

House Republican Press Release

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Alternative budget proposal would balance budget, pay for criminal justice reforms



Faced with decreasing revenues and a looming economic recession, House Republicans have offered an alternative budget, which I believe is the best option available to the General Assembly in these uncertain economic times.

The alternative budget offered would cut state gas taxes, eliminate a business tax and be balanced by offering thousands of state employees an early retirement plan that will reduce spending by \$163 million next year, according to the Legislature's non-partisan Office of Fiscal Analysis.

With time running out in this legislative session (scheduled to adjourn on May 7) we put forth a balanced tax and spending plan that will not raise taxes, streamline government and will avoid potentially huge budget deficits and tax increases in the coming years.

The alternative budget would:

- Cut gas prices by 10 cents through a summer state tax moratorium and a roll back of the scheduled gross receipts tax increase of .5 percent on July 1. Those roll backs will save consumers \$50 millions Republicans said.
- Eliminate the \$250 Business Entity Tax that all businesses pay just for opening their doors over two years to save \$35 million (\$17.5 million in the first year)
- Offers up to 11,600 eligible state workers an early retirement incentive program (ERIP) to save a projected \$163 million in the next fiscal year.

Along with these provisions, the alternative budget proposal also includes \$10 million for additional resources to comply with the enhanced crime bill that was passed by the legislature in mid-April. Without funding for that bill, the changes in the penal system will not be able to happen. This is a critical part of the alternative budget proposal.

An ERIP offered in 2003 in the midst of the last state fiscal crisis saw more than 4,000 workers retire and cut the state payroll by more than \$155 million. I would like to stress that no state worker would lose his or her job because of the ERIP.

State government must become more efficient, like many of the residents of our state buckling down to weather the forecasted economic downturn. Now is not the time to be discussing new spending or taxes, that's for sure.

State Rep. Penny Bacchiochi (R-Somers) represents Somers, Stafford and Union in the General Assembly.