

House Republican Press Release

April 24, 2007
Press Office: 860-240-8700

REP. FREY SUPPORTS ALTERNATIVE ‘NO TAX’ REPUBLICAN BUDGET



“HOUSE UNITED FOR TAX-FRIENDLY PLAN”

HARTFORD – Rep. John Frey R- 111th District, today announced support for a House Republican alternative budget proposal that would also begin to provide direct tax relief to residents of Ridgefield that encourages retirees to stay and retire in Connecticut.

House Republicans have proposed a budget alternative that does not raise taxes and maintains current levels of spending. Ridgefield would receive \$1.2 million of additional school aid. These boosts would occur under the “No-Tax-Increase Republican Budget Alternative” with no increase in the state income tax. Aid would still be based on town size, need and wealth, but with more educational accountability in the schools systems.

The budget removes the cap from the Education Cost Sharing Formula (ECS) which unfairly penalized Ridgefield from getting their fair share in education dollars.

Details of the plan include getting rid of the business entity tax, and electricity sales tax on businesses. Additionally, the proposal eliminates the so-called “cliff” for estates’ reaching \$2 million and begins to phase out the estate tax completely.

In stark contrast to the Democratic plan that would boost spending a whopping \$1.7 billion, the Republican plan would spare taxpayers any more pain. But Republicans noted that their plan increases spending in many areas:

- School spending for every town goes up;
- Medicaid reimbursements for Hospitals is increased \$100 million to expand health care access for thousands;
- Environmental clean up programs will also get an additional \$100 million.

Rep. Frey said, “Governor Rell has recently announced support calling for a 3% cap on local property tax increases. I think that is a reasonable goal for local government. Likewise, I find a 10% increase in state spending -- as proposed by the Democrats unacceptable.”

“As the details of the Governor's plan -- and later the Democrats plan -- were understood, the vast majority of people I spoke to were outraged. In the Republican proposal, state spending is reigned it and the 40% increase in the state income tax; increase in estate tax; instituting a sales tax on internet purchases and eliminating the sales tax exemption for clothing under \$50 is abandoned.”

“In my 9 years, this is the first time House GOP have put together a budget. I hope that others will see that this isn't the time for major state government expansion and new taxes and work with us for all of the people of our state.”