

MEMORNDUM

Connecticut State and Local Tax Study Panel

December 3, 2015

TO: Members of the Connecticut Tax Study Panel

FR: Robert D. Ebel, Executive Director
Michael E. Bell, Director of Local Government Research

RE: December 8: Materials Relating to Property Taxation and Local Revenue Diversification

Four attachments accompany this Memorandum. As a set they provide the Panel with the full set of December 8 Discussion Materials relating to the Connecticut's system of property taxation and non-property options for increasing local revenue autonomy.

The attachments:

1. **Property Tax Findings and Policy Options.** This is a text discussion that reviews the key findings of the Panel's Research relating to local government finance. These Findings are followed by a set of Policy Options relating to the n the following eight topics:

- Property Tax Administration
- Tax Exempt Real Property
- Direct Property Tax Relief
- Indirect Property Tax Relief (Local Revenue Diversification/Local Non Property Tax Options.
- Taxes & Fees Options
- The Taxation of Motor Vehicles ("Car Tax")
- The Taxation of Business Personal Property, and
- Conveyance and Controlling Interest Taxation

2. A summary *Matrix of Property Options for Reform of the Property Tax and Local Revenue Diversification* that presents the policy options from each paper, their impact and potential revenue implications.

In addition, there are two short briefing notes on topics that came up at the Panel's November 17 meeting and which members of the Panel requested that the staff briefly address in its December 3 deliverables. These include:

3. A note on role a state property tax that emerged during the discussion at the November 17 panel meeting

4. A note on the role of local franchise fees that has raised at a number of panel meetings including November 17.

Forthcoming: The briefing notes that (i) review the background topics of the Panel's *Criteria for Evaluating Changes to the Connecticut State and Local Revenue System* (as approved at its May 12, 2015 meeting), the Connecticut Economy, Connecticut's Long Term *Fiscal Architecture* as well as (ii) key

findings and policy options of the state taxes [Personal Income, General Business, Sales, and Estate and Gift (includes the topic of Probated Fees)] will follow in as separate set of materials.