

## House Republican Press Release

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### Budget Impasse Continues



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The 2007 regular session of the Connecticut General Assembly concluded on June 6<sup>th</sup>, and it will be remembered more for what didn't happen than for what did.

We did manage to pass important initiatives to strengthen penalties against those who sexually abuse children, more fully funded the teacher's retirement program, and took important action on legislation that will help reduce electric rates. However, legislative Democrats did not allow us to pass the House Republican proposal of a Gas tax Holiday, eliminating the 25-cent per gallon state gas tax from Memorial Day to Labor Day.

Democrats have also stubbornly stuck by an effort to raise taxes and spending. House Republicans offered a 'No Tax Increase' budget this session and we are sticking to our guns. Therefore, no state budget has been passed, budget negotiations are ongoing as I write, and a special session will be required to pass a budget.

The Democrats' budget increases spending by an unprecedented \$1.7 billion dollars and creates almost 900 new state jobs, which is not economic development. This budget increase continues to grow government beyond inflation.

Democrats claim to be cutting your taxes with their proposed budget. Let's presume you are a retired grandmother who earns \$35,000 a year from a retirement pension combined with part-time work at a restaurant. You are currently paying \$715 in state income taxes. The Democrat budget cuts your income tax \$547. However, they eliminate the exemption from sales tax for clothing under \$50. Then they raise the cigarette tax, so if you smoke, you're paying that. If there is a death in the family, their new funeral tax will eat up a portion too. While Democrats will cut your income tax, they will make up the difference by taxing you through other venues. How else would they be able to "cut taxes" while increasing spending by over 10%?

Right now, budget surplus estimates are at around \$900 million. Without raising taxes at all, we can increase aid to towns, particularly in the area of education funding. We can also fully fund teacher retirement, healthcare initiatives, cost of living adjustments for

private providers and nursing homes, and increase Medicaid reimbursement for hospitals to name a few.

Connecticut has suffered too long under a growing tax burden. Our state continues to have the distinction of being the highest taxed state per capita. We have lost over 240,000 residents since the income tax was implemented in 1991, and have had nearly zero job growth since that time. Our budget stands up for taxpayers, and offers an alternative to the constant tax-and-spend mentality at the Capitol.