

## House Republican Press Release

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### REP. STRIPP VOTES NO AGAINST TAX HIKES



*“Supermajority Would Tax Residents to Oblivion”*

**HARTFORD-** State Representative John Stripp (R-Easton, Redding and Weston) today opposed legislation in the House of Representatives that will lead to major tax hikes that will dampen economic growth, make it more difficult to attract new employers to Connecticut, and mean fewer new jobs for residents.

“The Office of Business Advocate has stated that 40% of people who pay the income tax are business owners. So, to think that this is just a tax on wealthy employees is a mistake. Any income tax increase has serious consequences for jobs and the economy. We need to heed the Office of Business Advocate’s warning,” Rep. Stripp said.

Under the Democrat proposals, the income tax rate will increase from 5% to a graduated top of 6.9%. Taxpayers filing joint returns will see a higher rate beginning at \$150,000. “As a consequence, two tenths of one percent of our taxpayers, or just about 3,000 people, will pay 90% of the income tax.”

Moreover, the Democrat tax package punishes the middle class by eliminating the clothing exemption on the purchase of clothes and shoes costing \$50 or less and adds a tax on internet purchases.

In addition to change in the income tax, the top estate tax rate will go from 16% to 20%. The increase is offered as the price for eliminating the much-criticized “cliff effect” which makes the base rate apply from the first dollar once the \$2,000,000 threshold is crossed, “This is a case of fairness being held for ransom,” Rep. Stripp commented.

In voting no on the ‘record’ tax increase, Representative Stripp added, “Easton, Redding and Weston citizens will pay far more than they will ever receive; a result of the tax increase. Connecticut residents already shoulder one of the heaviest tax burdens in the country. If the state legislature approves a budget along with this tax package without any significant spending cuts, the tax increases that will come with it will be a drag on our state’s economy, hurt our efforts to make Connecticut more attractive to out of state companies, and mean fewer new jobs for the people Connecticut.”

According to the IRS data: 42,169 tax filers moved out of Connecticut and 34,776 tax filers moved into Connecticut from 2003 to 2004 which is a net loss of 7,393 people and over \$400 million in income.

“Although considered a myth, it is actually a fact that wealthy Connecticut families are moving to Florida. The same IRS data indicates that from 2003 to 2004, 2,663 tax filers moved from Florida to Connecticut while 7,236 tax filers moved from Connecticut to Florida. The path the Democratic Supermajority has moved Connecticut down needs to be reversed,” concluded Rep. Stripp.