

House Republican Press Release

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Rep. Frey Votes with the Taxpayer, Against Tax Hikes!



'One of Largest Tax Increases in History'

HARTFORD – State Rep. John Frey, (R-111th District) today voted against 'significant' tax increases in the Legislature's Finance, Revenue and Bonding Committee.

Rep. Frey was one of 14 Republicans who voted against the Democrat-drafted tax hikes that pay for the next two-year budget which includes increases in spending by over 10% this year. The measure was adopted, however, by a majority of the Finance, Revenue and Bonding Committee and now goes to the full House of Representatives for a vote.

The House Republicans have proposed many initiatives this session to keep residents from fleeing Connecticut and these soaring tax increases will only force more to leave. "It is unfathomable to me how the General Assembly could consider substantial tax increases at a time when we are trying to create new jobs, retain existing ones and encourage young people and seniors to continue to live here."

The massive spending increases in the Democrats' budget leave no room for any of the tax cuts proposed by House and Senate Republicans this year. In order to balance the budget over the biennium the Personal Income Tax would have to be increased by 15% over the biennium (from 5.0% to 5.55% retroactively to January 1, 2007, and to 5.75% beginning January 1, 2008). At a proposed top rate of 6.95% Connecticut would have one of the very highest rates in the nation.

Other details of the tax package include a 10% reduction in the business tax credit, which will hurt already struggling Connecticut businesses and the conveyance tax will be made permanent after many promises to sunset the tax. The package also eliminates the sales tax exemption for articles of clothing and footwear costing less than \$50.00 and funeral expenses. The bill also calls for the collection of the state sales tax on all internet purchases.

Additionally, projected deficits in the out years when combined with the utilization of one-time surplus monies for operating expenses will lead to hundreds of millions of dollars in additional tax increases in beginning in Fiscal Year 2010 in order to sustain this level of funding.

Rep. Frey said, “Very little that I see in Hartford shocks me anymore. However, I am stunned at this tax and spend proposal. It was only four years ago that the income tax rate was raised from 4.5% to 5% to address ‘emergency’ budgetary needs. Now, the plan would be to raise it to nearly 7% for some tax filers. Nothing is done to address the estate tax, which was reinstated two years ago. And, of course, the spending cap that voters overwhelmingly approved fourteen years ago is totally disregarded.”

“Even with the significant increase in state spending, the budget fails to address the unfunded teacher’s retirement, retired state employees’ liabilities and other structural deficiencies,” he added.

“Any thought of increasing taxes, should not be done in a vacuum. Some sort of spending cutbacks should have been at least looked into before taxes were raised. Most Connecticut residents are not seeing the huge increases in their salaries to justify the considerable high spending levels in the state budget. The state is not currently in an emergency situation when it comes to raising revenue. There seems to be a prevailing wisdom among members of the General Assembly that they need to grow government programs without regard for the taxpayer or what the taxpayer can afford,” Frey added.

Rep. Frey, House Republican Whip, serves the 111th Assembly District of Ridgefield in the state House of Representatives.