

State Tax Composition

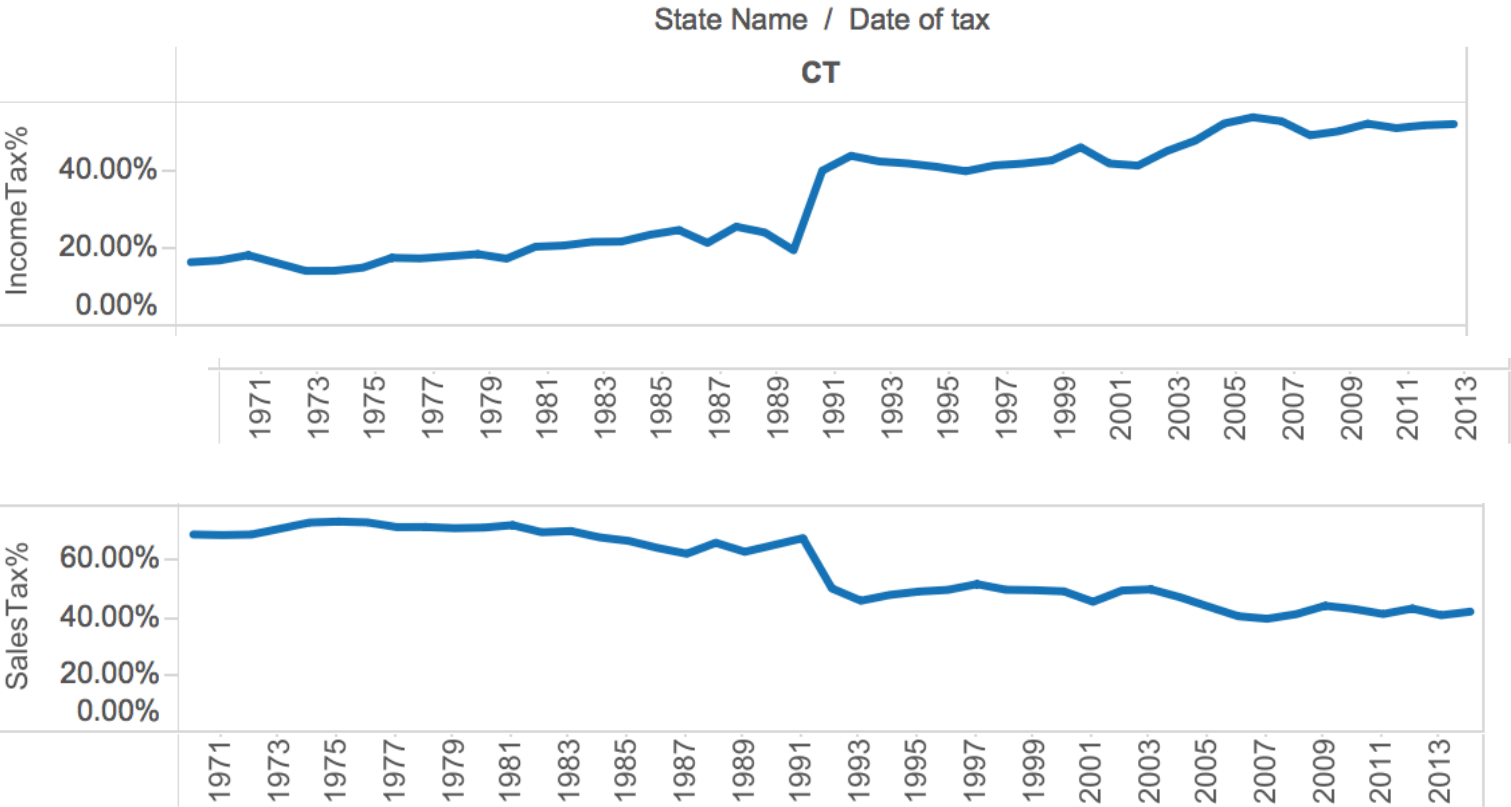
Trends in state tax composition before and after the 2008 Recession.

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Trend Line Showing Tax Composition For Each State



State Name: CT
Year of Date of tax: 2008
IncomeTax%: 53.46%
PropertyTax%: 0.00%
SalesTax%: 41.68%

State Name: CT
Year of Date of tax: 2009
IncomeTax%: 49.78%
PropertyTax%: 0.00%
SalesTax%: 44.62%

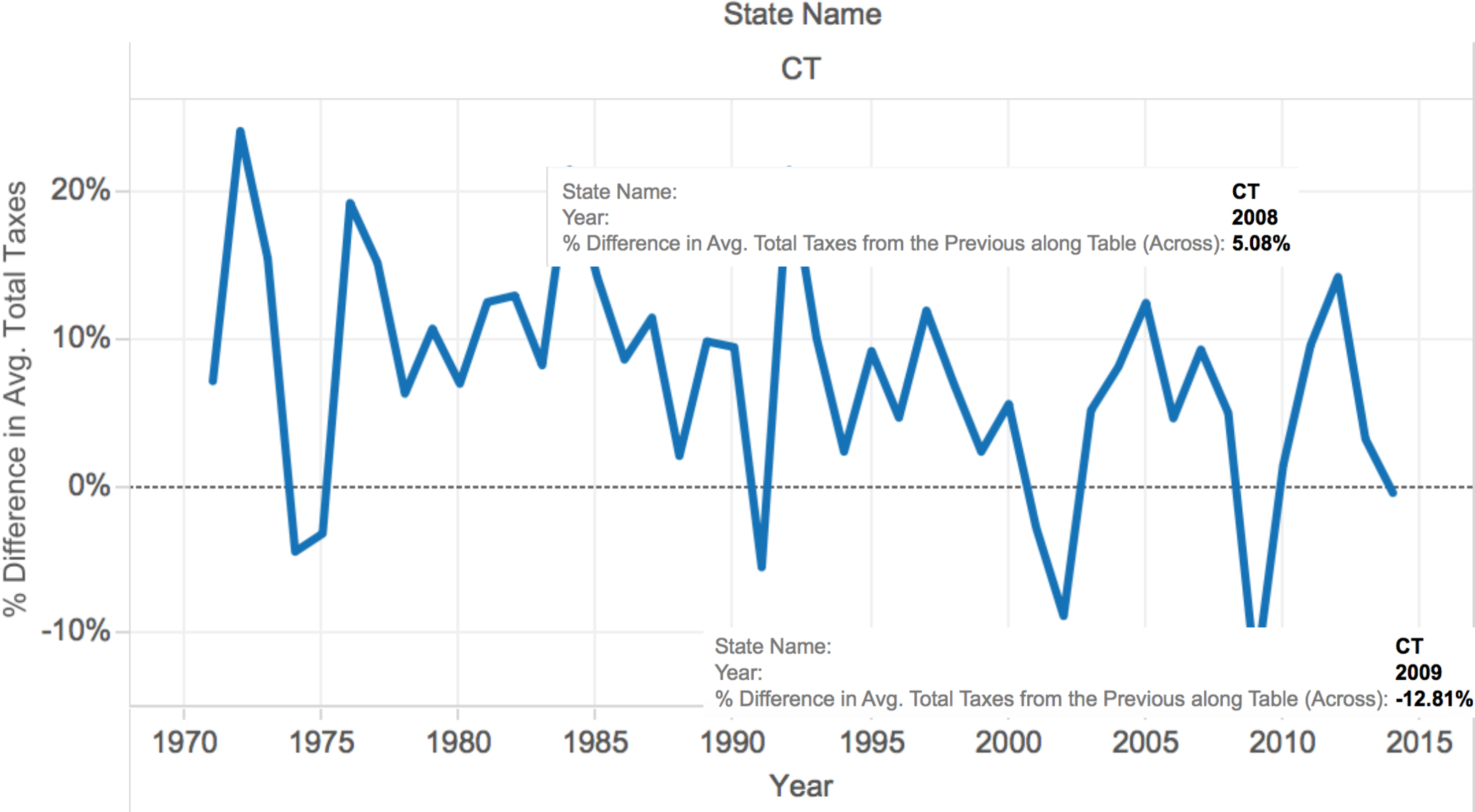
During the 2008 recession there seems to be a correlation of the sales and income tax in Connecticut. Income tax percentage of the composition declined as the recession progressed. The Sales tax composition has an inverse relationship with income tax because sales tax increased.

Percentage Change of Total Taxes Year Over Year

We analyzed the percentage difference in average total taxes from the previous year in each state

- After the 2008 Recession Connecticut and most other States on average experienced a decrease in total tax revenues.
- As states regain fiscal ground lost in the recession, policymakers face pressure to catch up on investments and spending postponed because of the downturn.
- That may be more difficult in states where tax revenue remains below its previous peak.
- But even a return to peak levels can leave states with little extra to make up for cuts in federal aid or to pay for costs associated with population increases, growth in Medicaid enrollment, deferred needs, and accumulated debts.

Percent Change of Total Taxes in Each State Year over Year 1970-2014



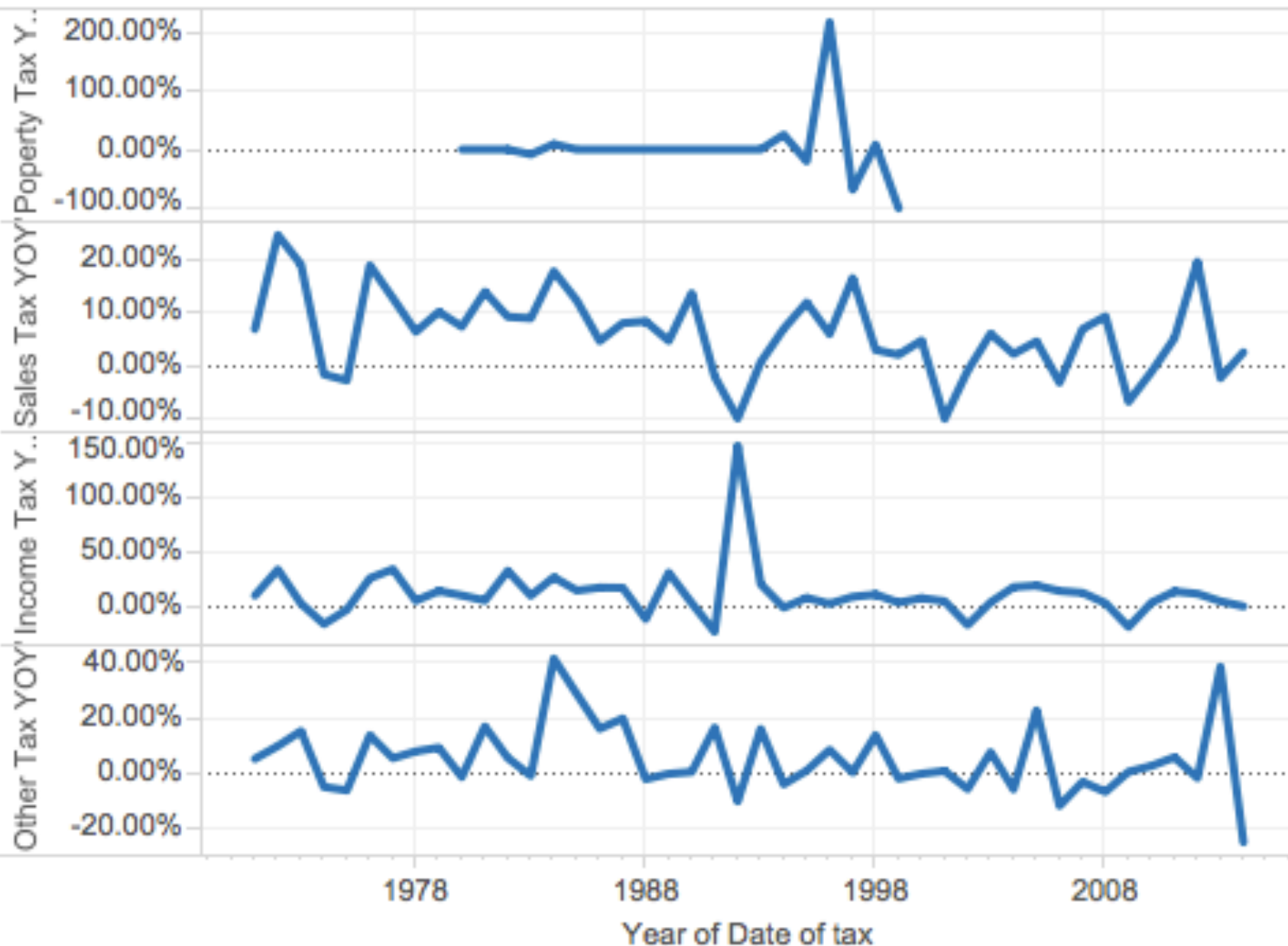
Connecticut

- In 2008 total taxes in CT were up by 5.08% from the previous year.
- In 2009 total taxes in CT declined by -12.81% from the previous year.
- In 2010 total taxes in CT were up by 1.51% from the previous year.
- In 2011 total taxes in CT were up by 9.69% from the previous year.
- In 2012 total taxes in CT were up by 14.33% from the previous year.
- In 2013 total taxes in CT were up by 3.31% from the previous year.
- In 2014 total taxes in CT declined by -0.35% from the previous year.

Year Over Year Percentage Change of Each State's Tax Composition Years 1971-2014

State Name

CT



Year Over Year Percentage Change of Each State's Tax Composition

The graphical representation of YOY percentage change of each state's tax composition (Property Tax, Sales Tax, Income Tax and Other Taxes YOY).

- Before the Recession of 2008, for the most part of the country, there was an increase in percentage from the previous year in all areas of each states tax composition.
- Only after the Recession in 2008, was there a national trend, which on average for every state in 2009, saw a decrease in all areas of the state's tax compositions.
- Looking a few years after the recession, 2011 is where the trends starts to shift and the tax compositions appear to gain momentum, increasing in YOY percentage.
- This momentum shift is short lived as the YOY percentage begins to fall back into decreasing percentage in 2013 and continues well into 2014.

State Name: CT	State Name: CT	State Name: CT	State Name: CT
Year of Date of tax: 2008	Year of Date of tax: 2009	Year of Date of tax: 2010	Year of Date of tax: 2011
Property Tax YOY':	Property Tax YOY':	Property Tax YOY':	Property Tax YOY':
Sales Tax YOY': 9.33%	Sales Tax YOY': -6.66%	Sales Tax YOY': -1.05%	Sales Tax YOY': 5.25%
Income Tax YOY': 3.14%	Income Tax YOY': -18.82%	Income Tax YOY': 3.69%	Income Tax YOY': 13.93%
Other Tax YOY': -6.68%	Other Tax YOY': 0.54%	Other Tax YOY': 2.65%	Other Tax YOY': 5.75%

State Name: CT	State Name: CT	State Name: CT
Year of Date of tax: 2012	Year of Date of tax: 2013	Year of Date of tax: 2014
Property Tax YOY':	Property Tax YOY':	Property Tax YOY':
Sales Tax YOY': 19.60%	Sales Tax YOY': -2.22%	Sales Tax YOY': 2.64%
Income Tax YOY': 11.83%	Income Tax YOY': 4.80%	Income Tax YOY': 0.23%
Other Tax YOY': -1.71%	Other Tax YOY': 38.35%	Other Tax YOY': -24.84%

* Property Tax YOY is null due to insufficient property tax data from CT after 1999.