

From: Eric Hendlin [<mailto:Erich@dhls.com>]
Sent: Thursday, May 07, 2015 2:17 PM
To: zRepresentative Pam Staneski
Subject: Income tax & sales tax increase proposal

Hi Pam,

As a resident of Orange, and a CPA with a business located in Shelton, I wanted to write to you regarding the recent proposal to increase income tax rates and to expand the sales tax to include services, including CPA services. The expansion of the sales tax to services provided by my firm would create a significant burden to our practice. Most of our practice is providing services to other businesses and we face pressures on our fees every day due to our client's working to control costs. Unfortunately, an additional tax will have the result in a net reduction of our fees as many of our clients will need to maintain the total amount of fees paid for accounting services at a set level. This will have the effect of our firm reducing costs (primarily payroll), and reducing our ability to create new jobs in the State.

At a time when the State is lagging the rest of the Country in new business and job growth, to put through another significant tax increase in the State and to target additional business taxes will only hurt the efforts to try to attract additional business and investment in the State.

While I understand the difficulties and tradeoffs that need to be made by the legislature in developing a budget, the fallback to increase taxes "on the wealthy" is the wrong approach.

Every day, I have clients asking about steps they need to take to either move their business out of state, or to change their personal residency to another, lower tax, state. Although I have heard comments that even with this tax increase, Connecticut's rates would still be competitive with neighboring states, we are no longer locked into the New York/New England region. Businesses, especially service businesses, can be located in any state in the Country and our state residents, will move far beyond our state's borders.

I only ask that the State do what most of the cities and towns have done and what I must do in my business every day. That is to work to be more efficient in providing the same or higher level of service, at a lower cost. Budget proposals with spending increases in excess of 4% cannot be approved. Overall state spending must be brought down, and, the cost of government must be brought down as well.

I was glad to see on your website that you are against this bill. I encourage you to speak with other legislators to make sure this increase is not passed.

Thank you for your consideration.

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