

To whom it may concern:

In an effort to improve state tax policy I offer the following:

1. Sales & Use tax: the last expansion of the tax really was a hit to both the lower income and middle class residence of the state. You must be aware that the sales tax is the most regressive tax you impose on the citizens of CT. I hear from clients all the time how they carefully plan purchases due to the sales and use tax. Many of our clients understand the need to pay the use tax and provide is with the data to include in their CT return. We do represent a higher income and better educated client base than the average tax preparer so I would imagine noncompliance due to the high rate has got to be a problem.
2. Estate & Gift Tax: either peg it to the federal exemption or eliminate it all together. We have many clients moving out of state to avoid this tax.
3. Personal income tax: again, while you may think the rate is comparable to other states it is still a force for driving residents to lower or no income tax states. We have many clients selling their homes and leaving. These are people who are typically earning well above \$100,000.00 per year. I do not know how you can equate the loss of that type of tax payer with an individual hired to work in a distribution facility at \$12.00 to \$18.00 per hour. This tells me higher income people vote with their feet, especially as they reach retirement have sill have significant income and assets that would be subject to the inheritance tax.
4. Property Taxes: another burden on the people who are successful. At what point do they again vote with their feet. It does not matter if it is real estate or personal property. This burden is going to be worse for retired individuals. The personal property tax on businesses also is part of the decision process of where to locate or operate. Many of our neighboring states have little or no property tax on personal property.
5. Real estate conveyance tax: I just experienced a client selling his building after shutting down his business (poor business conditions) and being shocked at the size of the conveyance tax. It was almost \$26,000 dollars. This along with other closing costs and payoff of the mortgage left him with little to show for 15 years of real estate ownership.
6. Local option taxes: I assume this means allowing local communities to levy taxes on residents and businesses. I would imagine that the first communities to this would be those most financially strapped. That would surely drive taxpayers that could leave to leave. The impact of shrinking revenue would be the end result.
7. PILOT and Tax exempt properties: I have not formed an opinion as of yet.

I hope this helps.

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