

House Republican Press Release

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HOUSE REPUBLICANS' TARGETED TAX CUTS HEDGE AGAINST ECONOMIC DOWNTURN



Middleclass relief from rising health care, energy prices

HARTFORD – In an effort to ward off the effects of an economic downturn, House Republicans today unveiled an immediate, targeted middle class tax relief plan to help those struggling to heat their homes and combat the ever increasing costs of health care coverage.

“I believe we can and must provide immediate and meaningful help for those struggling to make ends meet, whether it is staying warm in the winter or offsetting rising health care costs,” House Leader State Rep. Lawrence F. Cafero Jr., said at a press conference.

“If we act sooner rather than later we can mitigate the effects of an economic slide in Connecticut. Our state’s fiscal health is relatively good right now. But twenty-five other states already have budget deficits and even Washington recognizes that states are headed for real trouble. Connecticut needs to take steps before the middle class and working families are hit really hard,” Cafero added.

For the short term, Republicans outlined a specific timetable of public hearings and various committee reviews that could produce a bipartisan, comprehensive relief package by March 19. Republicans proposed using roughly \$200 million of the state’s \$263 million surplus to:

- Provide maximum income tax credits of up to \$500 per household for joint filers earning up to \$150,000 for home heating assistance;
- Provide similar maximum \$500 income tax credits to offset out-of-pocket medical costs.

Both benefits would be targeted to the vast number of Connecticut citizens who consider themselves to be middle class. Cafero noted that his caucus first proposed eliminating the Business Entity Tax penalty that all companies pay in 2003 that Democrats finally endorsed on Jan. 28. That proposal will benefit small business owners as they struggle to meet their bottom lines. Democrats also this week adopted a property tax credit plan that mirrors previous Republican proposals.

“The willingness of Democrats to finally embrace Republican fiscal policies such as tax credits and actual tax cuts to help working families is encouraging. It leads me to believe we can get something done in the short term to help those grappling with how to heat their homes and pay their kids’ doctor bills,” Cafero said.

Long Term Investment Boosts Jobs, Economy, Environment

Republicans also outlined a long-term plan to bolster the fuel cell energy market, power the state's economy, create jobs and lead to hydrogen production for mass transit. Eventually Republicans want to "green" Bradley International Airport. Cafero said Republicans support investing \$50 million through bonding per year in a new fleet of transit buses that will utilize hydrogen from fuel cells.

"While we are primarily focused right now on the short-term fixes, investing over the longer term in fuel cells will create a market for alternative energy sources, promote mass transit and preserve air quality. Ultimately we foresee powering our state's only international airport at Bradley with hydrogen. Airports typically emit the worst carbon footprint anywhere," Cafero said.

Government can, at times, play a role in creating markets, Cafero said and Connecticut can become the national leader in the fuel cell industry. "We already have the technology here. We need to help the industry get to the next level," Cafero said.