

Frilling, Tara

From: James Bell <jbell@mpn-arch.com>
Sent: Friday, May 08, 2015 8:05 AM
To: Sen. Fasano, Len
Cc: Frilling, Tara; Krautler Patricia; jagargiulo@gmail.com
Subject: Tax Hike - Public Hearing Testimony

Dear Senator Fasano and Representative Klarides:

Regarding the proposed sales tax on professional architectural services:

The increase in the cost of construction projects would discourage businesses from locating or expanding in Connecticut.

- The sales tax would also impact the housing market, making housing less affordable for residents in the state.
- It 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 architecture 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.
- Connecticut architecture firms will also find themselves at a competitive disadvantage. Owners will find ways to have architecture work performed out of state. Out-of-state architecture firms will not collect the sales tax for Connecticut. The loss of work will mean fewer jobs for Connecticut architects and support staff and lower income taxes for the state.
- The tax discriminates against small businesses because small and emerging businesses often have a need to use architecture services that would be taxed.

James Bell <jbell@mpn-arch.com>
41 Dockerel Road
Vernon