



State of Connecticut
HOUSE OF REPRESENTATIVES
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Testimony in support of
**H.B. 5172: An Act Concerning Payments In Lieu Of Taxes To Municipalities For
Manufacturing Machinery and Equipment**

Appropriations Committee

March 26, 2021

Co-Chairs Osten and Walker, Ranking Members Miner and France, and fellow colleagues of the
of the Appropriations committee,

I am submitting testimony on behalf of the Town and residents of Newington and the
manufacturing businesses that provide high paying jobs and support our local economies in
support of **H.B. 5172: An Act Concerning Payments In Lieu Of Taxes To Municipalities For
Manufacturing Machinery and Equipment.**

Manufacturing has been an essential industry to Connecticut's economy since almost the
beginning of our state's history. It provides thousands of jobs and millions of dollars in revenue
to our state each year and provides much needed revenue to our municipalities.

Manufacturing has faced numerous challenges within the United States over the last fifty years,
but Connecticut manufacturing has made a strong comeback and established itself as a leader
in advanced high technology manufacturing with a highly trained and educated workforce to
support it. We must continue our goal of supporting the manufacturing industry so they can help
further grow our economy and create new high paying jobs.

Property tax exemptions on machinery and equipment are good incentives to attract these
businesses to the state. However, the state stopped reimbursing municipalities in 2011 to cover
the lost revenue from the exemptions. As a result, many towns have lost significant revenue.
For example, Newington has lost over \$25 million since 2011. In order to make up this revenue
to support local public schools and services, the property tax burden is passed on to
homeowners and other businesses who are already increasingly burdened year after year by
rising taxes.

The current situation creates a disincentive to help attract manufacturing businesses to Connecticut. I have heard from local officials that they would rather have a big box retail store and use its economic development resources to attract those types of businesses instead of manufacturing. As a result, we are hurting the growth of the manufacturing industry and the creation of additional high paying jobs.

By passing this bill and fully reimbursing municipalities for the lost revenue due to exemptions, we will be accomplishing two important goals to assist our towns, businesses, and constituents. First, we will ensure that our towns are incentivized to attract manufacturers, that they will work to keep current ones, and help them expand to grow our economy. Second, we will be providing much needed property tax relief by removing the burden of this exemption on our municipalities which forces them to make up for lost revenue onto our constituents. Supporting this bill and dedicating the funding is a win-win for our entire state.

Thank you very much for allowing this important bill a public hearing. I strongly urge my colleagues' support in passing this bill out of the Appropriations Committee and incorporating the needed funding into this year's budget.

Sincerely,

A handwritten signature in black ink that reads "Gary Turco". The signature is written in a cursive, flowing style.

Gary Turco
State Representative
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