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**Year after year, it seems it becomes harder and more expensive to live in Connecticut
– despite what seems like a never-ending round of tax increases.**

In 2021, Connecticut residents paid the equivalent of 15.5 percent of the state’s net product in state and local taxes — the second-highest rate in the nation.

But rather than addressing the structural problems that have led to high taxes — including our pension debt and unbalanced relationship with government unions — elected officials seem content to tinker around the edges. They “suspend” unpopular taxes, especially around election time, rather than reforming the system itself.



What’s more, this year, the governor negotiated — and the legislature passed — a costly deal under which every state employee in a SEBAC union would receive bonuses totaling \$3,500; three annual general wage increases of 2.5 percent retroactive to last summer; and, where applicable, seniority-based “step” or “increment” raises.

That’s what makes this flyer so galling. It includes the closest approximation we can compile to all the taxes and fees Connecticut collects, some fees taking in as little as \$10. Collecting or administering the tax or fee is a government job — with the attendant salary and pension costs — but it costs more to collect it than it adds to the state’s coffers.

Connecticut needs to analyze its revenue streams and eliminate those doing more harm than good.

Here’s what we mean. The bottom 150 sources of revenue amount to only 0.05% of Connecticut’s total revenue. For those who pay these fees, they can constitute a significant burden — although a \$100 licensing fee is a mere drop in the bucket for Connecticut revenues, it may be a substantial expense for a new hairdresser struggling to get her first business off the ground.

Eliminating burdensome taxes and fees and making fundamental structural changes to our pension system are the first steps toward creating a free and thriving Connecticut.

Yankee Institute is committed to empowering the people of Connecticut to forge a brighter future for themselves and their families. By eliminating taxes that burden our state’s residents — and have no economic justification — our state’s government can leave them free to thrive.

Sincerely,

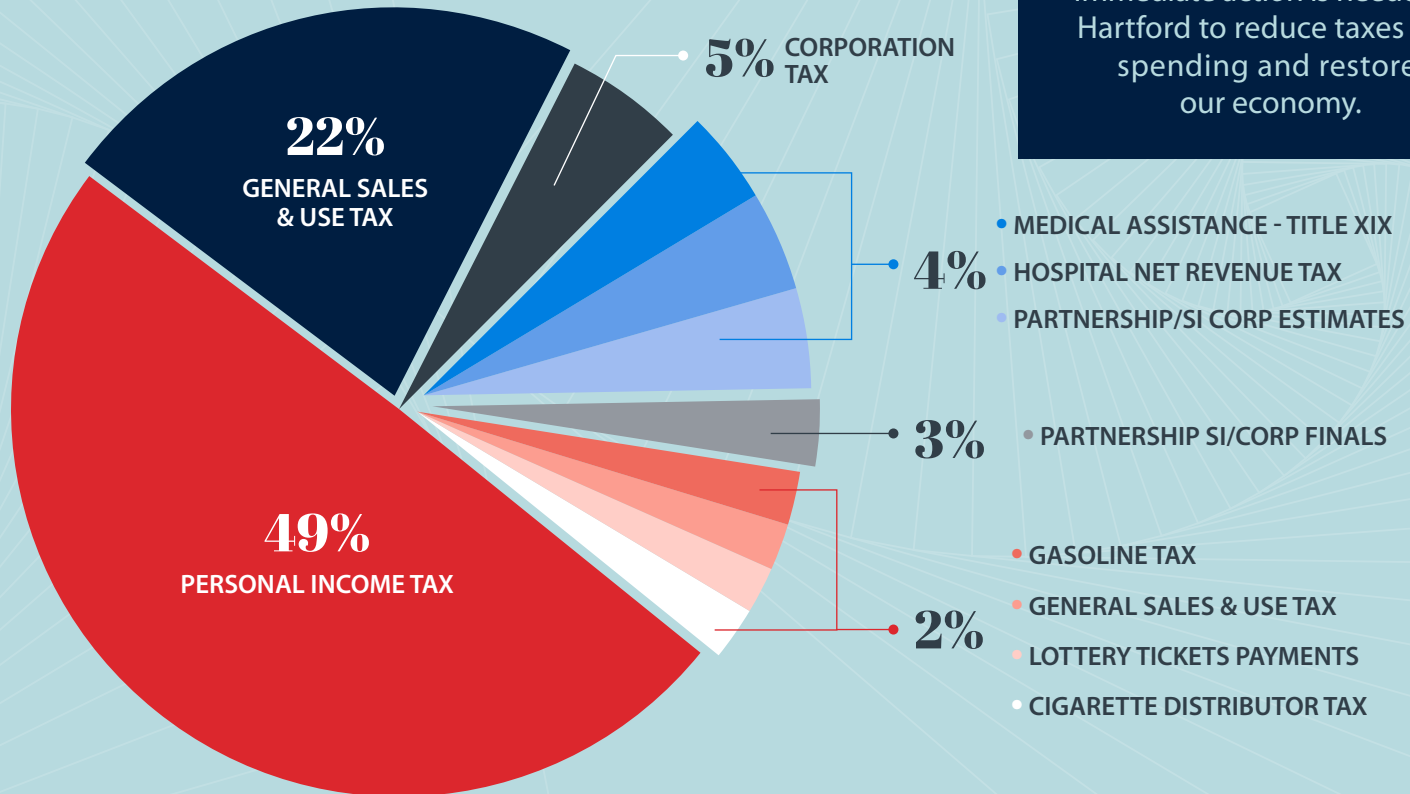
A handwritten signature in red ink that reads 'Carol Platt Liebau'.

Carol Platt Liebau, President

Why are your taxes so high, when Connecticut is still broke?

Connecticut generated **\$22.6 Billion** in revenue from **344 sources** in 2021

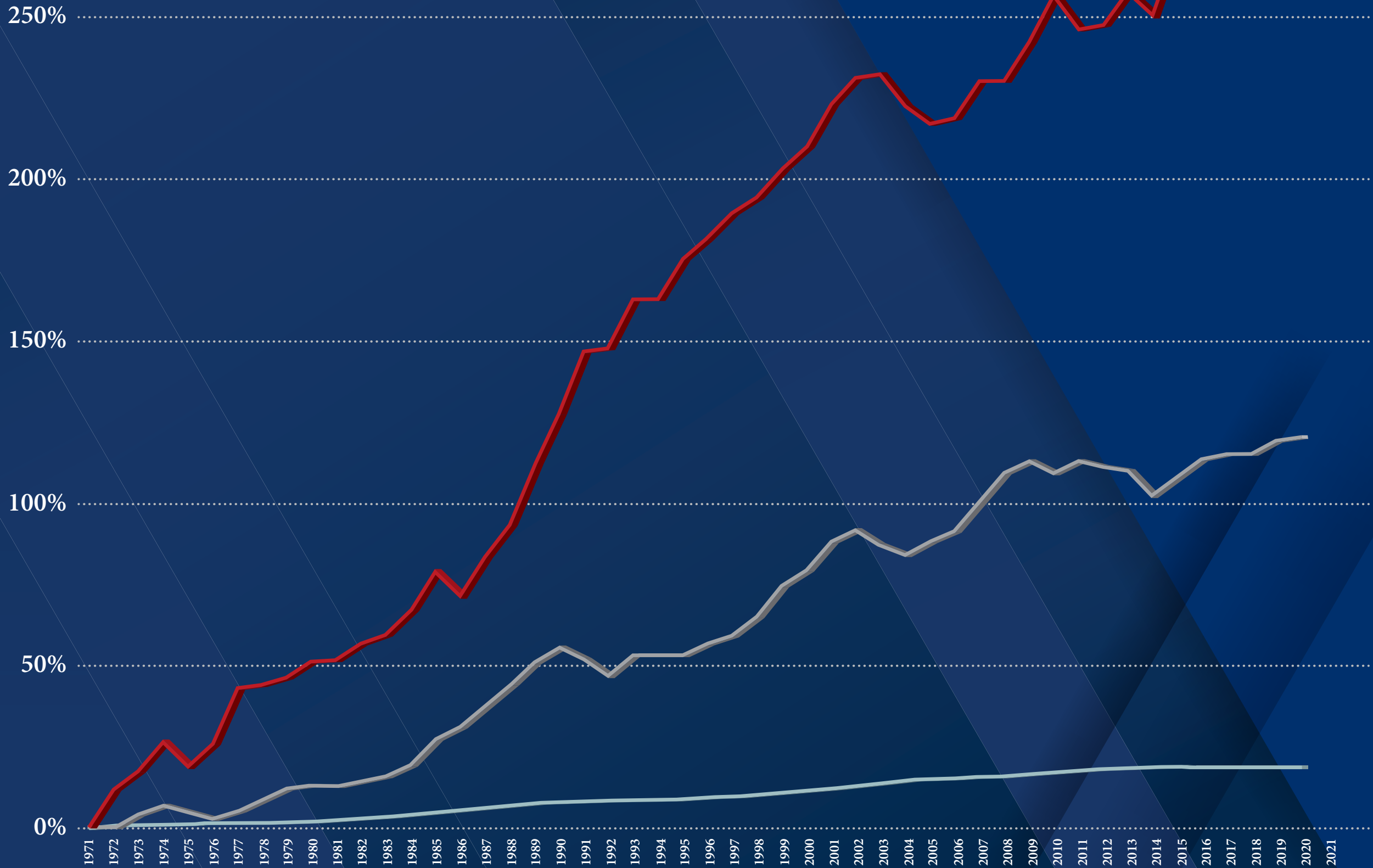
Immediate action is needed in Hartford to reduce taxes and spending and restore our economy.



Steep Rise in **CT Spending** 1970-2021

Sources: Census Bureau, Bureau of Economic Analysis, Connecticut Office of Policy and Management

% Increase Since 1970



Net Appropriations % Growth (Indexed to 1970)

Per Capita Personal Income % Change (Indexed to 1970)

State Population (% Change Indexed to 1970)

