

Legislative History for Connecticut Act

Act Number: 08-142

Bill Number: 5931

Senate Pages: 5379-5382

House Pages: 2114-2118

Committee: Finance: 746-751, 784, 833

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
2008

JUNE
SPECIAL
SESSIONS

VOL. 51
PART 18
5353-5643

jlm

437

Senate

May 7, 2008

SEN. LOONEY:

Thank you, Mr. President. And if we might move then to Calendar Page 5, Calendar 468.

THE CHAIR:

Mr. Clerk. Or, Senator Looney, I'm sorry.

SEN. LOONEY:

Calendar Page 5, Calendar 468, House Bill 5931.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Calendar Page 5, Calendar 468, File 637,
Substitute for House Bill 5931, An Act Concerning
Applicability Of Entertainment Industry Tax Credits,
Favorable Report of the Committee on Finance, Revenue
and Bonding.

THE CHAIR:

Senator Daily.

SEN. DAILY:

jlm

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Senate

May 7, 2008

Thank you very much, Mr. President. I move the Joint Committee's Favorable Report in Concurrence with the House.

THE CHAIR:

On approval, Ma'am, would you like to discuss it further?

Senator McKinney, if you'd like to have a conversation with the group, please take it outside. Thank you. Senator Daily.

SEN. DAILY:

I move the Joint Committee's Favorable Report in Concurrence with the House.

THE CHAIR:

Will you remark further on House Bill 5931? Will you remark further? If not, Mr. Clerk, please call for a roll call vote. The machine will be open.

SEN. DAILY:

Mr. President.

THE CHAIR:

jlm

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Senate

May 7, 2008

Yes, Senator Daily.

SEN. DAILY:

I'm very sorry. Probably I should have commented that it would be moved to a Consent Calendar.

THE CHAIR:

Is there, Senator Guglielmo.

SEN. GUGLIELMO:

[inaudible - microphone not on]

THE CHAIR:

You object? Okay, Mr. Clerk, please call for a roll call vote. The machine will be open.

THE CLERK:

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

jlm

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Senate

May 7, 2008

Have all Senators voted? If all Senators have voted, the machine will be locked. The Clerk will call the tally.

THE CLERK:

Motion is on passage of House Bill 5931 in Concurrence with the House.

Total number voting, 35; those necessary for passage, 18. Those voting "yea", 34; those voting "nay", 1. Those absent and not voting, 1.

THE CHAIR:

The bill passes. Senator Looney.

SEN. LOONEY:

Yes, thank you, Mr. President, if we might return to the item that was Passed Temporarily, Calendar Page 15, Calendar 239, Senate Bill 655.

THE CHAIR:

Mr. Clerk.

THE CLERK:

H-1019

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
2008

VOL. 51
PART 6
1764-2118

amr

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House of Representatives

April 22, 2008

The House of Representatives is voting by Roll Call. Members of the Chamber. The House is voting by Roll Call. Members to the Chamber, please.

DEPUTY SPEAKER ALTOBELLO:

Will the Clerk please announce the tally?

CLERK:

House Bill Number 5629, as amended by House Amendment Schedule "A".

Total Number Voting	151
Necessary for Adoption	76
Those voting Yea	135
Those voting Nay	16
Those absent and not voting	0

DEPUTY SPEAKER ALTOBELLO:

The amendment has passed. Will the Clerk please call Calendar Number 385.

CLERK:

On Page 16, Calendar Number 385, Substitute for House Bill Number 5931, ACT CONCERNING THE APPLICABILITY OF ENTERTAINMENT INDUSTRY TAX CREDITS, Favorable Report by the Committee on Finance.

DEPUTY SPEAKER ALTOBELLO:

amr

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House of Representatives

April 22, 2008

Representative Staples of the 96th, you have the floor, Sir.

REP. STAPLES: (96th)

Thank you, Mr. Speaker. Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER ALTOBELLO:

Question his acceptance of the Joint Committee's Favorable Report and passage of the bill. Please proceed, Sir.

REP. STAPLES: (96th)

Thank you, Mr. Speaker. The bill before us makes some technical changes to the entertainment industry tax credit program, that this General Assembly adopted a couple of years ago.

Specifically, it makes to significant changes. Last year when we reauthorize the program we expand that the taxes that the tax credits can credit accounts from the corporation business tax to include also the insurance premiums tax.

We also may detect credits transferable. Those were two changes that were made as I mentioned a year

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House of Representatives

April 22, 2008

ago. What transpired thereafter was that project that applied in a pre-application phase prior to those changes and thought that they would be eligible under those changes last year, were held accountable to the language of the statute from the prior year.

In other words, they were not able to access the insurance premiums tax and they were not able to have a credit to transferable.

The bill before us today makes those changes that we made last year applicable to those projects that were in the pipeline immediately prior to the start of the last fiscal year, thereby permitting them access to the additional tax and also to make the credits transferable.

This figure, the changes are important in that they brought in the based at the credits can be applied against. They do not have a physical impact and that the credits have already been issued in the amount of \$55 million, they are already applicable to corporation tax.

So the state is already responsible for that cost. This would just promote the holders of those

amr

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House of Representatives

April 22, 2008

credits to apply them against the insurance premiums tax as well. So Mr. Speaker, with that explanation, I urge my colleagues to support the bill before us.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative Staples. Further on the bill? If not, staff and guests please retire to a Well of the House. Members take your seats. The machine will be opened.

CLERK:

The House of Representatives is voting by Roll
Call. Members to the Chamber. The House is voting by Roll Call. Members to the Chamber, please.

DEPUTY SPEAKER ALTOBELLO:

Have all Members voted? And all Members voted? Please check the board to make sure your vote is properly cast. If all Members have voted, the machine will be locked. Will the Clerk please take the tally? Will the Clerk please announce the tally?

CLERK:

House Bill Number 5931..

Total Number Voting	151
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Necessary for Adoption	76
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amr

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House of Representatives April 22, 2008

Those voting Yea 146

Those voting Nay 5

Those absent and not voting 0

DEPUTY SPEAKER ALTOBELLO:

The bill passes.

(CHAMBER AT EASE)

DEPUTY SPEAKER ALTOBELLO:

Will the House please come to order?

Representative Christ of the 11th, for what purpose do you rise?

REP. CHRIST: (11th)

Thank you, Mr. Speaker. Earlier today we referred to Calendar Number 431, Senate Bill Number 582 to the Finance Committee. I will be moving to suspend the rules for the immediate consideration of that bill.

So with that, which is still in our possession, with that in honor of Earth Day, I move for the suspension of the rules for the immediate consideration of Calendar Number 431, Senate Bill Number 582, AN ACT CONCERNING RECYCLING OF COVERED ELECTRONIC DEVICES.

JOINT
STANDING
COMMITTEE
HEARINGS

FINANCE
REVENUE
AND
BONDING

PART 3
574-856

2008

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pat

FINANCE, REVENUE AND BONDING

March 24, 2008

Unfortunately, the laws in Hartford have to change and until then, the City's really limited in what it can do.

So I'm here to talk to you guys. I may not totally understand everything. I'm talking about the tax, the circuit breaker law. I don't understand, I understand that the tax, the state asks me to pay as much as some of the wealthier people do tax-wise.

And what I don't understand is why the state can't have it be like our income tax, which is, you know, why can't they do the property taxes like that? The circuit breaker bill would target a specific income group.

UNIDENTIFIED SPEAKER: [inaudible-microphone not on]

REBECCA TURCIO: That's it. I'm rambling.

SEN. DAILY: Thank you for your time here today. Steve Reviczky followed by Jeff Carolus.

STEVE REVICZKY: Good afternoon.

SEN. DAILY: Good afternoon.

STEVE REVICZKY: Senator Daily, Ranking Member Meyer, Members of the Finance Committee, my name is Steve Reviczky. I'm the Executive Director of the Connecticut Farm Bureau Association.

SB 708
HB 5931

Connecticut Farm Bureau is a statewide, private nonprofit membership organization dedicated to

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FINANCE, REVENUE AND BONDING

March 24, 2008

farming and the future of agriculture in Connecticut.

I have submitted written testimony on Senate Bill 708 AN ACT PROVIDING ASSISTANCE FOR WORKING DAIRY FARMS.

So I would ask you to review that written testimony, but I'm here to speak in support of House Bill 5931 AN ACT CONCERNING AN EXTENSION OF THE SALES TAX EXEMPTION FOR FARMERS FOR CERTAIN SERVICES AND LABOR.

What this bill would do is extend the current sales tax exemption from parts associated with the repair of farm equipment to the labor that is often engaged by farmers to repair that equipment.

While this may not be a significant amount of money in the scheme of the entire state budget, it would be meaningful to Connecticut's farmers and would make a difference to them.

Connecticut Farm Bureau also suggests that the proposed exemption extension be modified to include custom services. Examples of custom services include the application of fertilizer and pesticides, the plowing of fields and planting, growing, cultivating and harvesting crops.

As you are aware, there are significant specialized equipment necessary for agricultural production. The high cost of this equipment prohibits the majority of Connecticut

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pat FINANCE, REVENUE AND BONDING March 24, 2008

farmers from owning every piece of equipment necessary for their agricultural operations.

Therefore, when a farmer hires another to provide the necessary services, they are currently required to pay sales tax on those services.

Extending a limited sales tax exemption to farmers who qualify under Section 12-412 to cover for hire custom agricultural services and labor associated with the repair of agricultural equipment would be a great help to Connecticut farmers.

And I also, there were a lot of questions that were asked regarding the grants that were provided to dairy farmers over the last couple of years.

In 2006 the General Assembly, through the Governor's office, allocated \$2 million for grants, and last year the General Assembly approved \$4 million.

SEN. DAILY: Thank you. Are there questions? Thank you very much.

STEVE REVICZKY: Thank you.

SEN. DAILY: Jeff Carolus. You also can feel free to correct my pronunciation.

JEFF CAROLUS: Carolus.

SEN. DAILY: Carolus. Followed by Grant Westerson and Steve Wawruck.

JEFF CAROLUS: Hi. I'm here to do testimony in support of the Senate Bill 708 and House Bill 5931. My name is Jeff Carolus and I reside in the Town of East Windsor, the Broad Brook section, and I've been for the past 22 years supplying nutritional services and products to the dairy farms in Connecticut.

I do travel across most of southern New England. Now the previous four years before that, I worked in northern New England, predominantly Vermont, northern New York and I sold feed.

Ellington Valley was legendary from the standpoint that it was the most cows of, dairy cows of anywhere in North America. I don't know how many years ago that was, but it's obviously not now. California has that distinguished honor.

But as of today, there's, I think, four dairy farms [Gap in testimony. Changing from Tape 3B to Tape 4A.]

--now houses, and East Windsor we have no dairy farms left at all. In fact, on my own house I'm kind of hypocritical because my own house is built on tobacco land and it's just housing developments are going up all over the place.

Hopefully I can help in answering a couple of the questions that were asked to one of my dairy farm clients that, as far as milk production moving west, well, they have their own problems.

They're going to be in a war for water out there, and they purchase most of, if not all of their crops and a lot of those farms, a friend of mine that is outside of Denver has gotten 10,000 acres that has been shut down out of hay production, outside of Denver because the water is required for people to water their lawns instead of producing hay for the dairy farms and for horse farms.

We're, there was a statement, and I don't know who made it, but once a country cannot feed itself, you'll soon become a third world country, and you will become a slave or a servant to a powerful country, and we're heading that way right now.

And we need to preserve the land that we have whether it's Connecticut, New York. They're not making more land, and the only reason that dairy production continues to rise in incremental amounts is the efficiency and the necessity for my dairy farm accounts to produce more milk with less input, and they continually do that. That's genetics. That's management things.

But, the cost of the inputs for the grain and other things that are coming in, the fuel, the fertilizer you've heard, is just leapfrogging over that.

Now, my concern as a taxpayer in Connecticut is, I have my middle daughter here, and our town, year after year talks about cutting, and I'm sorry I'm going over, but they're cutting,

they talk constantly every year of cutting band and athletics.

I have four daughters and they're very big into sports, and they're also very big into band, and I think that's an important part of growing up and learning teamwork, learning how to be part of society, is through those kind of things that you can't put a price tag on.

But if we drive the farms out, then we end up with a negative tax base rather than an increase in taxes that businesses provide versus homes.

And I thank you for hearing me.

SEN. DAILY: Thank you very much. We need to keep your daughter and your other children in this state.

JEFF CAROLUS: Well, she would love to go to UConn, get a degree in chemistry, get a law degree, and then also be an advocate for the farming community here in Connecticut, so.

SEN. DAILY: We certainly look forward to that.

JEFF CAROLUS: Thank you.

SEN. DAILY: Are there questions of Mr. Carolus? Thank you very much.

JEFF CAROLUS: Thank you.

SEN. DAILY: Grant Westerson followed by Steve Wawruck.

Jeff Carolus
Renaissance Nutrition Inc.
56 Broadbrook Rd
Broad Brook, CT. 06016

Testimony in support of bills S.B.708 and H.B.5931

My name is Jeff Carolus and I reside in the town of East Windsor, Connecticut. For the past 22 years I have been supplying the dairy farms in southern New England, and mainly Connecticut, with nutritional products and services. In 1986, the Ellington valley was legendary for its number of farms; along with dairy were crops, nurseries, tobacco and orchards. Today that landscape has been forever changed to housing developments and no longer will be open space. Connecticut had some of the most fertile crop land in all North America but due to the financial strain of farmers battling the higher cost of doing business in southern New England, the farmers have sold the land to development and never will see cropping again.

The state of Connecticut and all of America should be concerned about this trend because a country that can't feed itself will very soon become a "**Third World Country**". Along with the open land being gone forever, the housing trend increases the tax burden for the towns losing their farms. Houses do not provide a positive tax revenue but rather utilize more tax dollars and services than they pay. In East Windsor, the school budgets are constantly trying to eliminate band and athletics just to meet their rising costs. How does this happen when you have 10-20% more homes paying taxes each year in our towns? The cost of losing our few dairy farms left will be far greater than providing surety of an income that can sustain them and the few supporting business that are left in the state. Think of the number of acres that would then be developed!

We know that there are tremendous benefits for recreation, wildlife, vistas, etc. by maintaining an agricultural society in our state but don't forget the financial benefits that are reaped. I know that my children would like to stay in Connecticut but having farm and rural areas, in this state, is an important part of their lifestyle and will impact their decision to stay here.

Thank You

A handwritten signature in cursive script that reads "Jeff Carolus". The signature is written in dark ink and is positioned below the typed name "Jeff Carolus".

**Connecticut Farm Bureau Association, Inc.**

775 Bloomfield Avenue • Windsor, CT 06095-2322
(860) 298-4400 • Fax (860) 298-4408 • www.cfba.org

To: Finance Committee

Date: March 24, 2008

Testimony in regards to:

***RE: HB 5931 - AN ACT CONCERNING AN EXTENSION OF THE SALES TAX
EXEMPTION FOR FARMERS FOR CERTAIN SERVICES AND LABOR***

Submitted by: Steven K. Reviczky, Executive Director, Connecticut Farm Bureau Association

The following testimony is submitted on behalf of the Connecticut Farm Bureau, a statewide nonprofit membership organization of 5,000 families dedicated to farmers and the future of Connecticut agriculture.

Connecticut Farm Bureau supports HB 5931, AAC An Extension of the Sales Tax Exemption for Farmers for Certain Services and Labor. There is currently an existing sales tax exemption on parts for agricultural equipment. As the title of bill suggests, HB 5931 would extend this exemption to the outside labor that farmers sometimes engage to make necessary repairs on that equipment. While this may not be a significant impact on the overall State Budget, the savings to a individual farmer can be meaningful and make a difference.

CT Farm Bureau suggests that the proposed exemption extension be modified to include custom services. Examples of custom services would include the application of fertilizer and pesticides, the plowing of fields, and planting, growing, cultivating, and harvesting of crops. As you are aware, there is significant specialized equipment necessary for agricultural production. The high cost of this equipment prohibits the majority of Connecticut farmers from owning every piece of equipment necessary for their agricultural operations. Therefore, when a farmer hires another to provide these necessary farming services, they currently required to pay sales tax on those services.

Extending a limited sales tax exemption to farmers who qualify under Section 12-412 (63) of the Connecticut General Statutes to cover for-hire custom agricultural services and labor associated with the repair of agricultural equipment would be a great help to Connecticut farmers.

Please support HB 5931, AAC An Extension of the Sales Tax Exemption for Farmers for Certain Services and Labor.