



**CITY OF NEW HAVEN
BOARD OF ALDERS**

June 26, 2018

Honorable Tyisha Walker-Myers
President, Board of Alders
City of New Haven

Dear President Walker-Myers,

We would like to respectfully submit to the Board of Alders as a Communication, the attached Order directing the Corporation Counsel's office and all appropriate city departments to explore the possibility of New Haven establishing a community support organization that can accept charitable contributions for the benefit of the municipality.

A new federal law imposes a \$10K cap on state and local tax deductions. In the 2018 legislative session in Hartford, the Connecticut legislature passed a law trying to provide a way to minimize the harm of this new cap; it authorized each Connecticut municipality to establish a community support organization that can accept charitable contributions for the benefit of the municipality, and be the basis for a credit against the municipality's property tax.

While we are pleased the state provision was enacted, we recognize there is a significant likelihood the federal government will take steps to prevent the law, as well as similar provisions passed by New York and New Jersey, from being effective.

However, since New Haven just passed an 11% tax increase that will result in many residents being negatively impacted by the \$10K cap, we think it is very important to explore if New Haven should establish a community support organization, as now permitted under state law. We therefore request that the Corporation Counsel and all appropriate city departments be directed to investigate what enacting such an organization would entail, the likelihood that it would be effective, and any risk it might impose on taxpayers who utilized it.

We thank colleagues for consideration of this important matter and urge its approval.

Respectfully submitted,

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ABIGAIL ROTH
Alder, Ward 7

Anna M. Festa
ANNA M. FESTA
Alder, Ward 10

Steven Winter
STEVEN WINTER
Alder, Ward 21

Hacibey Catalbasoglu
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Alder, Ward 1

Kimberly R. Edwards
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Alder, Ward 19

**ORDER OF THE BOARD OF ALDERS DIRECTING THE CORPORATION COUNSEL
AND ALL APPROPRIATE CITY DEPARTMENTS TO EXPLORE THE POSSIBILITY
OF CREATING A COMMUNITY SUPPORT ORGANIZATION.**

WHEREAS: A new federal law imposes a \$10K cap on state and local tax deductions that will add to the overall tax burden already weighing heavily on many New Haven residents; and

WHEREAS: in the 2018 legislative session in Hartford, the Connecticut legislature passed a law trying to provide a way to minimize the harm of this new cap, in authorizing each Connecticut municipality to establish a community support organization that can accept charitable contributions for the benefit of the municipality and be the basis for a credit against the municipality's property tax; and

WHEREAS: given that New Haven just passed an 11% tax increase that will result in many residents being negatively impacted by the \$10K cap, it is important to explore if New Haven should establish a community support organization, as now permitted under state law; and

WHEREAS: while passage of such authorizing state legislation was a positive development, it's recognized that there is a significant likelihood the federal government will take steps to prevent the law, as well as similar provisions passed by New York and New Jersey, from being effective; and

WHEREAS: given these circumstances, the city's Corporation Counsel and all appropriate departments should begin investigating what enacting such an organization would entail, the likelihood that it would be effective, and any risk it might impose on taxpayers who utilized it.

NOW, THEREFORE, BE IT ORDERED by the New Haven Board of Alders that the city's Corporation Counsel and all appropriate city departments are hereby directed to explore and fully research the possibility of New Haven establishing a community support organization that can accept charitable contributions for the benefit of the municipality.

BE IT FURTHER ORDERED that a copy of this Order, duly adopted by this Board, be forwarded to Mayor Toni Harp and Corporation Counsel John Rose.