

House Republican Press Release

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Rep. DelGobbo: Democrats' Tax Package A Disaster for Connecticut



The tax package approved Wednesday by the state legislature's majority Democrats will have disastrous consequences that ultimately will slow economic growth and mean fewer jobs for Connecticut residents, state Representative Kevin M. DelGobbo said today.

"Democrat legislative leaders claim their tax package will give 95 percent of the people of Connecticut a tax break, which sounds pretty seductive until you look at the fine print. No one else could call a net increase in taxes of \$411 million in 2008 and \$319 million in 2009 a tax cut and still keep a straight face," said Representative DelGobbo, R-Naugatuck, the House Ranking Member on the budget-writing Appropriations Committee.

"Their tax package will create an unsustainable framework that sets the legislature up to adopt a budget that will feature an 11 percent increase in spending," Representative DelGobbo said. "It will make the revenue base necessary to support the new spending package extremely volatile. It could lead to the utter collapse of the budget."

"The ultimate effect of this tax package will be devastating to cities and towns, to small businesses and to Connecticut's families," Representative DelGobbo said. "Their tax plan is nothing but a shell game. It eliminates tax exemptions for clothing and funeral costs while claiming to offer tax relief. What they give with one hand, they take away with the other."

"The state's income tax structure could best be improved by an across the board cut that benefits all taxpayers. Experience has showed that when everyone's income taxes are cut, people have more money to spend, which stimulates the economy, helps businesses grow and creates thousands of new jobs. When more people are working, more tax revenues are generated, which provides government with the money it needs to deliver services."

"In addition to eliminating popular sales tax exemptions, their plan reduces tax credits that help businesses and insurance companies. Insurance companies will pass on their losses through higher premiums and companies will charge more for their goods and services. Their tax plan will increase the already high cost of doing business here. It will make it more difficult to encourage existing companies to expand and lure out-of-state companies to Connecticut – meaning fewer new jobs and more people leaving our state," Representative DelGobbo said.

"Despite overwhelming evidence that massive spending increases and sharp tax hikes lead to economic slowdowns, job losses and unemployment, they continue to make the

same mistakes,” Representative DelGobbo said. “It is unfathomable to me that the Democrats haven’t learned the lessons of the past.”

“The Democrats’ tax package, which came to us without a spending plan, is a shot in the dark that could have disastrous consequences,” Representative DelGobbo said. “It threatens our state’s economic future and will lead to the loss of thousands of jobs. It is a cruel hoax that will ultimately harm the very people they claim it will help – low- to moderate-income families.”

Representative DelGobbo also supported several amendments to the Democrats’ tax package that would have:

- Implemented the House Republican Gas Tax Holiday proposal to suspend the 25 cent per gallon gas tax from now until Labor Day.
- Restored the sale tax exemption on clothing costing less than \$50 and for funeral expenses.

Phased out the state income tax on pensions.