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Initial CCM statement in response to budget agreement

The Connecticut Conference of Municipalities today (Monday, June 1) said it applauds the Governor and General Assembly for proposing that a half percent of the sales tax goes back to town governments annually. The proposal would help pay for essential municipal services and provide much-needed relief for property taxpayers.

CCM understands the budget would impose an unprecedented 2.5 percent spending cap on towns and cities. How that cap is defined, and the exemptions contained in the cap, are extremely important to towns.

Connecticut is the most reliant state in the nation on the property tax to fund essential services like pre-K-12 public education. In just the last 6 months, there have been three entities that have focused on Connecticut's broken property tax system: (a) in December, the State Department of Revenue Services released a tax incidence study that confirmed the property tax is the most burdensome and regressive tax on Connecticut residents and businesses; (b) in March, US Secretary of Education, Arne Duncan, spoke of education disparities in the country -- and singled out over-reliance on the property tax for public education as a major culprit; and (c) the Federal Reserve Bank of Boston just-released Connecticut "fiscal disparities" study that highlights how our property tax-only system of raising revenue for necessary local services contributes to fiscal stress. Diversifying municipal revenue is vital to property taxpayers and Connecticut's economy.