



February 26, 2025

Dear Finance, Revenue, and Bonding Committee Members:

I write to express the support of the Southeastern CT Council of Governments for SB 739, An Act Concerning the Distribution of the Sales and Use Taxes Imposed on Meals Sold by an Eating Establishment, Caterer or Grocery Store.

SECOG's board of mayors, first selectmen, and town managers adopted a [legislative agenda](#) for 2025 which included seven focus areas, including authorizing a portion of sales and hotel taxes to go to host municipalities:

- **LOCAL SALES TAX:** Authorize municipalities to receive 1% of sales and hotel tax generated locally, or the authority to establish a local sales tax.
 - Sales tax revenue would help offset municipal reliance on property taxes to fund local services, particularly in municipalities with a high proportion of tax-exempt properties and/or municipal costs that serve regional needs.
 - A 2017 CCM report supported diversion of 1% of local sales tax to municipalities, and authorizing municipalities to establish additional sales, meals, and/or lodging taxes.

Southeastern Connecticut enjoys a strong tourism industry, with visitors to our region patronizing local businesses and cultural institutions. Our municipalities must scale their municipal services to support this tourism. Locally, the City of Groton, Town of Groton, and Town of Stonington have recently dedicated municipal resources to addressing parking and flooding issues in their tourism districts. Access to a small portion of hotel and sales tax generated by visitors would reduce the burden on local property owners to fund municipal services through property taxes.

Thank you for your attention to this worthy proposal.

Sincerely,

Amanda E. Kennedy
Executive Director