



Ryan Fazio (opinion): We need positive economic leadership in CT

Ryan Fazio

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This week, I gathered a group of our great small business owners and employees in southwestern Connecticut for a news conference to call for a positive change to our economic policy in Connecticut. The federal government has reported that Connecticut's economy declined at the second-fastest rate in the nation and our rate of personal income growth was the worst in the nation. We also have the fourth-lowest economic and personal income growth rates of any state since the current state leadership took office in 2019.

But the entrepreneurs and workers standing with me and across our state did not need to be told that by a report. A local restaurateur in our district said at our news conference Monday that it has become so hard to operate in this state that she considers stepping away but hasn't only because she wants to support her employees. A small technology business owner in Stamford recently told me when I knocked on his door that it would be more profitable for him to move to another state, but he's staying put for now because Stamford is home. So many families are struggling to choose which bills to pay with cost-of-living increases far outpacing their wages.

All of them deserve better choices. These small businesses and families help make our community great. They are what make me optimistic about this state. Yet state leadership and policy have failed to support them for a long time. We can do better with a positive policy change in our state capital. And that's exactly why I feel greater urgency than ever to run for a second term in the state Senate.

At our news conference, I reiterated my three-step plan for a growing economy in Connecticut. First, immediate tax relief over \$1 billion using a fraction of the cash windfall to the state government from federal stimulus and inflation. With inflation at a 40-year high, families need relief. Yet, the state's coffers are swelling for artificial reasons — and much that was used to increase permanent spending and bureaucracy in this year's budget.

Most of the surplus money should and is being used to retire existing state debt and pension liabilities — thanks to the budget reforms passed at the behest of Republican senators in 2017— but a significant fraction should also go to direct tax relief. It should mostly take the form of sales and income tax cuts, so that it benefits all families fairly, rather than narrow constituencies.

Second, there must be long-term tax reform that broadens the tax base and cuts income taxes to encourage economic growth. Connecticut has the second-highest tax burden in the nation according to the Tax Foundation, which the current majority raised by over \$1 billion per year in 2019. The overall burden disproportionately comes in the form of income taxes. Our income taxes, as high as 7 percent on top of all the other federal, state, and local taxes we pay, uniquely penalizes work, productivity, and family formation.

We could easily cut income tax rates across the board, giving the average middle class family in our district \$3,000 of relief, while financing the reforms by reducing special tax carve-outs and limiting future spending growth. This reform is vital to making Connecticut a destination for jobs, growth, and families for the future.

Finally, we need to streamline regulations to reduce the cost of living, support small business, seniors, and families. The Cato Institute ranked Connecticut's regulatory climate the costliest in the nation. Worse yet, the legislature has enacted over two dozen more workplace mandates on small and medium-sized businesses since 2016 and keeps trying to add more. We should increase the threshold that many costly regulations kick in on businesses to 25 or 50 employees so small businesses aren't harmed as much. We should reform our costly energy regulations which add as much as 20 percent to our electricity bills according to PURA and we should give PURA more independent oversight of Eversource. We should streamline regulations that make it more difficult for health care providers to expand services and for licenses health workers to come to Connecticut. We can make this state more affordable for all.

This state and its economy have all the qualities to succeed: A highly educated workforce, prime location, natural beauty, and strong communities. Yet our state's economy has been struggling more than almost any other for many years and the mistakes of the past continue to be made today. I remain an optimist, however, because I know that with positive leadership that our state and our people can prosper like never before. This year, let's vote to make that happen.