

House Republican Press Release

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Press Office: 860-240-8700

Finally, a budget: the Good News



By State Representative John J. Ryan

We went back to our time honored tradition of doing "vampire budgets" this year, meaning having the session and budget debate and vote in the dead of night/early morning; it is SO much fun driving into Darien from Hartford at 6:20 A.M. on a Saturday morning!! Anyway, for all practical purposes the legislative business in Hartford is finally concluded for this year, and once again it took "extra innings" of a Special Session to get the budget done.

I voted for this budget despite the fact that there was much about it that was less than satisfactory, but it was a far better result than the mega-tax increases that could have been the case had the "supermajority" gotten their way. So this column will briefly take a look at some of the good aspects of this budget, the next will outline the bad parts from my perspective, and then we will look in future columns into as many specific areas and topics as we can. CAVEAT: the shameless political PR campaigns have already started, so as usual, we will reference reality and facts, and once again, I entreat you follow what actually happens, ignore "marketing" and hype, and LOOK IT UP.

A very quick background recap; this was a "long session year" of the General Assembly, the prime purpose being to adopt the State's biennial budget. The Session commenced the first week in January, and the budget debate began with Gov. Rell's Budget Address on February 7; the Governor took on a whole host of initiatives, but everyone agrees that her 2 major concerns were more education funding for municipalities and property tax reform (see Rell's actual speech on her website at www.ct.gov/governorrell ; see my 2.13 column in this paper or you can find every column on my website at www.housegop.ct.gov/members/ryan.asp .) As we predicted, the Democrat "supermajority" opted for proposals to increase a variety of taxes, and passed such a budget out of the legislative committees; see my column on 4.24.07 (Still Not Paying Attention?) and Gov. Rell's press release on her site on 4.26.07, and with Republicans voting "no", passed such a budget out of the House and Senate, which Gov. Rell vetoed, see her 6.1.07 Veto Message.

Meanwhile my House Republican Caucus, citing the burgeoning surplus numbers, and the data that the State had a historical pattern of underestimating actual revenue proposed the "No Tax Increase Budget" (see summary at www.housegop.ct.gov/ , the session expired without a budget, and then negotiations began resulting in the compromise

budget just adopted. As any lawyer will tell you, a compromise or settlement, is almost always one where both sides give from their positions, and everyone is somewhat pleased and equally displeased. So herewith good news items are:

-The "supermajority" fizzled! : Go back and look at the news coverage at the beginning of the session and immediately preceding it as to the Democrat "supermajority's" legislative priorities, now that they were in the position, having enough votes in each the Senate and House to override a gubernatorial veto, to adopt a wide variety of proposals involving greatly increased spending and taxes, that were likely to negatively impact the business community, and further increase the sending vs. receiving disparity on lower Fairfield County. Again, ignore the marketing hype; look at what was proposed, and what were the actual results!

- No "progressive income tax" adopted! : Anyone who has taken the most rudimentary analysis of our State's tax system is familiar with our State's status as #1 on the Tax Freedom Day calendar, and the fact that a small percentage of the top tax-payers already pay a very large percentage of the total tax revenue; amazingly, despite the huge tax surplus numbers, the "supermajority" fought to the end in the budget negotiations to have our tax laws changed to set up steps of still higher tax rates for higher earners (do not take my word for it, read the many quotes of disappointed Democrat legislators in the recent media coverage, expressing their disappointment at "their missed opportunity") Guess which towns would have sent even more tax revenue to Hartford ?

- No Estate tax increase! : Again, look it up; the "supermajority" proposed not reducing, but increasing the tax rates! No new increases here, given what easily could have happened, are a big win for our area.

-Other tax increase proposals died! : All of the other tax increase proposals of the " supermajority " , like their sales tax on internet transactions plan, eliminating the \$50 clothing sales tax exemption, the increase of the corporate tax rate to 8%, etc. fortunately died as well.

- More Rainy Day fund \$! : At least we did not spend the ENTIRE surplus, and parked another \$100 million in our Rainy Day fund.

- And certainly not least, more money for our local schools! : I am certain that you have been paying attention here, and will remember who made this one of the most important issues in her budget address, thereby assuring that EVERY town finally got more money for education from Hartford? (Even the media has figured this out, see quote from the 6/29 upstate Journal-Inquirer "Rell won a historic \$440 million increase in education spending" as the typical media comment). Remember, ignore the hype, and please follow what actually happens in government!

You could perhaps say it is unfortunate, that the non-occurrence of bad things has to be viewed as good news, but given the political reality of the voting balance in this year's

General Assembly, a non-loss is clearly a win. And next week, our quick review of some less than happy results of the final budget.

As always please feel free to contact me with your concerns and issues. As your state representative, it is my job, and my priority to represent you and to make sure that your needs and concerns are addressed at the capitol. You can write to me at Room 4200, Legislative Office Building, and Hartford, CT 06106-1591, send me e-mail at John.Ryan@housegop.ct.gov or call my office toll-free at 1-800-842-1423.