

My name is Herbert Winokur. I am a 30 year resident and taxpayer from Greenwich. As both my married daughters and my grandchildren live in Fairfield County, I have no plans—unlike most of my friends—to move to Florida. I think the CT individual tax system needs a complete overhaul, and I believe doing so will help the state deal with its combined problems of highest per capita debt in the country and no new jobs created in last 25 years, despite its many assets.

First, the effect of the high estate tax is to force wealthy people to leave CT in their late 50s. The loss of their income tax receipts for 15-20 years is substantially higher than the theoretical benefits from the estate tax. Other states have understood this and changed their tax policies. If moving the estate tax to the Federal limits is unacceptable politically, you might consider giving people a credit for income tax paid after the age of 55 or equivalent. CT's tax policy basically has been to stay slightly lower than NY, which assumes NY will stay the financial capital. Manufacturing already has left, and the recent discussions with GE and UTC should give the Governor pause—not only the loss of corporate tax but also the loss of income tax from senior officers, etc. (As I write this, I am listening to Jeff Immelt on CNBC.) What technology has and will offer means that people can work remotely—hedge funds from Florida, 3D manufacturing from anywhere, etc., so the competitive landscape has changed significantly. Tax policy should be forward looking and recognize those changes.

There are many smaller changes which should be addressed related to pass-through entities (LLC's, S Corps) to simplify reporting and coordinate better with Federal policies. Charitable contributions should be addressed, particularly as they relate to supporting Connecticut non-profits. Given the sad state of education in the state, after-school and early childhood programs need all the help they can get.

Please let me know if you want to discuss further. hsw@capricornholdings.com

Regards, Herbert S. Winokur, Jr.