

Republican Members of the Finance Committee Public Hearing  
May 11, 2015

Senator Frantz, Representative Davis and Republican members of the Finance, Revenue and Bonding Committee:

My name is Bill Buhler. I am a member of CSEA SEIU 2001 and I offer this testimony in support of the Finance Committee's revenue package and the Appropriations Committee Budget.

Previously, I testified that the revenue shortfall stems from the rising income gap and the decline in corporate tax receipts.

- Based on Connecticut Dept. of Labor tables, wages & salaries and consumer spending haven't risen above inflation in at least 13 years. Flat wages do not increase consumer demand, do not spur job growth and do not produce sufficient revenue.
- The extraordinary income gains of those in the 1% have not produced the revenue that would be generated were they more widely dispersed. 95% of income growth now goes to the 1%, those with the least need to spend. Those dollars never touch the hands of those eager to purchase goods and services.
- Corporate tax receipts accounted for 24% of the general fund in 90-91. Today, just 4%. Corporations keep devising new ways to dodge taxes with offshore shell corporations, inversions, transfer pricing, profit shifting and other accounting gimmicks. Corporate tax dodging has resulted in a large drop in general fund revenue.

Studies of the current tax burden done by the non-partisan Institute for Taxation and Economic Policy show middle and low income families pay 2 to 3 times the percentage of their income in state and municipal taxes as those in the top 1%. Connecticut's tax structure works against the ability of these families to spend and thereby drive up demand for jobs.

The Finance Committee's Revenue and Budget Package makes small but significant adjustments to recover lost revenue and fund vital services without further burdening low and middle income families. For both moral and economic reasons it is more important to preserve vital services than it is to subsidize tax breaks for corporations and those in the 1%.

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