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October 12, 2015

To the State Tax Panel:

I am President of the Connecticut Nursery and Landscape Association and would like to submit brief comments as part of the public comment process.

The Connecticut Nursery and Landscape Association (CNLA) would like reiterate their support for several tax provisions that benefit the agricultural sector in Connecticut.

Several statutes provide relief from the property tax. These include exemptions for certain materials used in production at nurseries as well as the products growing at the facility. Public Act 63-490 also assesses property tax based on the use of a nursery versus its market value. CNLA members can also take advantage of exemptions to the sales tax including tangible property used for exclusive agricultural production; materials used to construct or renovate a structure needed for production or storage; exemption from the sales tax on fuels that are used in the production process and energy (gas, electricity or heating oil) consumed for production. All of the plants nurseries produce are taxable when sold to the end consumer.

We would note that current state law exempts the first \$2 million from the estate tax, a level that is much lower than the federal exemption of \$5.43 million. CNLA would urge that the state law be brought into conformity with the federal exemption. Legislation that would do this was introduced last session (House Bill 6731).

Most of commodity agriculture is subsidized. By eliminating sales tax exemptions for farms, it will increase the volume of subsidies required for many of our colleagues in other ag sectors.

We are a high-cost state to produce; without various tax benefits it is doubtful that our nurseries could compete with growers from other lower-cost states. There is currently a significantly higher rate of imports of nursery stock versus exports.

I realize a number of advocacy groups have suggested eliminating tax exemptions. Before any such action is proposed, please consider its effect on industries like ours.

Please let me know if you have any questions on this material. Our office is always available by phone or email. Thank you.

Darryl Newman
President, CNLA