



**Testimony to the Finance Committee  
In Support of SB 1100 An Act Concerning the Failure to File for Certain Grand List Exemptions  
April 20, 2021**

Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman, and members of the Finance Committee,

My name is Pedro Soto, and I am the owner and CEO of Hygrade Precision Technologies, located in Plainville Connecticut- Hygrade is a precision grinding, lapping and CNC machining service provider serving the aerospace, medical and defense supply chains. Founded in 1962, I acquired Hygrade in October 2019. I am proud to be taking my fantastic, 30-person team into the bright future of Connecticut manufacturing.

Needless to say, acquiring a company focused on aerospace has made this past year extremely challenging. While the first several months proved my decision to purchase Hygrade correct, the pandemic brought many supply chains to a standstill, greatly impacting our business.

The 2020 Declaration of Personal Property and Grand List Manufacturing Machinery and Equipment Exemption Claim was due to the Tax Assessor's office on or before November 2, 2020. Due to the stresses and challenges at the time, we required more time to file our exemption claim.

My finance manager and I at the time unfortunately misinterpreted the guidelines for requesting an extension. We did not realize that an extension could only be granted before the filing deadline. We requested an extension that Thursday, November 5<sup>th</sup>.

At the time we believed that we had been granted the extension. We completed the forms and hand delivered them to the Assessor's office on Thursday November 12<sup>th</sup>. It was shortly thereafter in a conversation with the assessor that we discovered that we were not granted an exemption and that the failure to file in a timely manner would result in an entire loss of our manufacturing exemption along with an additional 25% penalty.

With the penalty and loss of the exemption, Hygrade's taxes will increase by over \$50,000, which would greatly impact our business.

While we take responsibility for our misinterpretation and failure to file on time, the consequences for missing this deadline, especially during the pandemic are extremely severe.

I appreciate the consideration of passage of SB1100 to help Hygrade and other companies who fall into similar circumstances to not have to suffer such an enormous penalty for clerical missteps.

I also urge the legislature to look at ways of mitigating the penalties for not requesting an extension on time for manufacturing companies in the future. Thank you.

Pedro Soto