Date: September 16, 2015

To: CT State Tax Panel

Subject: Testimony Submitted for CT Tax Code Recommendations and Solutions

To the Panel:

CT has a multi-layer tax system imposed on its residents. Each of the main elements – income, real property, personal property and usage based (e.g. gasoline) – is high versus other states, and most notably versus our neighboring states of New York and Massachusetts.

The combined impact of all these taxes is oppressive and makes CT least attractive in terms of a place to live. By way of an example: a couple with $100,000 in income, having a house valued at $500,000 and a car valued at $35,000 can be subject to the following:

<table>
<thead>
<tr>
<th></th>
<th>Real Property Tax</th>
<th>Auto Personal Property Tax</th>
<th>Income Tax</th>
<th>Total Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loudonville, NY</td>
<td>$6,401</td>
<td>$</td>
<td>$4,778</td>
<td>$11,179</td>
</tr>
<tr>
<td>Fairfield, CT</td>
<td>$9,000</td>
<td>$598</td>
<td>$4,207</td>
<td>$13,805</td>
</tr>
<tr>
<td>Shrewsbury, MA</td>
<td>$5,133</td>
<td>$875</td>
<td>$4,742</td>
<td>$10,750</td>
</tr>
</tbody>
</table>

Sources: Zillow, Town websites, Tax program

If the scenario is changed to reflect income that is a combination of private pension and social security income, CT looks drastically worse. NYS exempts part of private pension income from taxation. And, NYS and MA exempt social security income. CT in effect is penalizing its seniors if they stay here.

One additional point in regard to corporate taxes: unless CT reverses some of the added business taxes imposed, businesses will continue to leave CT. Finding $100,000 jobs will become harder and harder….

Recommendations: CT has a spending problem that is causing an oppressive tax burden on resident individuals, families and companies.

1) Begin even incremental changes by cutting spending: have state employees contribute more to benefits plans. This recommendation is already in place across private industry.

2) At the same time, look at eliminating the personal property taxes on autos, as a small start. This would take out one of the “layers” of CT taxes. Give the towns some of the lost revenues from existing income taxes, but all towns should be challenged to make up some of the lost revenues via their own efficiency initiatives.

3) Implement at least a partial income tax exemption for all seniors with private pension income and social security income. Try to keep seniors, who worked for private companies, in CT by making the tax structure better for them.

Thank you.

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