



SUNWOOD DEVELOPMENT CORP.

HOME BUILDERS & REMODELERS

May 11, 2015

To: Senator Scott L. Frantz and Representative Christopher Davis, Ranking Members, and Republican Members of the Finance, Revenue & Bonding Committee

From: Robert Wiedenmann, Jr.

I run a small, family owned construction business. As a small business owner I am saddened by the fact the legislature is even considering increased fees and taxes again this year. When will this stop? My family owned business began in 1978. We currently employ 8 people and support many more jobs through our trade contractors and vendors. My children are now becoming involved in the business and I have discussed long term opportunities with them. While it's too late for me to relocate to a location with a more favorable business environment, I have encouraged my children to consider other opportunities outside of Connecticut. Every year the increase in regulations, fees and taxes continue to strangle us. It's not any one thing, but an accumulation of numerous items that make it so very difficult to run a successful small business in Connecticut.

The time is here when we need you to make hard decisions that will affect all of us for many years to come. Please stand up and support needed changes to our tax and spend policies and help turn the Connecticut economy around.

Below are just some of the fees and taxes we currently pay each year-

- Business entity registration fees
- Unemployment Tax surcharge
- Corporate Business Tax surcharge
- Building permit fees
- Utility connection fees
- Zoning and other land use fees
- Conveyance tax and transfer fees
- Fees on legal recordings
- Registration fees as home improvement contractors, new home construction contractors, home improvement sales person, real estate sales person
- Property taxes on our model homes and homes under construction (neither of which have occupants living in them) which add \$700.00 to the cost of a typical home
- The Home Building Industry is the only business in Connecticut that is taxed on its' inventory
- Sales taxes on all materials we buy and put together into a home

Now there is a proposal to tax services we use such as accounting, engineering, drafting, architectural design, building inspections, interior design, HR consultants, marketing, advertising and many other business services we use every day. We have estimated that we spend in excess of \$9,000.00 per home on these proposed taxable services. Taxes on these services will add at least \$550.00 to the cost of every home we build.

Thank you for allowing me to express my opposition to the recent tax package passed by the Finance Committee.