Testimony in Support of Proposed Tax Package by the Finance, Revenue, and Bonding Committee Submitted by: Michele Mudrick, Legislative Advocate Connecticut Conference, United Church of Christ May 11, 2015

Distinguished Republican members of the Finance, Revenue, and Bonding Committee,

I am Michele Mudrick, Legislative Advocate for the Connecticut Conference, United Church of Christ, and I am writing today in support of the Finance and Revenue Bonding Committee's proposed tax package, excluding the adoption of Keno.

I am writing on behalf of the 240 congregations and more than 73,000 people in our state's churches. In fact, the United Church of Christ (UCC) is the largest Protestant denomination in Connecticut. Nationally, the UCC has more than 5,700 congregations with nearly 1 million members. In 1972, 1982, 1983, and again in 1989, the assembled delegates and ministers of the Connecticut Conference of the United Church of Christ met and voted on Resolutions that call upon us to share the costs of government fairly, to study tax reform in Connecticut, and to call for fair and equitable taxation.

The Connecticut Conference of the United Church of Christ supports personal income tax changes that ask those who can afford to pay more in taxes to do so. We believe it is just and equitable to increase the income tax for individuals making more than \$500,000 a year, or couples filing jointly making more than \$1,000,000, from 6.7% to 6.99%. This is a marginal rate: for each dollar that an individual makes over \$500,000 she would pay about 6.99 cents instead of 6.70 cents. The top tax rate will still be well below those of New York, New Jersey, and Massachusetts. Although small, this change raises \$102.4 million.<sup>1</sup>

We also support that taxpayers in the highest income bracket (more than \$500,000 for individuals and \$1,000,000 for couples) pay a 2% additional tax on capital gains. This will put Connecticut on par with New York for top earners while we would remain below New Jersey. This new supplemental tax would raise \$167.6 million.<sup>2</sup>

The area where the Connecticut Conference of the United Church of Christ does not support the Finance proposal is the authorization of Keno. Despite the possible \$13.6 million it would bring in in revenue the first year and \$30 million the second year, legalizing Keno would increase the risk of problem gambling, not to mention that children could be exposed to Keno gambling at dining tables in restaurants. There are many social, health, and economic costs related to keno; the latest research shows it is highly addictive, which could lead to broken families, crime and bankruptcy. Legalized gambling hits low-income earners, retirees, and the unemployed the hardest: populations that are already suffering from economic inequality. There is no justice in using addictive gambling machines to obtain revenue from the most vulnerable populations.

<sup>&</sup>lt;sup>3</sup> Connecticut Council on Problem Gambling



<sup>&</sup>lt;sup>1</sup> Connecticut Association for Human Services

<sup>&</sup>lt;sup>2</sup> Connecticut Association for Human Sérvices



The Connecticut Conference of the United Church of Christ supports extending taxes to additional services, ending the tax exemptions for such activities as interior designers, golf courses, country clubs, and direct mail advertising. Extending taxes to these and similar services could raise \$322 Million.<sup>4</sup>

Cuts in the Governor's budget proposal will hurt many vulnerable people in our state. The Connecticut Conference of the United Church of Christ supports asking those who can afford to pay a little more to do so.

Thank you for your work and for the opportunity to supply written testimony.

Blessings, Michele Mudrick (860) 796-3822 Michelem@ctucc.org

<sup>&</sup>lt;sup>4</sup> Connecticut Association for Human Services

