

State Tax Panel Meeting

September 30, 2015 10:00 am in Room 2B
Minutes

The meeting was called to order at 10:20 by Co-chair Bill Nickerson. Present were voting members: Melinda Agsten, Al Casella, Alan Clavette, Bill Dyson, Bill Nickerson, Tiana Gianopulos, Marian Galbraith, Lou Schatz, Annika Singh Lemar, Don Marchand, Howard K. Hill, David Nee, Also in attendance were ex-officio members: Ben Barnes, Sen. Scott Frantz, Commissioner. Kevin Sullivan. Absent were: Sen. John Fonfara, Sen. Martin Looney, Rep. Brendan Sharkey, Rep. Jeff Berger (conflict) John Elsesser-out of state), Robert Testo (work conflict), Bill Breetz, and Rep. Chris Davis.

Chairman's Remarks: Bill Nickerson indicated that we are now in the phase where we need to look beyond the system and look at the underlying factors such as how the economy affects the budget and how the budget affects the economy.

Consultants Remarks: Bob Ebel updated the panel that we are now in the process of a series of presentations to see what the State looks like and how do we adjust the revenue system for these trends. He introduced the first presenters Carolyn Boudreaux and Mels de Zeeuw from Georgia State University, Andrew Young School of Public Policy. The second presenter was Michael Wasylenko, Syracuse University, Maxwell School of Citizenship and Public Affairs-(presentation and materials are on-line)

A power point presentation was made (this power point and all supporting documents are located on-line on our website: (www.cga.ct.gov, go to committees, then Finance. then scroll to the bottom left for tax panel documents.) Bill Nickerson inquired if there was any supporting information newer than 2012 that would further look at our reliance on the property and income taxes. Kevin Sullivan indicated that he felt that the data on neighboring states was more relevant and that we should look at the breadth of taxation not just individual taxes. Sen. Frantz reiterated that we should also look at the high cost of living in CT. Annika Singh Lemar also said the cost of doing business is important. Don Marchand asked why Massachusetts is better off. The reply was that the higher educational institutions are geographically closer and work more collaboratively. A lively discussion occurred on demographics, moneys spent on higher education and collaboration within high paying, high tech jobs. It was mentioned that our system is unbalanced. We should look at what other states have done by lowering the rate and broadening the base. Bill Nickerson asked how we make the most of institutions like Yale.. Are venture capitalists looking at Connecticut? Bill Dyson indicated that there are some talks ongoing but the discussions are left to others. Many of these cities have high

mill rates so it is prohibitive to locate there. We need to look at these institutions as part of the State not the city they are located within.

Commissioner Sullivan indicated that DECD was very proactive in trying to get companies and pointed to the success of Jackson Labs. People often comment that there are 2 Connecticut and Bill Nickerson said it is more like 5. We need to keep our educated high knowledge workers in state after college. Land use and zoning in cities also plays a part in the dynamic. Ben Barnes indicated that closeness of geography is relevant when you are trying to get institutions of higher learning to cooperate on projects. Connecticut is small and yet unique in its parochial views.

Meeting adjourned at 1:15 pm

****Next Meeting is Tuesday, October 13, 2015 at 10:00 am in Room 2B. This meeting will be longer in duration as it is scheduled until 3:00 pm and will cover General Business Taxation, Corporate Net Income Tax, Alternative Approaches to Business Taxation and Fiscal Architecture/Policy Framework.**

Respectfully submitted,

**Mary E. Finnegan
Administrator, State Tax Panel**