

May 17, 2021

To: Finance, Revenue & Bonding Committee Leaders

Cc: Caucus Leaders

The undersigned organizations, which collectively represent tens of thousands of businesses in the State of Connecticut, write to ask that, as you continue to work on crafting the state budget, you ultimately remove Section 42 of HB 6443, better known as the truck mileage tax.

Our organizations represent businesses that operate trucks, or depend on trucks, to run their businesses. Imposing a truck mileage tax – a concept which has been repealed in 20 other states because it is unworkable – would negatively impact Connecticut businesses. It would mean hundreds of thousands of dollars in new taxes annually for many companies that operate trucks. It would mean increased costs to businesses to receive products transported by those trucks, as trucking companies have testified that they will not be able to absorb the cost of the truck mileage tax.

Grocery stores, gas stations, and other retailers will see higher costs to obtain the products that they ultimately sell to Connecticut consumers. Manufacturers and agricultural transporters will be impacted by this. Because 98% of Connecticut's freight is transported by truck, its repercussions will be felt by nearly all businesses and consumers in the state, through higher operating costs and higher consumer prices.

To top this all off, we believe it is unlikely that the \$90 million in estimated annual revenue from the truck mileage tax will actually be collected. There does not seem to be any reliable supporting calculations to support that revenue estimate. Legislative testimony given by the administration stated that the numbers were based heavily on data from New York and Oregon, which have nothing to do with the State of Connecticut. If the estimated revenue is not collected, that will leave Connecticut unable to leverage hundreds of millions of dollars from the federal government to fund 80 or 90 percent of the cost of major infrastructure projects, which the administration is banking on.

In conclusion, we believe that not only is the truck mileage tax proposal bad for Connecticut small businesses, it is a highly risky proposition for the State of Connecticut as a whole. We respectfully urge that this be removed from the budget.

Sincerely,

Connecticut Business & Industry Association (CBIA)

Connecticut Energy Marketers Association (CEMA)

Connecticut Farm Bureau

Connecticut Food Association (CFA)

Connecticut Manufacturers' Collaborative (CMC)  
Connecticut Nursery & Landscape Association (CNLA)  
FedEx  
Motor Transport Association of Connecticut (MTAC)  
National Federation of Independent Business (NFIB)  
National Waste & Recycling Association (NWRA)  
Northwest Connecticut Chamber of Commerce  
Lumber Dealers Association of Connecticut (LDAC)  
United Parcel Service (UPS)  
Waterbury Regional Chamber

