



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

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*Your Home
Is Our
Business*

February 26, 2016

To: Senator John W. Fonfara and Representative Jeffrey J. Berger, Co-Chairs
Members of the Finance, Revenue and Bonding Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **HB 5047, AAC Exemptions Under the Property Tax**

The HBRA of Connecticut is a professional trade association with about eight hundred (800) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. We build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

The HBRA of CT supports section 1 of HB 5047, the provision to allow an exemption from property tax for a business whose personal property has a total assessed value of less than \$10,000. This would be a welcome change to our business personal property tax laws for small and many start-up businesses. In turn, it would be a good, pro-business step, albeit a small one, to foster business growth and project a business-friendly environment in Connecticut.

Businesses would have to apply for the exemption annually and the exemption should not increase a municipal tax assessor's burden to audit these accounts. For many small businesses today, which file their annual property tax declarations, the municipal assessor takes the declaration at face value. Many such businesses do not undergo an audit, although all know they could be subject to one. And, moreover, property tax declarations are filed under penalty of false statement by a business owner with a signed and often notarized affidavit that the declaration is a true statement of all personal property liable to taxation. The risk of deceit by business owners under this proposal is no greater than exists today. It is, frankly, an insult to business owners to hear chief elected officials state this exemption would encourage deceit.

Therefore, we urge you to pass section 1 of HB 5047 to help Connecticut become as business friendly as possible. We make no comment on the remainder of the bill.

While not part of HB 5047, we strongly support another property tax exemption that would remove a major tax barrier to starting new home construction in this state. Our proposal would provide relief to home builders from higher assessments on homes under construction or even completed but yet unsold homes. These higher assessments work to create both 1) a windfall for municipalities (i.e., receipt of a high home property tax but with nobody in the home to serve), and 2) a huge disincentive to start home construction. **If leadership is interested in this proposal, we'd be happy to further explain it and provide you legislative language.**

Thank you for the opportunity to comment on this legislation.

Vision: "Building CT's Economy, Communities and Better Lives One Home at a Time"
Mission: "Using Effective Advocacy and New Knowledge to Solve Our Member's Problems."