



TREASURER SHAWN T. WOODEN
TESTIMONY SUBMITTED TO THE FINANCE, REVENUE, AND BONDING COMMITTEE
MARCH 15, 2021

Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman, and distinguished members of the Finance, Revenue, and Bonding Committee, thank you for the opportunity to submit testimony regarding Proposed House Bill 6187 An Act Concerning the Restructuring of Certain Taxes and Equity and Proposed Senate Bill 821 An Act Concerning the Reformation of Certain Taxes and Equity.

From my vantage point as Treasurer and as fiduciary of the state's pension plans and trust funds, I've seen first-hand the economic devastation wreaked by the COVID pandemic, and the extraordinary toll it has taken on the front-line workers of the companies in which we invest. At the very start of what has turned into a profound and pervasive disruption to the global economy, I urged companies to take steps to protect workers — those hardest hit by the pandemic, and who make up the human capital that will be essential to companies getting back to business. The lessons learned over the past year have revealed the vulnerability of front-line workers, with inconsistent access to paid leave and affordable health care. We have also had to confront longstanding inequities in our society – from the wealth gap to the profound health disparities that account for a disproportionate impact of COVID on communities of color.

Among the many lessons to be learned from this year, one of the most important lessons is that our society shouldn't go back to the way we lived before, with so many working-class families struggling to get by from paycheck to paycheck and without the resources to weather any loss in income. The time is now to take a hard look at Connecticut's tax structure. We know that much of our tax system is regressive – working class families pay more in taxes relative to their income, and earnings from that work are taxed at a higher rate than capital gains, which largely benefit the wealthy. Moreover, as we've seen throughout this pandemic, the resulting economic crises has had a disproportionate impact on lower wage workers. These are the reasons that proponents of these bills are calling for a response that addresses the discrepancies in which different communities were impacted here in Connecticut. Like many crises that preceded COVID-19, it is often during these times that we are reminded just how unequal our society remains.

I have faith that we can find a way to take bold action that fully supports workers, families, and young people in Connecticut, while preserving the discipline of recent years to ensure Connecticut's fiscal stability. We can no longer afford to leave anyone behind or settle for tired excuses of the past. We must continue to look forward and begin to have more honest discussions about how we will tackle issues, such as those outlined in these bills, that are so deeply ingrained in our society. Although I do not agree with every proposal found within this proposed legislation, I do applaud the scope of their vision.

Thank you for the opportunity to submit testimony regarding H.B. 6187 and S.B. 821. My office is available to answer any questions you may have.