

House Republican Press Release

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Press Office: 860-240-8700

A VIEW FROM THE INSIDE **State Representative Ruth Fahrbach**



Republican budget offers no-tax-increase alternative

During this budget season at the Capitol, the Governor and the super-majority Democrats have put forth proposals that include major tax increases. In response and in defense of taxpayers throughout the state, the Republican caucus in the House of Representatives has offered a third alternative, a budget highlighted by a zero-tax-increase.

While the Governor, the Democrats and the Republicans all call for increased education funding in their proposed budgets, the Republican plan is the only proposal that increases the Education Cost Sharing (ECS) grants to towns without raising taxes. Under the Republican budget proposal, East Granby would receive an additional \$528,828, Suffield would get an additional \$1,724,568 and Windsor would receive an additional \$1,728,528 in education funding from the state.

Democrats call for a \$1.6 billion tax increase, and the Governor is proposing a \$1.2 billion tax increase to fund their respective education initiatives, but the Republican plan does not require an increase in taxes to fund its initiatives. For several years now, Democratic budgets have underestimated revenues and have consequently overtaxed residents, but by realistically estimating tax revenues based on 15 years of past experience, the House Republicans have determined that education funding can be increased and all current state services can be maintained, without raising taxes. It's worth noting that the revenue estimates used in the GOP 'no-tax-increase' budget alternative have passed muster with the non-partisan Office of Fiscal Analysis.

Some other highlights of the GOP plan include: \$66 million for energy conservation, the elimination of the sales tax on electricity for businesses and a sales tax exemption on certain

energy-related items; \$233 million for increased Medicaid reimbursement rates for hospitals and other providers, COLAs for nursing homes and private providers, increased HUSKY enrollment and tax credits for individuals and small businesses purchasing health insurance; \$121 million to create jobs and stimulate the economy, and \$23 million in additional state aid to municipalities.

Democrats have claimed that their plan would result in a ‘tax cut’ for most taxpayers, but that is far from being the truth. While it is true that Democrats call for a reduction in the state income tax on many filers, it is also true that a number of other taxes are created or increased to make up the difference. Democrats call for an income tax increase on single filers making \$79,700 a year, and joint filers earning \$150,000 or more per year. The Democrats also call for an increase in the cigarette tax and the real estate conveyance tax (while making the real estate tax permanent), along with the end of the sales tax exemption on clothing less than \$50, and a new Internet sales tax , just to name a few. With all the tax increases proposed, any supposed “tax reductions” for taxpayers would be minimal if they exist at all.

Because consumers are facing ever-increasing prices on the basic necessities, and most everything else, now is not the time to raise taxes and increase spending. Doing so will only compound financial problems already faced by many residents, especially those on fixed incomes.

The choice is clear with the three proposals that have been presented thus far – a state budget that doesn’t call for an increase in taxes is the most responsible alternative. I am interested in your opinions on the budget proposals before the State Legislature. Your comments should be sent to me at the Legislative Office Building, Capitol Avenue, Hartford, CT 06106. .

Rep. Ruth Fahrbach represents the 61st District, including Suffield, and parts of Windsor and East Granby, in the General Assembly. She can be reached by phone at 240-8700.