From Middlebury to Middletown and Norwalk to Norwich, people in Connecticut feel squeezed. Our state has become one of the most expensive places to raise a family or start a business. And in the face of stagnant wages and weak job growth, Hartford politicians have hit middle class families with tax increase after tax increase. Even worse, there’s barely anything to show for it: after three decades of mismanagement by governors of both parties, our budget hole remains deep and Connecticut’s working families are being asked to pick up more of the tab. It’s unfair, it’s unproductive, and it needs to change. Connecticut’s middle class needs and deserves a break.

Businesses won’t come to a state where their employees can’t afford to live. Young people won’t consider building a future in a state where they can’t afford to own a home. And long-time residents won’t retire where they can’t afford to remain.

That’s why I’m proposing a plan to give Connecticut families a property tax cut. Decades of fiscal mismanagement mean we can’t afford pie-in-the-sky promises, so I’m proposing a smart, achievable commitment to responsibly give middle class families the tax relief they deserve. It’s not only the right thing to do for working families; property tax relief is key to making Connecticut a better place to start or grow a business and create jobs.

Connecticut’s property tax system is broken. We rely far too much on taxing people’s homes and cars to fund essential local services. And towns and cities with the greatest local needs also have the greatest difficulty raising local revenues, with less local wealth to draw on and much of their local property exempt from taxation. Municipalities must become more efficient and reduce costs – but our state must also provide immediate relief to hard-pressed middle class families.

High-need towns and cities have schools to fund, roads to repair, and police and firefighters to keep on the job. With flat or declining local wealth, they are backed into ever-higher property tax rates.
– making it harder to attract residents and businesses and keep long-time locals in their homes. Development is distorted, too, creating incentives for towns to limit access to families with school-aged children and making it less attractive to develop affordable housing in our cities. Worse still, the burden of high property taxes is unfairly distributed: lower- and middle-income families and seniors are hit the hardest. And this is a problem that isn’t unique to homeowners: 20% or more of the cost of rent in Connecticut is due to local property taxes.

Reforming this broken system is imperative, but it will take time to turn around – and working families in Connecticut can’t afford to wait. Recently, the middle class lost one of the last breaks it got. Governor Malloy rolled back the property tax credit, effectively raising taxes on the middle class.

In my first biennial budget as governor, I will restore and expand the property tax credit for working families. Starting in the second year of my first budget, I will reverse Malloy’s tax hike by raising the property tax credit for existing beneficiaries by 50%. And I’ll expand eligibility, allowing any taxpayer with property tax liability to participate and growing the number of Connecticut residents who can get a break. If your household earns up to $160,500 a year, you’ll qualify for relief from property taxes paid on your home or your car. 900,000 taxpayers in homes with more than 2 million Connecticut residents would see a benefit. About half of these residents will be getting much-needed property tax relief for the first time in four years. That is meaningful relief, and it’s delivered responsibly at a cost of around just 1% of the most recent annual state budget.

Looking ahead, we need to do more. It’s no secret that Connecticut’s budget is as broken as our property tax system. Decades of fiscal mismanagement by Hartford politicians in both parties have put real limits on how much of a tax break we can reasonably afford – constraints that the Republicans willfully ignore in the hopes that no one will call them out on their fantasy math. Impossible promises won’t ever put money back in the pockets of working families in Connecticut, but responsible planning will.

That’s why in my second biennial budget, I’ll propose additional property tax relief targeted at the low- and middle-income taxpayers who are hit the hardest by this broken system. We’ll use the first two years to begin to get our state’s finances back on track, so that we can afford critical tax relief aimed at the families struggling hardest in Connecticut to make ends meet. For a relatively modest cost, we can provide up to a $1,200 credit to working families owning or renting a home and paying more than 6.5% of their income in property taxes. There are nearly 350,000 taxpayers in Connecticut, in homes with 915,000 people, who would stand to benefit. And the average beneficiary will receive a nearly $700 tax cut.

In the longer term, we need fundamental structural reform of Connecticut’s broken property tax system. That means having every stakeholder at the table – from municipal and nonprofit leaders who must do more with less, to teachers and first responders who make our communities run, to homeowners and renters who have to be able to afford a place to live. Structural reform starts with identifying inefficiencies within our fragmented system of 169 towns and cities, but it also means critically reexamining whether regional services make more sense than leaving every locality to fend for itself. These are tough choices, and only one candidate is telling the truth about them. I won’t be afraid to lead on structural reform – and to stand up right away for working families and the middle class who need a break and cannot wait.
A MIDDLE CLASS PROPERTY TAX CUT STARTING IN THE FIRST BIENNIAL BUDGET

IN THE FIRST BIENNIAL BUDGET

• In the second year, reversing Malloy’s tax hike by increasing the property tax credit by 50% and expanding access to more middle-class taxpayers. Singles earning up to $116,500, heads of households earning up to $138,500, and joint filers earning up to $160,500, will get relief of up to $300 from property taxes paid on a residence or car.

• That’s $165 million in new property tax relief for 900,000 taxpayers in households with more than 2 million Connecticut residents.

• Roughly half of those 900,000 taxpayers will see property tax relief for the first time since 2015.

IN THE SECOND BIENNIAL BUDGET

• After beginning to stabilize Connecticut’s finances in our first biennial budget, we’ll deliver targeted relief for the hardest-hit working families in our second biennial budget.

• There are nearly 350,000 taxpayers across the state who pay an enormous percentage of their household income in property taxes and who would qualify for much-needed targeted relief. More than 900,000 people and their families in Connecticut who spend at least 6.5% of their income on property taxes – and many who spend as much as 12% – would benefit.

• That’s $185 million in long-overdue relief to working families who pay a disproportionate percentage of their household income on property taxes, providing them with up to a $1,200 credit.

• To shore up property tax relief for Connecticut’s seniors, we’ll also restore state funding cut during the Malloy administration for the municipal property tax credit program – and add new funding to cover 25,000 senior renters under the same program.
FINDING SAVINGS FOR THE TAX PLAN

Republicans want you to believe they can eliminate the income tax and punch a $20 billion hole in the biennial budget without offering a single way to pay for it. That isn’t a serious plan. My proposal is different. It relies on practical and responsible ways to pay for the targeted relief that so many Connecticut families desperately need.

Here are some of the cost-saving measures over the next four years that will make a meaningful and responsible middle-class tax cut possible:

- Reducing costs at the Department of Correction. We currently spend over $1.3 billion a year on prisons and corrections – more than two and a half times what the state budget allocates to higher education. Thanks in large part to smart and sensible criminal justice reforms, Connecticut’s prison population continues to fall – as does the state’s crime rate. Keeping pace on these reforms will drive down these costs by $125 million a year.

- Improving tax enforcement and leveling the playing field for Connecticut businesses. By using technology, modern analytics, and rapid response, the Department of Revenue Services can improve tax collections, audit, and enforcement and close the “tax gap” (the amount of taxes that are owed but not collected). These reforms will generate savings and additional revenues from $150 million to $200 million.

- People have long participated in under-the-table sports gambling; a recent Supreme Court decision makes it possible for Connecticut to regulate this activity, after negotiation with our tribes, and draw between $30 million and $50 million in annual revenues from it for the first time.

These cost savings range from $305 million to $375 million and will responsibly fund meaningful property tax relief for the middle class.