

<b>Act Number</b>	<b>Session</b>	<b>Bill Number</b>	<b>Total Number of Committee Pages</b>	<b>Total Number of House Pages</b>	<b>Total Number of Senate Pages</b>
PA 71-716		7755	2	1	1
<u>Committee Pages:</u> <ul style="list-style-type: none"> <li>• Finance 801-802</li> </ul>				<u>House Pages:</u> <ul style="list-style-type: none"> <li>• 4571(consent )</li> </ul>	<u>Senate Pages:</u> <ul style="list-style-type: none"> <li>• 3242(consent )</li> </ul>

**H-117**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
1971**

**VOL. 14  
PART 10  
4344-4830**

Thursday, June 3, 1971

6.

MBS

items for consideration today so it is going to require our usual high degree of cooperation.

RONALD SARASIN, 95th District:

Mr. Speaker, prior to moving the Consent Calendar, I would like to remove one item from page 5, single starred item at the top of the page, Calendar No. 1328, House Bill No. 6658, file 1499.

MR. SPEAKER:

Objection is noted and Calendar No. 1328 will be removed from the Consent Calendar.

RONALD SARASIN, 95th District:

Mr. Speaker, I move adoption of the joint committees favorable reports and passage of the two-starred items on the Consent Calendar, which are as follows:

On page 1, Calendar No. 1262, Substitute for House Bill No. 5760, An Act Authorizing the Treasurer to Replace Mutilated, Defaced, Destroyed, Stolen or Lost State Obligations, file 1425.

Calendar No. 1264, House Bill No. 7755, An Act Concerning Limitation of Reserve Fund for Fire Districts, file 1434.

Calendar No. 1267, Substitute for House Bill No. 8798, An Act Concerning Public Hearings of Proposed Layout of State Highways, file 1435.

Calendar No. 1268, House Bill No. 8947, An Act Concerning Deferred Terms Regarding Zoning Officials. File 1426.

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CONNECTICUT  
GENERAL ASSEMBLY

SENATE

PROCEEDINGS  
1971

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PART 7  
2874-3413

June 8, 1971

6.

the Majority and Minority leaders I move that we accept the joint committee Favorable reports. Acceptance and passage of the following bills:

On page two of the Calendar, Cal. 1105, File 1225, Substitute for H.B. 8672 An Act Repealing Provisions made Unnecessary by State Building Code.

On Page 3 of the Calendar, Cal. 1158, File 1651 Substitute for S.B. 463 An Act Concerning Participation by Savings Banks in the Provision of Housing for Connecticut Residents.

On page 4, Cal. 1188, File 1337 Substitute for H.B. 6333 An Act Concerning Payroll Deductions of Insurance Premiums by Public Service Companies.

Same page Cal. 1194, File 1403 H.B. 9253 An Act Validating As Timely the Notice Given by Helen Romanewicz and to That extent Granting Her Permission to Prosecute to Final Effect a Suit Against the Town of Colchester and the Borough of Colchester.

On Page 5, Cal. 1205, File 1715, Substitute for S.B. 41 An Act Concerning Conviction and Sentencing of Girls in Manifest Danger of Falling Into Habits of Vice.

Cal. 1215, File 739, H.B. 7302 An Act Concerning Fire Protection Service at the Southeastern Branch of the University of Connecticut.

Cal. 1216, File 1434 H.B. 7755 An Act Concerning Limitation of Reserve Fund for Fire Districts.

Cal. 1220, File 1424 H.B. 8269 An Concerning the Minimum Corporation Business Tax.

Page 6, Cal. 1227, File 1426 H.B. 8947 An Act Concerning Deferred Terms Regarding Zoning Officials.

Cal. 1243, File 1493 Substitute for H.B. 5408 An Act Concerning the Adoption of a Uniform Model State Administration Procedure Act.

Page 7, Cal. 1244, File 1486 Substitute for H.B. 5609 An Act Concerning the Assessment of Benefits by Sewer Authorities.

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**FINANCE**

**PART 3  
727-1114**

**1971**

W. Breslow: against the State, the State will have to refund all the money they collected. We have been advised and our clients to pay the tax, and incidently some accountants have been advising their clients not to pay the tax - what the heck we know it's unconstitutional - that I don't know, I tell my clients to pay the tax and to wait three years and then file for a refund. Hopefully by then some of these big chasers will be through. This is self-defeating because I think that the State in three years is going to have to pay back all this money, unless if you want to have a capital gains tax unless you provide for a step-up basis that the Federal Government and every other state I know of also provides. Gentlemen, I thank you.

Sen. Rimer: from the 26th district. The main thrust of your argument as I've heard it seems to attack the existing capital gains tax because it discriminates against capital gains and is not part of an overall package of taxation or income tax, such as under a federal regulation. Now, my specific question to you, if instead of having a separate tax on capital gains as now exists in the State of Connecticut, if it became part of an income tax which resulted in favorable treatment, as opposed to unfavorable treatment for those who are unfortunate enough to have capital gains, would your reaction be favorable to this type of approach or would you still be opposed to any capital tax at all regardless to whether or not it was incorporated in an income tax program.

W. Breslow: Sir, if a capital gains tax similar to that of the federal government were incorporated in an income tax at that point we would feel that you would be remiss in your duty to not extending the income tax to the capital gains tax.

Rep. Clynes: Any other questions from the committee.

Andrew Flanagan: Mr. Chairman, I'm representing the Connecticut Firemen's Association, Connecticut Fire Chiefs, the Connecticut Fire Chiefs Technical Advisory Committee, in support of HB 7755. The requested change in this bill is to assist the small volunteer fire department which is established within a fire district and serving that community to increase the amount of monies that may be retained in the reserved fund. Under the present law they cannot have any further funds in the reserve fund that will exceed the current tax levy. This poses a problem to the small department to his desirous and through need or necessity of buying additional equipment or fire apparatus. We ask your

A. Flanagan: consideration to increase this to three times the current tax levy so therefore the reserve fund will be larger for expenditure on capital projects and the purchase of fire equipment or in the need of a piece of apparatus. Apparatus today is a costly item and it is a necessity to the protection of the individual, the home owner and to business. But, if they are restricted under the present law and to have to furnish and buy new equipment that it means either through bond issue by the fire district or by borrowing over a period of time which will take extra and additional interest charges on that money, therefore we ask you to give favorable consideration to this request and increase the amount of, to three times the current tax levy to be placed in the reserve fund. Thank you.

Rep. Clynes: Thank you. Any questions.

Rep. Comstock: Mr. Flanagan over the average, what would be the average tax levy in a fire district.

A. Flanagan: Some of them are very, very small they may have a district in which the tax levy may be  $\frac{1}{2}$  a mill, 1,  $1\frac{1}{2}$  mill - they may raise in the neighborhood of four to five thousand dollars and the unexpended amount then going into the reserve fund for that particular item of fire protection and over a period of years it will grow, but at the present time it could not exceed that Mr. Comstock.

Rep. Comstock: Thank you.

Rep. Clynes: Thank you. Mr. Kanell.

Samuel Kanell: Mr. Chairman, members of the Committee, I'm Deputy Transportation Commissioner of the Rail motor carriers services. I speak with respect SB1303 which would take 5 penny tax against the gasoline to use to support and improve motor carrier service. I'm certainly in favor of the principal of better motor carrier service but I want to point out to the Committee as a matter of information that the programs now on the way, now under way and are available for the sport of motor bus service. First they make available inaudible - inaudible if you want to glance to this rather quickly for just a moment it might be helpful to point out that I think Mr. Blasko mentioned under item four for example there is now some public support for a motor bus service. For example regular route motor bus service carriers in this state receive a 15% abatement on the property tax of the inaudible.. They also receive a 50% abatement on gasoline taxes with respect to buses over city streets. Obviously this is not enough because our bus companies are still in trouble. We have established the public