October 12, 2015

TO: State Tax Panel

FR: Connecticut Greenhouse Growers Association

The Connecticut Greenhouse Growers Association would like to offer brief comments for the record as part of the public process.

CGGA members benefit from exemptions in the property tax and sales tax.

Current law provides that property taxes are not levied on materials we use in production as well as the value of the inventory that we are growing. The Farmland Preservation Program also provides the benefit of taxation on the basis of use rather than market value.

We are a high-cost state to produce; without these tax benefits it is doubtful that we could compete with growers from other lower-cost states.

CGGA members can also take advantage of exemptions to the sales tax including tangible personal property used in production of their products; materials used to construct or renovate a structure needed for production or storage; exemption from the sales tax on gasoline that is used in the production process and energy (gas, electricity or heating fuel) consumed for production.

One concern is the state estate tax exempts the first $2 million from the tax. This is a much lower threshold than exists under federal law ($5.43 million). We would urge that the state law be brought into conformity with the federal exemption.

Thank you for considering the views of the Connecticut Greenhouse Growers Association.