

House Republican Press Release

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Rep. Hamzy to Work to Reduce Massive State Spending Hikes Proposed by Majority Democrats



Spending Restraint Essential to Avoid Crippling Increases in State Taxes

With major tax increases on the way if the biennial state budget approved by the Appropriations Committee is adopted unchanged by the state legislature, state Representative William A. Hamzy today pledged to work for substantial reductions in proposed state spending to head off state income tax hikes that could amount to as much as 15 percent over the next two years.

The biennial budget would increase spending by \$1.7 billion in the first year and by \$500 million in the second year, for an overall increase of 16 percent over two years, said Representative Hamzy, R-78th District.

“As a Deputy House Republican Leader, I expect to be involved in budget negotiations with Governor Rell’s office and other Republican and Democrat legislative leaders in the weeks before the General Assembly adjourns June 6th,” Representative Hamzy said. “I am extremely concerned about how a 15 percent overall increase in the state income tax – as well as other tax increases the majority Democrats may propose in the weeks ahead – will affect Connecticut’s economy, the business climate and the job market.”

“If this budget is allowed to stand as approved by the Appropriations Committee, it will mean consumers will have less to spend and will put off major purchases such as new homes, automobiles, home entertainment systems and other household furnishings until their take home pay goes up again and they are sure their jobs are secure,” Representative Hamzy said. “When people spend less, business earnings fall off and employers are forced to institute hiring freezes or lay people off.”

“When people are hit with major tax increases like the one the majority Democrats are contemplating, the economy slows down, jobs dry up and businesses are forced to retrench and postpone any plans they may have had to expand their operations and hire new employees,” Representative Hamzy said. “That’s what happened in Connecticut in the years after the income tax was adopted in 1991 - and again in the early part of this decade.”

“Bristol and Plymouth residents and citizens throughout Connecticut already bear one of the heaviest tax burdens in the United States and cannot afford the kind of devastating tax increases the Democrat majority wants to foist on us,” Representative Hamzy said. “While our state has problems that the state legislature needs to address, we are not in a crisis situation that demands that we deal with all of them over the next two years.”

“Instead, we need to decide which ones are the most urgent and work to resolve them first,” Representative Hamzy said. “If we approach our state’s most pressing issues in a rational manner, we can address them effectively without raising taxes. If people are working and the economy is

expanding, it will generate all the revenues we need to tackle our most urgent problems over the next few years – and without threatening our state’s economic future.”