



Testimony on HB 6557

Submitted by Meghan Portfolio, Manager of Research & Analysis

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Good afternoon, my name is Meghan Portfolio, Manager of Research and Analysis at Yankee Institute, a Connecticut-based public policy organization.

I am testifying in support of House Bill 6557: An Act Increasing the Amount of Tangible Personal Property Owned by a Business Organization That is Exempt from the Property Tax.

The proposed legislation will increase the value of tangible personal property (TPP) owned by a business that is eligible for exemption from \$250 to \$1,000. Personal property includes all tangible property that can be touched or moved, such as equipment, tools, electronics and furniture used to conduct business. Businesses are required to file a declaration of such property to the Assessor where their property is located.

Aside from forcing business owners to pay an annual tax on property that has already been taxed at the point of sale, one of the biggest problems with this tax is the compliance cost. Business owners must spend a great deal of time and money to pay this annual property tax. There is also an administrative burden associated with tracking the age and value of TPP, particularly when those businesses have a limited number of employees to perform administrative tasks.

According to the 2022 Survey of Connecticut Businesses, published by the Connecticut Business & Industry Association (CBIA), 89% of business leaders think the cost of doing business in Connecticut is increasing, while 50% say the state's business climate is declining. Among the nine factors hampering business growth, lack of skilled job applicants, cost of living, and high taxes ranked first, second and third, respectively.

Yankee Institute encourages legislatures to support this proposal and provide desperately needed tax relief to our business community. Lowering the cost to do business in our state will allow business owners to reinvest in their companies leading to higher employment and wages.

Thank you.