

Frilling, Tara

From: Anne Proctor <anneeproctor@yahoo.com>
Sent: Monday, May 11, 2015 1:13 PM
To: Sen. Fasano, Len
Cc: Frilling, Tara; Krautler Patricia; jagargiulo@gmail.com
Subject: Tax Hike - Public Hearing Testimony

Dear Senator Fasano and Representative Klarides:

I am a Connecticut licensed Professional Engineer working for a consultant in Connecticut, and I oppose the proposed state sales tax on engineering services.

- The increase in the cost of construction projects would discourage businesses from locating or expanding in Connecticut, and could discourage residential and commercial construction work all together. The potential loss of work will mean fewer jobs for Connecticut engineers and support staff, and lower income taxes for the state.
- The sales tax is very complicated to administer for states and taxpayers, as the multi-state nature of customers and service providers often makes it difficult to determine where, when, and how the services take place. In fact, when Connecticut taxed engineering services about 25 years ago, the Department of Revenue Services recommended that the tax be eliminated in part because of the complexity in administering the tax. The actual tax revenue would be disproportionately low compared to the administrative cost.
- Connecticut engineering firms will find themselves at a competitive disadvantage when out-of-state engineering firms do not collect the sales tax for Connecticut.
- The tax discriminates against small businesses because small and emerging businesses often have a need to use outside engineering services that would be taxed, while larger companies with in-house expertise would not be subject to a tax for such services.

Thank you for your consideration.

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