

House Republican Press Release

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Another Session... And a Victory for the Taxpayers!



By Rep. John Stripp

Finally, Connecticut has a two-year state budget. The budget adopted by the state House of Representatives avoids major tax increases. This is a victory for the people of Connecticut, who won't have to worry about the state sticking its hands in our pockets and taking more of our hard-earned dollars.

House Republicans proposed the 'No Tax Increase' budget as an alternative to other budgets put forward which only focused on raising the state income tax in a year when Connecticut had a one billion dollar budget surplus from over-taxation.

Our proposal, which garnered more popular support than either the Hartford spenders' or the Governor's original budget proposals, helped shape the final approved budget.

We fought successfully to prevent increases in both the personal income tax and taxes on employers, both of which would have been a drag on the state's economy and would have meant fewer jobs for the people of Connecticut.

When you hear the call for a move to make a more progressive state income tax, you should be aware that the top 25 percent of all filers (those earning \$75,000 and more) already pay 80 percent of all Connecticut state income taxes. Also, remember that every citizen subject to the state income tax saw an 11 percent hike in 2003, when the tax rate was increased from 4.5 percent to 5 percent. In fact, Connecticut already has a progressive income tax structure, as families earning less than \$44,000 do not pay any state taxes at all.

The Democrats wanted to increase the income tax rate from 5% to a graduated top of 6.9%. Taxpayers filing joint returns would 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, would pay 90% of the income tax. This would have proven to be an unstable tax base had the future financial markets experienced a significant down turn.

This budget proposal meets the needs of the people of the state of Connecticut: on education, on health care, on transportation, with a long-term energy plan that carves out long-term savings, while holding the line on tax rates.

While provide communities with record education dollars, we also put in place accountability measures for low achieving schools that will be subject to intensified supervision and direction from the State Board of Education and receive additional funding to help them comply with the board's directives and make improves in students' academic performance.

The state board will be monitoring low-achieving schools. If a school fails to make progress for two consecutive years, the state board, in consultation with the governor and the chief elected officials in the school district, may request that the General Assembly enact legislation to have control of the school district transferred to the state Board of Education.

The legislature cannot continue to throw good money after bad when it comes to education that is why these accountability measures are needed.

House Republicans were also able to fight back the Hartford spenders' attempts to tax internet sales and funerals while preserving the sales tax exemption on the purchase of clothes and shoes costing \$50 or less.

Although, House Republicans were able the hold the line on tax increases, we were unable to provide Connecticut residents with tax relief via a fix in the inheritance tax cliff which goes into effect at \$2 million. House Republicans regard repairing the inheritance tax, as an issue of fairness for those who wish to preserve and pass along the family farm and homestead to the next generation.

At every turn House Republicans were rebuffed trying to pass meaningful gas tax relief. The legislature should be ashamed for not provided the public some kind of relief at the gas pump and leaving commuters bracing for an automatic increase of almost 4 cents a gallon gas due to an increase in the gross receipts tax on petroleum.

House Republicans hold only 44 out of the 151 seats in the House of Representatives but we were able to change the debate this session regarding taxation. The challenge in the future will be to ensure we have sustainable budgets over time and to provide more accountability for how the state spends our tax dollars. The 2007 session was a triumph for the taxpayers of Connecticut.

I am interested in your comments on the new state budget. Your comments should be sent to me at the Legislative Office Building, Capitol Avenue, Hartford, CT 06106 or email John.Stripp@housegop.ct.gov.