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May 7, 2015

Good Afternoon, Senators and Representatives:

My name is George Fellner, AIA. I am the principal in the firm of Fellner Associates Architects located in East Haddam, Connecticut. Additionally, I am a member of the Board of Directors of the Connecticut Chapter of the American Institute of Architects. AIA Connecticut represents approximately 450 architecture firms across the State, the vast majority of which are small businesses employing fewer than 25 people. My firm is one of those small businesses. I urge the State to NOT implement a sales tax on the services architects and engineers provide to our clients.

This form of tax was put onto architecture and engineering services over 20 years ago for a very brief period of time. It was so difficult to administer, while generating tax dollars far lower than hoped, that the State Department of Revenue Services requested that the tax be eliminated.

- Sales tax on architecture services put Connecticut architects at a disadvantage with prospective clients, both in State and out of State. Those clients can engage the services of architects outside of Connecticut to perform work at a lesser cost.
- Other States have found taxing architecture services to not be effective and efficient.
- This form of taxation will deter businesses from locating within the State. Our neighboring States do not have this form of taxation.

Connecticut architects were one of the first professions to feel the impact of the 2008 economic crisis. Many, most firms laid off employees, many firms reduced wages, many firms reduced hours of employment. Many of those firms are still feeling the impact of a sluggish economy and it will be a long time until they have recovered from the Great Recession. A sales tax on services will directly impact our ability to recover.

On behalf of myself as a small business owner and on behalf of all architects working in Connecticut, we urge you to not place this burden on our small businesses.

Sincerely,

George Fellner, AIA