

From: Susan Mattern [mailto:susan@matternstefonsurveyors.com]
Sent: Monday, May 11, 2015 9:09 AM
To: testimony@housegop.ct.gov
Cc: zRepresentative Mike France
Subject: Please Support Standing Exemption of Sales Tax for Land Surveyors

Dear Representative France:

Good Morning sir. I am a resident of Preston, a Licensed Land Surveyor, co-owner of Mattern & Stefon Land Surveyors, LLC, also located in Preston, and the Secretary of my professional organization, the Connecticut Association of Land Surveyors, Inc. (CALs).

It has been brought to the attention of CALs, by our lobbyist Kevin Reynolds, Esq. of The Reynolds Group, that the Connecticut General Assembly Finance Committee, in SB 946, has proposed repealing the exemption from the state's sales tax on Design Professionals, including land surveying services. CALs believes this could have a significant negative impact on surveying and consumers in need of land survey services.

Among the negative impacts of this action, will be:

1. A significant increase in costs for all design phases of construction projects. After an extended down period, the construction industry has begun a moderate resurgence, and a sales tax could negatively affect this resurgence.
2. A sales tax would also impact the housing market, making housing less affordable for residents in the state. Many homeowners have begun to invest in home improvements again. The bottom line is critical to many consumers and may ultimately determine whether a project is pursued or not.
3. The sales tax instituted in 1989 was complicated and difficult to administer for the State and the design professionals. Any new sales tax will be encumbered with the same problems. Every dollar the State spends administering the tax decreases the revenues raised by the tax. Every dollar we spend determining, billing, collecting and paying the tax will ultimately be passed on to the consumer.

In 1992, when the previous sales tax was repealed, the Department of Revenue Services itself recommended that the tax be eliminated, in part because of the complexity in administering the tax.

Visit here for a Q&A on the sales tax. <http://ctengineers.us3.list-manage.com/track/click?u=5724d0de05ad6f518e32c0fe7&id=77e57c3eda&e=af911d83ff>

4. Any downturn in work will affect the labor market. The loss of work will mean fewer jobs for Connecticut surveyors and support staff, and result in lower income taxes paid to the state.
5. Although the tax will affect large and small firms, a sales tax is particularly onerous for small firms. A vast majority of the firms that CALs represents are small firms. Valuable time that could be devoted to production will be lost.

6. Most design projects involve extensive permitting and regulatory review. Design professionals and attorneys participate in this process. However, attorneys are not proposed to be subject to collecting sales tax. We are being unfairly targeted in this respect.

In conclusion, I'd like to point out that repeal of our sales tax exemption will also prove to force many companies who now utilize Connecticut firms for their design professional needs to retain the services of companies located beyond Connecticut borders. This is especially true of our engineering counterparts. The cost of doing business with Connecticut firms will certainly not be a draw to invite new business into the State of Connecticut. I hope that you will support the standing exemption of the sales tax based on the information we have provided.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Susan F. Mattern, L.S.

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