

House Republican Press Release

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House Republicans Release Alternative 'No Tax Increase' Two-Year Budget



HARTFORD – House Republicans today unveiled a budget plan that requires no new taxes, is balanced and would save taxpayers at least \$1 billion over the next two years while maintaining vital state services.

The budget addresses critical needs: additional money to increase access to healthcare; funding for a variety of energy initiatives; it stimulates economic development and adds money for every town and city in Connecticut.

In startling contrast to the Democratic plan that would raise spending by a whopping \$1.7 billion, the House Republican proposal would spare taxpayers any further pain in tax hikes while increasing spending in many targeted areas:

- \$358 million in public school funding and \$1.1 billion for fully funding teachers' pensions;
- Medicaid reimbursements for hospitals increases by \$87 million to expand healthcare access for low income families;
- another \$50 million for other providers and \$13 million for nursing homes;
- municipal aid for town and city PILOTS, Town Aid Road and the Pequot Fund goes up by \$23 million;
- \$20 million for a unique first-time home buyer's initiative for college graduates that will help keep young people in Connecticut;
- Dedicates \$2 million to help state dairy farmers meet the rising costs of doing business.

Like the other budget proposals, the House Republican budget exceeds the spending cap in the first year, but is under the cap in the second year by nearly \$170 million.

"The House Republicans represent more than 1 million people and we have heard from them loud and clear, by phone, e-mail and in person—they do not want their taxes raised. We have listened to them and we have heeded their wishes by offering this no tax increase budget," House Republican Leader Lawrence F. Cafero, Jr., of Norwalk said.

"With a \$600 million surplus, our constituents want to know why we are raising their taxes. We believe the state can meet the needs of its citizens within existing revenues. It is irresponsible to further burden taxpayers without ever examining ways to meet their needs without raising taxes. We have consistently demanded more from them without looking for better alternatives," he added.

Connecticut residents already pay the highest taxes in America, and raising them higher only drives them away to lower cost states. House Republican tax cuts include:

- Phasing out the state income tax on pensions to save retirees \$33 million;
- Eliminating the annual tax on small businesses resulting in a \$25 million savings;
- Doing away with the electricity sales tax for businesses resulting in a \$30 million savings;
- Phasing out the estate tax and eliminating the cliff;
- Retaining the clothing tax exemption Democrats want to do away with;
- “Deleting” the Internet sales tax scheme as proposed by the Democrats.

Cafero said the House Republicans are proud to offer this no new taxes budget proposal. All towns and cities will receive additional aid and no state accounts were cut. Connecticut’s citizens now have a real choice—one between tax increases or no tax increases. He called the budget plan a responsible, well-crafted document that will only add to the upcoming budget negotiations. A preliminary meeting among leaders from both parties is scheduled for Wednesday, April 25.