

## Developing Opportunity

# REINVESTING THE CT MEALS & BEVERAGE TAX INTO HOSPITALITY

In 2019 Connecticut's meals and beverage tax was increased from 6.35% to 7.35%, with all of the revenue used to support the State's General Fund. However, over the last three years the Governor and legislature have built a budget surplus and put the state on more stable financial footing. In light of this success, Connecticut is now in a position to make a modest, responsible change to the meals and beverage tax - a change that will pay dividends for the state's hospitality industry and bolster local, municipal economies in every corner of Connecticut.

CONNECTICUT  
*Restaurant*  
ASSOCIATION

## CREATING THE CONNECTICUT HOSPITALITY FUND

The Connecticut Restaurant Association is proposing that our state maintain its current 1% meals and beverage tax, but that those funds be invested directly into the hospitality industry that generates them, creating a cycle of economic development and growth. The creation of a new **Connecticut Hospitality Fund** will:

- ✔ **Fund the CT Tourism Office at a competitive level to our peer states**, as for every \$1 invested into CT Tourism has a return of at least \$3.
- ✔ **Rebuild our sector's workforce through hospitality specific training**, as these development programs provide the tools and resources needed to attract, promote and maintain our future industry leaders.
- ✔ **Invest in our local Municipalities with the goal of using these dollars to support their local hospitality sector** and find ways to build through grants, economic development, target marketing and more.

## HOW WILL THE HOSPITALITY FUND ENHANCE CONNECTICUT'S ECONOMY?

In Connecticut, the restaurant industry alone is down 22,000 jobs since before the pandemic began, and close to 1,000 restaurant locations across the state have permanently shuttered their doors. Reinvesting the meals and beverage tax back into the hospitality sector will have a significant, positive impact on small businesses, job growth, the generation of additional tax revenues, and more. This is a commonsense plan to support state tourism, local economies, small businesses, and our hospitality workforce.

### FUND DISTRIBUTION

# 30%

CONNECTICUT TOURISM ANNUAL FUND

# 20%

WORKFORCE DEVELOPMENT FOR HOSPITALITY INDUSTRY

# 50%

MUNICIPALITY FUNDING - SUPPORT OF LOCAL HOSPITALITY INDUSTRY



## CONNECTICUT MEALS & BEVERAGE 1% TAX IN FY 2022

# \$90,146,889

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