus reducing sales to Connecticut businesses and jeopardizing the jobs of the people employed in the state.

Alexandria Lanuk, Principal, ATL Environments, LLC
Aimee Schefano, VP of Advocacy – IIDA New England Chapter
Douglas Vanderhorn, AIA
The above testified in opposition to the taxation of design services. They stated that competing in the marketplace is currently challenging enough and to have a tax imposed on design fees will make it even more difficult for an in-state design firm. By taxing design services it will make it difficult to provide quality and innovative projects, to hire licensed and trained staff, and to protect the health, welfare and safety of the public as well as deterring businesses from relocating to or expanding within the state.

John L. Cattelan, Executive Director, Connecticut Alliance of YMCAs
Mark Pooler, CEO, Southington-Cheshire Community YMCA’s
Douglas Shaw, Executive Director – Soundview Family YMCA
Shaye Roscoe, Executive Director, Boys & Girls Club of the Lower Naugatuck Valley
Josh Royce, District Executive Director – Valley YMCA
Sarah Marquis, Child Development Director, Camp Pyquag, Tri-Town YMCA
Craig Panzano, Executive Director, YMCA, Inc.
Marie B. Miszewski, President & CEO, Regional YMCA of Western CT
Mark LaFortune, Executive Director, Camp Glawackus; Glastonbury Family YMCA of Greater Hartford
Samuel S. Gray, Jr. President & CEO, The Boys & Girls Club of Hartford
Keith Garbart, Connecticut Camping Association
Michael Cotela, Executive Director, Boys & Girls Club of Stamford
Chelsea Kordiak, Executive Director – Stratford YMCA
Connecticut Recreation & Parks Association
Brennden D. Colbert, Membership Sales & Engagement Coordinator, Wilson Gray YMCA, YMCA, YMCA of Greater Hartford
David Corricelli, Executive Director of the Indian Valley YMCA
Greg Brisco, CEO, Northwest Connecticut YMCA
Valerie Collins, Director, The Connecticut Recreation and Parks Association, Inc.
Marie Mizewski, President – CEO – Regional YMCA of Western Ct
Kimberly Ostuno, Board of Directors, Naugatuck YMCA
Shaye Roscoe, Executive Director of the Boys & Girls Club of the Lower Naugatuck Valley
Josh Royce, District Executive Director – Valley YMCA
Douglas Shaw, Executive Director – Soundview Family YMCA
David Stevenson, President – CEO – Central Connecticut Coast YMCA

The above testified in opposition of SB877, particularly on the charging of sales tax on sports and recreation instruction programs. This would require YMCAs along with other organizations to collect sales tax from the families and children that participate in many of their programs. With 33% of children today being overweight or obese, camps and swimming lessons play an important role in addressing this epidemic. They stated that because of the added expense many children and families will no longer be able to experience the educational opportunities and enjoyment of many of the youth serving programs. This bill also includes taxing childcare, which is already unaffordable for many families.

They also stated that YMCAs exist in Connecticut as a charitable organization and are not equipped to administer a sales tax. The proposal is an unfunded mandate. It would require YMCAs to invest invaluable funds in technology that would enable them to collect and report the sales tax.

Carol Christiansen – Broker/Owner REMAX Realty Group
Kim Hall, Wilton, Ct.
Connecticut Realtors (CTR)
Bryan Tunny, Sotheby’s International Real Estate
The above testified in opposition of a sales tax on real estate services, to an increase in the sales tax in the seller’s conveyance tax and to the proposal to impose upon all real estate owners a new statewide property tax. New taxes impact both affordability and interest in buying or living in Connecticut.

According to a recent survey, nearly half of Connecticut residents want to move out of state primarily because of taxation, and with new real estate taxes put home purchases out of reach of many buyers and create additional disincentives to those who may consider a move within or to Connecticut.

**John Chunia, Rocky Hill resident**  
*House Republican Office*  
**Jan R. Reber, Fairfield, CT**  
**Jane & Charles Rickel, Shelton, CT**  
**Tim Ryan, Lead Advocacy Volunteer for AARP**  
**Joseph Spurgeon, East Haddam, CT**  
**Loring Stannard, Shelton, CT**  
**Rachel Stieber, Avon, CT**

The above testified in opposition of the personal property tax credit for the income tax. He also testified that Social Security Income, pension and Annuity income should be tax exempt in Connecticut and that he is opposed to the changes made to the subtractions of pension and annuity income from adjusted gross income. He feels that these proposals encourage retired people to move out the state which ultimately hurts the economy of the Connecticut.

**Joseph J. Cintia, Waterbury, CT.**  
Mr. Cintia testified in opposition of the closing of 10 public group homes in Connecticut. He feels that by doing so it represents a lack of respect for the mental health needs of the citizens in our state. He stressed the need to keep these valuable services open to improve the lives of the neediest citizens who need it the most in Connecticut.

**Robert Tod Bryant, Historic Preservation Consultant, Heritage Resources**  
**Nina Caruso, Historic Preservation Specialist**  
**Aharoh Behhalmo, Mill Development CT LLC**  
**Patrick McMahon, Connecticut Main Street Center, Inc.**  
**Mary Falvey, President, Connecticut Preservation Action**  
**Rex Fowler, Chief Executive Officer, Hartford Community Loan Fund**  
**Jane Montanaro, Executor Director – Ct. for Historic Preservation**

The above testified in opposition of reducing the State Historic Rehabilitation Tax Credit. They stated that by reducing the tax credit it could potentially make it more difficult for developers to undertake the specialized, unique and desirable development projects that are leading economic development in cities like Hartford, Bridgeport and Waterbury. They pointed out that our building stock in Connecticut is aging and that reinvestment in our existing built environment is essential for the economic health and well-being of the state. Federal historic tax credits were recently watered down and many projects are not eligible for the federal program.

They stressed that these types- of projects create more jobs than most types of economic activity in the state, including new construction because historic preservation jobs are more labor intensive requiring special trades. They increase property value and property taxes, maintain neighborhood character, and attract other investors.

Tax credit investors, such as Eversource, budget for historical tax credits and the ability to use them against their tax bill. The reduction in the historic tax credits would lead to less historical developments in Connecticut, resulting in the loss of thousands of jobs in the state and the loss of major income tax revenue for Connecticut.
They stated that reduction of the historic rehabilitation tax credit jeopardizes the ability to restore a beautiful landmark building that has potential to create value for the entire State of Connecticut.

**Robert J. Ellwanger, Fairfield CT**
Mr. Ellwanger testified against 2017’s legislation that became effective this year reducing the Social Security eligibility levels along with the repeal of the 14% pension/annuity tax exemption already implemented this year. He stated that as a retiree he is directly affected by this legislation and is seriously considering leaving the state for a neighboring and much more senior tax-friendly state.

**Robert Fisch, Brookfield CT.**
Mr. Fisch strongly opposes Bill 877 because he feels that higher taxes on seniors and retirees cannot be recovered by normal wage growth and will give further reason for employers and employees to avoid coming to our state.

**James L. Fuda, PE, Oliver Gaffney, ASLA, Roy Merritt Jr., P.E. – The Ct. Society of Civil Engineers**
They testified against the tax on engineering services. They stated that by taxing engineering services it would hinder economic growth and reduce the size of the engineering community practicing in Connecticut. Currently there are only three states in the country that tax professional engineering services. Engineering firms would be competing for work with firms in neighboring states that do not include tax as part of their fees. Administration of the tax would also be difficult for states and taxpayers.

He also testified that the tax would discriminate against small businesses because small and emerging businesses often have a need to use outside engineering services that would be taxed, while larger companies with in-house expertise would not be subject to a tax for such services.

They also testified against freezing the diversion of the car sales tax from the General Fund at eight percent. They stressed that the loss of revenue to the Special Transportation Fund would be at least $850 million over a five year period. They stated that it would destabilize the Special Transportation Fund and lead to the fare increases, service cuts and project deferments.

**Kelly Ramsey Fuhlbrigge, Vice President, Government Relations**
Ms. Fuhlbrigge testified in opposition of the proposal to repeal the sales tax exemption on the 94 credit unions in Connecticut that was passed by the Connecticut legislature in the 2014 state budget. Credit unions are member owned and operate as not-for-profit financial institution. The membership of a credit union owns all capital. She stated that it is good policy to promote the viability of state-chartered credit unions and, to keep them viable, the state of Connecticut needs to keep them exempt from the state sales tax which will also preserve parity with federally-chartered credit unions in Connecticut. If the exemption is repealed, state chartered credit unions will look at the federal charter as a viable option and charters will change resulting in a “lose-lose-lose” situation.

- As state-chartered credit unions convert to the sales tax-exempt federal charter, Connecticut will not realize the sales taxes the budget projected it would gain; 300 thousand in FY2020 and 500 thousand in FY2021.
- In addition, the state would lose oversight through the DOB of these institutions, resulting in an additional loss to the state of assessed fees to those credit unions each year.
And, state-chartered credit unions are on the forefront of innovation, working with the state legislature and regulators to provide new and needed financial products and services to ordinary working families in Connecticut. Revoking the sales tax exemption would hinder this innovation and service to members.

Gerald Galipeau, Executive Director, Mission Integration for St. Francis Hospital and Medical Center
Connecticut Hospital Association
David Bittner, CPA, MBA, SVP and CFO, Trinity Health of New England
Kimberly A. Lumia, MSN, MBA, RN, FACHE, Regional Performance Officer, Prospect Medical Holdings
Kathy Molnari
Bob Newbold
Andrea Rynn, Director of Public Affairs, Western CT Health Network
St. Vincents Medical Center

They testified in opposition of any change to the terms and conditions of the current agreement in place between hospitals and the state pertaining to the hospital tax and supplemental payments. The agreement reached last year has allowed us to fulfill our mission and to truly honor the sacredness and dignity of every person in our care, every visitor, and family member and every colleague. He urged that any changes or efforts to deviate from the 2017 hospital agreement be rejected.

Richard & Susan Groski, Brookfield, CT
John Walters, Trumbull, CT
Karen Kugler, Newtown CT

They testified against tolls and taxes in the state of Connecticut. They stressed the need for cutting spending and for looking ways to increase revenue in the state. The also stated that they want the bill to be amended with RECALL procedures to impeach this or any other governor for failing to follow his promises of not being like his predecessor.

Kenneth Germond, Winchester, Ct.
Carl Zlamany, Newtown, Ct.
Linda Zukauskas, Woodbury, Ct.
Lin Yang, Woodbridge, Ct.
Joseph LaNoce, Sr, New Milford, Ct.
Karen Kugler, Newtown, Ct.
Christopher Millin, Wilton, CT
Dominick Musilli, Wilton CT

They testified in opposition of any new taxation and stressed the need to stop overspending. They stated that the increase in taxation is going to force people to live in more affordable states.

Carlos I. Gutierrez, VP, State and Local Government Affairs, Consumer Healthcare Products Assoc.
Kim Hall, Wilton, Ct

They testified in opposition to the elimination of the sales tax exemption for nonprescription medicines. They stated that the current sales tax exemption provides consumers with a significant savings. The exemption means more affordable medications for the residents of Connecticut. As over the counter medications are reliable and affordable it serves as a means of maintaining wellness for the state’s residents as well as an enormous financial value with less doctor’s office visits and co-pays for minor ailments that can be treated with over the counter medications.

Barry Horowitz, Attorney
Edward Lowe, Associate Attorney, Nirenstein, Horowitz & Associates P.C.
Attorney John McCann, Nirenstein, Horowitz & Associates P.C.
The above testified in opposition of phasing out the estate tax. He stated that abolishing or reducing Connecticut’s estate and gift tax will be an ineffective attempt to influence Connecticut’s wealthy residents whether to leave or stay the once they retire. They stated that the estate tax is a significant revenue source for Connecticut as it is estimated to bring in $196 million every year, or roughly 8% of the biennial deficit. The estate tax is only imposed on estates exceeding $3.6 million. These taxes go on to fund, in part, our state’s safety net programs to ensure that our less fortunate citizens are provided for in their times of need.

**George Pytlik, Westbrook, Owner of Jet Laundrette**  
**Coin Laundry Association**  
**Bruce Matthias**

The above offered testimony opposing the taxing of coin laundries in the Governor’s proposed budget. Their testimony pointed out that coin laundries in CT play an integral role in providing a basic service to CT residents that do not have access to in-home laundry services. Sales tax exemptions for self-service laundries are an important tax provision that have far-reaching social and economic benefits. Applying the sales tax on these transactions is a regressive tax that isn’t paid by wealthier individuals who can afford to purchase a washer and dryer for their own homes.

**Carrie A. Zimyeski, Certified Public Accountant**

Ms. Zimyeski testified that a new tax on personal income tax services in an unfair taxation of a service that is a necessity. It will also discourage people from using professional accounting advisors thus resulting in poorer accuracy of returns and lower state revenues due to higher enforcement cost.

**Greta Yazbee, CPA**  
**Richard Wolfe, CPA**  
**Drew Andrews, CPA – Managing Partner, and Lauren B. Antonucci, CPA:**  
**Karlene Barry, CPA;**  
**Eliot M. Bassin, CPA;**  
**Michael J. Bergamo, CPA;**  
**Colleen Berndt, CPA;**  
**Jeffery Bliss, CPA;**  
**Steven Bokoff, CPA;**  
**Eugenia Borta, CPA;**  
**Jeffery Bortolot, CPA;**  
**Dahl Bowser, CPA;**  
**Herbert Bergman, CPA;**  
**Owen Bregman, CPA;**  
**Dawn W. Brolin, CPA, CFE;**  
**Donald Camerato, CPA;**  
**William Campbell, CPA;**  
**Heather Capalbo, CPA;**  
**Dennis Cole, CPA;**  
**Kathleen Collamore, CPA;**  
**Anthony Congdon, CPA;**  
**Scott Crane, CPA;**  
**Alex Dziama, CPA;**  
**Vincenzo Fini, CPA;**  
**Melody Fox, CPA;**  
**Matthew Giglietti, CPA;**  
**Steven Gitberg, CPA;**  
**Gary Glassman, CPA;**  
**Scott Goetjen, CPA;**  
**Lindell Goldblatt, CPA;**  
**Michael Goldblatt, CPA;**  
**Matthew Gruchevsky, CPA;**  
**Stacey Gualtieri, CPA;**  
**Linda Guilmette, CPA;**
Fred Hassan, CPA; Mark Hightower, CPA; Dino Lavecchia, CPA; Robert Johnson, CPA; William Kalinowski, CPA; Karen Kerames, CPA; Christopher King, CPA; Debra Knudson, CPA; Paul Kostopoulos, CPA; Bradley Kronstat, CPA; Laura Krupa, CPA; Kevin LaChapelle, CPA; Mitchell Ladenheim, CPA; James LeFebvre, CPA; Jonathan Leone, CPA; Gregg Lionetti, CPA; Edwin Lorah, CAP; Davis Macola, CPA; Ben Maimi, CPA; Michael Maksymiw, CPA; Frank Mascia, CPA; Preston Merritt, CPA; David Mulhall, CPA; Thomas Murphy, CPA; Alexander Nestor, CPA; Jack Nicklis, CPA; Timothy Nicola, CPA; Tina O’Connor, CPA; Brad Oately, CPA; Deby Ohlen, CPA; David Oleasz, CPA; Shelly Panico, CPA; Anthony Parillo, CPA; Melanie Paukner, CPA; Richard Paukner, CPA; Marc S. Pelletier, PC; Greg Pepin, CPA; Paul Piasecki, CPA; Laurie Platner, CPA; Joel Pleban, CPA; Michael Plude, CPA; Steven Prigionere, CPA; Michael Pyne, CPA; Stephen Reid, CPA; Theresa Renner, CPA; Timothy Reynolds, CPA; Ralph Ricciardelli, CPA; Steven Risbridger, CPA; Leonard Romaniello, CPA; Daniel Rosen, CPA; Frank Rowella, CPA; Anthony Salzarulo, CPA; Roger Sciascia, CPA; Leslie Serman, CPA; John D. Shaw, CPA; Mark Silvia, CPA; William J. Slattery, CPA; Joseph Spagnoletti, CPA; Edward Stambovsky, CPA;
Heath Standorf, CPA; Bonnie D. Stewart, CPA; Sarah Stover, CPA; Keith Sullivan, CPA; Lenore Thompson, CPA; Jonathan Tienery, CPA; Mary Tillona, CPA; Robert Vance, CPA; John Visconti, CPA; Deidre Wardrop, CPA; Thomas Whelan, CPA; Michael Wilemski, CPA; Richard Wolfe, CPA; Greta Yazbee, CPA; Carrie Zimyeski, CPA;

The above Certified Public Accountants (CPA) all submitted testimony in opposition to proposed bill 877 noting that the proposal adds an additional cost to an already expensive tax preparation service. Many opponents of the proposal argued that a new tax on personal income tax services is an unfair taxation of service that is a necessity and it will also discourage citizens from using professional accounting advisors thus resulting in poorer accuracy of returns and lower state revenues due to higher enforcement cost.

Joseph Brennan President and CEO, CBIA

Mr. Brennan’s expressed that while CBIA is supportive of several aspects of the budget proposal and realizes that addressing these deficits require shared sacrifice he urges the committee to do more to cut state spending, rather than continue to rely so heavily, year after year, on tax and fee increases.

Specifically Mr. Brennan believes that there is a drafting error related to the business-to-business sales tax exemption for the digital downloading of canned software. His testimony also points out that while the proposal makes permanent the 10% corporate surcharge that was set to expire this year- in lieu of making this surcharge permanent, Mr. Brennan asks that the committee consider pushing out the sunset date four more years. Conversely, SB 877 limits the carry forward of new research and development (R&D) tax credits to 15 years. In his opinion limiting the time to use these credits, for some businesses, will mean they can no longer record this asset on their financial statements and makes Connecticut a less favorable place to conduct these beneficial activities. In addition to the points above, Mr. Brennan offers comments regarding the governor’s proposal to modernize the sales and use tax through a significant expansion of the number of goods and services subject to the tax. CBIA believes that any tax increase of this size should be a last resort in balancing the state budget.

Jake Butcher, State Affairs Manager, Vapor Technology Association

April L. Meyers – President of the Smoke-Free Alternatives Trade Association
Martin Pazzani, Partner, Silver City Vapors
Leslea Snyder, Senior Regional Manager, JUUL Labs
David Spross, VP – RAI Services Company
National Taxpayers Union

The above testified in opposition of any tax on vapor products. They feel that it jeopardizes the businesses that Connecticut taxpayers have built and are still building as well as the real jobs that they are creating and a new and emerging market. They specifically oppose the proposed 75% wholesale tax on vapor products in SB 877. They stressed that businesses cannot survive the burden of a 75% excise tax to all future inventories. They will seek out-of-state sources where no excise tax or sales taxes will be paid to the state of Connecticut. They stated that Connecticut’s specialty vapor retail businesses directly contribute an estimated $6.7 million in annual payroll and sales tax, which is a large amount to gamble for a state already facing extreme fiscal difficulty.

They noted that science demonstrates that vapor products are at least 95% safer than cigarettes and that the leading rationale for taxing cigarettes is discouraging their use because of the proven negative consequences for the user and the associated
costs to society (such as medical treatment costs). However, there is no comparable justification for taxing vapor products which leading scientific bodies around the world have concluded are at least 95% safer than combustible cigarettes.

**House Republicans Office**

The House Republican Office submitted testimony in opposition of SB877, stating that the most detrimental aspect of the bill is the removal of the sales and use tax exemption for professional services and items such as children’s car seats, safety apparel, college textbooks, home improvements, newspaper subscriptions, and non-prescription drugs. By adding these services and items into the sales and use tax, it makes it difficult for the low to middle class to provide for their families.

They submitted testimony stating that the bill eliminates the phase out of the income tax of the income tax on Social Security and pension and annuity income. This coupled with the changes in the sales and use tax provides yet another reason for seniors to leave the state.

**Bryan Hurlburt, Executive Director, Connecticut Farm Bureau Association**  
**Michael Mayers, Director of Public Affairs - MARS, Inc.**  
**John Walters, Trumbull, CT**  
**Gordon Willard, Executive Director – Connecticut Humane Society**

The above testified in opposition of a sales tax on veterinary services. They stated that the proposed veterinary tax unfairly targets animal and pet owners. Only three states impose this type of tax, with one considering repeal this year. They feel that taxes like this one burden working families and could force loving pet owners to make difficult decisions to defer or delay care, ultimately harming pet health or risking the spread of disease. With dairy farms and other livestock farms relying heavily on veterinary services, should the current tax exemption be removed and the services be taxed it would create a financial burden at a time when dairy farms are under financial crisis due to the national dairy economy.

**Paul Knierim, Probate Court Administrator, West Hartford, CT**

Mr. Knierim testified that the Office of the Probate Court Administrator does not take a position on the policy decision to eliminate the gift tax or to change the due date for the estate tax, however he asks that the General Assembly consider the financial impact of the two estate and gift tax changes on the finances of the Probate Courts.

The first provision contained in the bill is the repeal of the gift tax and the second is the extension of the filing deadline for the estate tax from six to nine months from death. The estate tax filing deadline change will cause a one-time$7 million reduction in probate fee revenue in FY20. The three month extension will mean that about a quarter of the estates that would have been required to pay the probate fee in FY20 will be able to defer payment into FY21. Repeal of the gift tax will cause an annual reduction in probate fee revenue of approximately $0.5 million.

This is critical because all costs of operating the Probate Courts are paid from a special revenue fund known as the Probate Court Administration Fund. Unless the General Fund appropriation for the Probate Courts is increased to offset the revenue reduction, the estate and gift tax changes will cause the Probate Court system to be insolvent and unable to pay its bills in FY20.

**David Krechevsky, Director of Public Policy, Waterbury Regional Chamber**

Mr. Krechevsky testified in opposition of the taxing of professional services, ranging from dog grooming to automobile repairs, appliance repairs, and to tax preparation services. He stated his concern with the negative effects of expanding the state sales tax to include these professional services. An expansion of the sales tax to professional services will harm Connecticut’s economic competitiveness with its neighboring states, which do
not collect sales taxes on these services, with the exception of Hawaii, New Mexico and South Dakota, who are geographically isolated and have very small populations, forcing them to explore all options for revenue.

**Deborah Bierbaum, AVP External Tax Policy, AT&T Services**

Ms. Bierbaum testified in opposition of the increase of the sales and use tax on the taxation of digital goods that are currently taxable at the lower 1% rate. They stated that this bill would move the taxation of digital goods from a service, computer and data processing services, to tangible personal property. This impacts the exclusion for sales and resales. The sale for resale for tangible property is only applicable if what a business purchases to resell is unchanged from what it sells to the final consumer. For the sale for resale to apply the imposition of the tax on digital goods needs to be under the list of enumerated taxable services. Unless this technical correction is made, Connecticut would tax digital services at a significantly higher amount than it taxes similar goods delivered by other means as it will be taxed at multiple levels before it is ultimately sold to the final customer.

Ms. Bierbaum also testified in opposition of making the corporate surcharge permanent. She requests that the corporate surcharge be extended rather than making it permanent.

**Urban Leimkuhler, Jr., Coordinating Director, Fairfield Senior Advocates**

Mr. Leimkuhler testified in opposition of the provisions of SB877 that would delete the limited gains made in the 2017 bipartisan legislation that became effective 1/1/19, increasing the tax exemption on Social Security eligibility level from $50,000/$60,000 to $75,000/$100,000 and a similar income eligibility – introduced a partial (i.e., phased in) tax exemption on pension/annuity income. He asked that the proposed rollbacks be rejected and the current program stay in place as Connecticut currently ranks third in highest population loss and he feels that many retirees are moving out of the state due to the State tax burdens.

**Anne Manusky, M.Ed., LPC**  
**First Vice President, Connecticut Republican Assembly, West Hartford**

Ms. Manusky testified in opposition of tolls on all vehicles and stated that she is mainly concerned with the education system in the state and feels that a moratorium should be put on the SBAC and SAT for the next fiscal year and that funding for the Common Core should be cut.

**Ed Messina, President, Association of Retired Teachers of Connecticut**

Mr. Messina testified in opposition of the Governor’s proposal to permanently cap the state income tax exclusion on retired teachers’ pensions at 25% as stated in SB877. He stated that Current law will see this exclusion increase to 50% to level the playing field for Connecticut retired teachers with many of their colleagues from around the country. The 50% level of taxation would also make the teaching profession more equitable and attractive in the State of Connecticut. Currently, our teachers contribute a significantly larger portion of their income toward their pension compared to other government employees and are unable to fully participate in the social security system. He stated because teachers cannot chose to pay into Social Security during our their school employment and are forced to join the State Teacher’s Retirement System, tax breaks should be given comparable to those given to retirees receiving Social Security benefits.

**Charles Miller, President, North Central Connecticut Chamber of Commerce**

Mr. Miller testified on behalf of the NCCC in urging the Governor and the leaders to adopt a “No New Taxes” policy. He stated that the NCCC is in agreement with the Connecticut Business and Industry Association requesting the leaders to:

- Modify state employees retirement benefits
- Expand the use of quality non-profit providers
- Continue reforming, streamlining the corrections system
- Re-balance long-term healthcare
- Continue streamlining state government

**Michael Moraghan, Executive Director – Connecticut Golf Association**

Mr. Moraghan testified in opposition of repealing the sales tax exemption on golf activities that are not currently subject to the sales tax. The Connecticut Golf Association represents 200,000 citizens who play golf in the state, and the interests of the 165 golf course operations in Connecticut. It has been 15 years since a new 18-hole course has been built in Connecticut and imposing more taxes on this segment of the Connecticut economy has already been singled out to pay a higher percentage of taxes than other groups and will only hasten its decline. He stated that people who play golf are already paying more than $20 million in taxes each year through the 10% “dues tax” and sales tax on golf cart rentals, food and beverage and pro shop sales. He mentioned that golf courses support town budgets through property taxes, provide free golf to more than a thousand high school golfers and provide the venue for millions of dollars in fundraising by Connecticut charities.

**Dominick Musilli, Wilton, CT**

Mr. Musilli testified against levying taxes on brokerage commissions. He stated that the State Statutes pertaining to real estate brokerage does not allow Brokers to set standard commission rates. Therefore, any sales tax being paid by a seller or landlord will come out of commissions, which will hurt real estate brokers. He stressed that they cannot take a hit because they have been suffering in the already real estate market.

**Mike Paine, President – Paine’s Recycling and Rubbish Removal Inc., Simsbury CT**

Mr. Paine testified in opposition of the bottle bill expansion. He stated that expanding the bottle bill as proposed will hurt municipal and business recycling programs and customers; and will do immeasurable, perhaps irreparable, damage to the state’s excellent, broad based, convenient and nearly universally available system for all the other recovered recyclable materials it manages. This is so since the proposed expansion of the bottle bill will take away the most valuable remaining plastic and metal containers from the recycling bins of the statewide recycling system. The value of these items are used to offset or subsidize the cost of running all municipal and business recycling programs. Because of this all CT municipal and business recycling programs, as a result, will suffer if the bottle bill is expanded as proposed.

He also stressed the Association’s opposition to the change in the budget to remove the tax exemption for waste services. He testified that there must be more fair and efficient ways to raise the revenues the state needs than placing the burden of all the new costs associated with having to create a new waste services tax administration and processing system for all of the industry’s customers.

**Shawn Palmer, President – Connecticut Daily Newspapers Association & SVP of the Record Journal, Meriden, CT**

Mr. Palmer testified in opposition of the repeal of the sales tax exemption on the sale and subscription of newspapers and magazines. He feels that the amount of money derived from taxing the newspaper industry is nominal at best. Yet, the work required by the newspaper companies to install collection systems is significant, the collection on single copy papers is nearly impossible and this additional charge on our customers who have numerous avenues to gather news is threatening to the industry.

**Peter Haddad, West Haven, CT**

**Kenneth Schaefer, Newtown, CT**
The above testified against overspending and taxation. They stated that Connecticut residents face the highest tax burden in the country and despite the higher revenue, borrows heavily. Due to the state’s high cost of living it is among one of the top states that people are moving out of. They stressed that Connecticut should be reducing the cost of living to attract businesses and residents.

**Ann Pratt, Director of CT Citizen Research Group**

Ms. Pratt testified in support of the Governor’s efforts to include revenue proposals that will mostly preserve and protect essential programs such as Medicaid eligibility levels and access to care, early childhood education support systems, maintenance of education funding levels and other public programs that make our state more equitable and just. However, she urged the Governor to significantly increase revenue solutions within this budget that asks Connecticut’s wealthiest individuals and profitable corporations to pay their fair share.

She commented that according to the Economic Policy Institute, Connecticut has the 3rd highest income inequality in the nation. The top 1% of Connecticut make 37.2 X more than the 99% of Connecticut’s wealthiest individuals that are in line to receive an average federal tax cut of $71,000 this year due to the Trump tax cuts.

She stressed that common-sense revenue solutions need to be included within this budget proposal including:

- Close all tax loopholes by fighting corporate and individual tax avoidance so the wealthy pay the progressive effective tax rate as low and middle-income families.
- Maintain the Gift Tax
- Implement a tax on luxury homes
- Reconsider the implementation of a Low Wage employer fee on large profitable corporations.

She urged the legislation to create a state budget that attacks Connecticut’s unacceptable levels of income inequality.

**David Shipley, Administrator, Norwalk Surgery Center**

Mr. Shipley testified in opposition of the proposed Ambulatory Surgery Center tax changes included in SB877. He stated that Ambulatory Surgery Centers provide high-quality, cost effective care to patients throughout Connecticut. He quoted that only 4 other states tax ASC’s and that the bill increases the tax on each center by $60,000 through the elimination of the current $1 million exemption. He commented that unlike other businesses, ASC’s are not permitted to deduct business expenses; Unlike hospital-owned facilities, they already pay a wide range of taxes – on income, sales, property and more. He stated that an ambulatory surgery center should be taxed like any other small business OR taxed the same way as a non-profit provider – but not both.

**Phyllis Wallitt, SVP & General Counsel, Priceline.com**

Ms. Wallitt testified in opposition of a sales tax on travel arrangements and reservation services. She stated that by imposing the sales tax it would have a negative impact on the consumer’s ability to efficiently and effectively price shop as well as the disparate treatment on Connecticut’s residents and tourism sector that would flow from imposing such a tax.

**Jamie Mills, J.D. – Director of Fiscal Policy and Economic Inclusion, Connecticut Voices for Children**

Ms. Mills testified on behalf of Connecticut Voices for Children, who believes that Connecticut needs a revenue system that will provide adequate revenue to invest in the State’s children and grow the State’s economy.

The Voices for Children respectfully asks the Committee to:

- Repeal the Bond Lock;
- Utilize one of the several available strategies to release the State from any existing bonds issued under the Bond Lock; and
- Amend the volatility cap to reflect best practices as set forth in the volatility policy enacted by the legislature in 2015
Ms. Mills also stated that the Connecticut Voices for Children believes a business entity tax whose rate is graduated and based on income of the business entity would be a fair and long overdue revision to the way we tax businesses in the state. They ask that such a tax be applied to all businesses regardless of their legal structure.

**Carlos Moreno, State Director of the Working Families Organization of Connecticut**

Mr. Moreno testified that the Governor’s budget is not a fair share budget and systemically inequal. It would expand the base across all sectors, except in any meaningful way among Connecticut’s 10%, 1%, and .01%. Under the budget the wealthiest few would not have an equal share of the sacrifice, which is supposed to be its foundational element. In fact, they would get a tax cut through the proposed repeal of the gift tax and phase out of the estate tax.

He applauded the Governor for taking some steps in enabling the hard working people of the state by the property tax credit, the paid FMLA program and the increase of $15 in the minimum wage.

He stated that the budget falls short of addressing the state’s income inequality crisis. He commented that to narrow the wealth gap, we need to restructure and increase equity in our tax code so everyday working people are able to build wealth and have financial security in the state.

**National Federation of Independent Business (NFIB)**

The NFIB opposes the increase in the 400% annual filing fee for small businesses. This would nearly negate the impact of the repeal of the Business Entity Tax. They feel this is counterintuitive to providing real small business tax relief.

The NFIB is concerned with what higher corporate tax rates will mean for business and the economy as whole in the state of Connecticut. For business owners, consistency and stability within the tax code and the state budget is essential for proper planning and the operation of a business.

NFIB urges the Governor, the Finance and the legislature to reflect consideration of any proposals that may arise to increase the income tax in this session

**Brian O’Leary, SVP, NBCUniversal**

Mr. O’Leary testified in opposition of limiting the amount of credits that can offset a taxpayer’s liability to no more than 50% of tax due. Currently digital media and television production tax credits can offset 100% of Chapter 211 taxes due. The limitation in SB877 does not apply to the use of digital media and television production tax credits against the Community Antenna Tax. For NBCU the proposal of SB877 will result in the sale of some of the credits we earn to 3rd parties who will use the credits at 100% of the face amount as compared to applying the credit against the Community Antenna Tax we remit to Connecticut at the lower rate of 92%. The latter approach furthers the strong performance of the tax credits as a tool for job creation and investment at the highest fiscal efficiency for Connecticut.