

House Republican Press Release

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Sawyer Calls for End to Business Entity Tax, Exemptions in Estate Tax



HARTFORD- State Representative Pam Sawyer (R-Bolton) today called for an end to the state's Business Entity Tax, a \$250 fee charged to all businesses simply for existing. The tax was initiated in 2002 to close a budget deficit that year, and six years on the tax remains. She also called for exemption from the Estate Tax for working farms.

"The Business Entity Tax should have been gone long ago," said Sawyer. "We can see that there is nothing as permanent in Connecticut as a temporary tax. I have called for the end of this tax since it was created, and finally it looks like the majority party will be joining this year in ending it. Also, we need to be doing everything we can to help Connecticut's active farms. Exempting them from the Estate Tax will help many of these operations which are land rich, but cash poor. It is wrong for Connecticut to lose farms because of taxes."

Two bills which Sawyer supports, SB 28, and SB 400 would eliminate the tax. SB 400 passed the legislature's Commerce Committee earlier this week. SB 28 is one of Governor Rell's bills, and eliminates the Business Entity Tax, and gives the working farm exemption from the Estate Tax for working farms. Rep. Sawyer testified in favor of the bill before the Finance Committee.

"The business entity tax is a nuisance tax, and it reflects an attitude that we as a state have toward existing and prospective businesses," said Sawyer. "For the sake of those businesses, people's jobs, and our economy, I hope the new-found support of some legislative leaders for eliminating this tax is sign that we are beginning to change that attitude."

Sawyer noted that Connecticut's poor business climate is having a significant impact, and that the state has been rated dead last among all states to move a business to by *Expansion Management Magazine*, the leading publication on business relocation.

"That should be a wake-up call," said Sawyer. "We should be building a climate that will bring business and jobs to Connecticut, not scare them away. Eliminating the Business Entity Tax is a great first step to reversing the state's posture toward business."