

House Republican Press Release

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DelGobbo Pushes Alternative Republican Budget That Cuts Gas Tax, Eliminates Burdensome Small Business Tax and Streamlines Government by Offering Early Retirement to State Workers



State Rep. Kevin M. DelGobbo, R-70 Naugatuck, ranking member on the legislature's budget-writing Appropriations Committee, said the legislature must take action to provide relief to Connecticut citizens and control spending in the face of shrinking revenue.

Rep. DelGobbo said, "Knowing clearly what lies ahead, it is our responsibility to make sure our state budget reflects those realities."

He added, "We can't just go home and pretend that the national economic slowdown doesn't exist. I think it is vital that we adopt a realistic, sustainable budget that provides some relief to Connecticut citizens."

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

With just 10 days remaining in the legislative session House and Senate Republicans put forth a balanced tax and spending plan that will not raise taxes, streamlines government and will avoid potentially huge budget deficits in the coming years.

"We have been working on alternative budgets for some time but based on the recent alarming revenue deficits, we felt we had to provide both fiscal restraint and relief for businesses and at the gas pump," Rep. DelGobbo said. "Now is not the time to sit back and 'do nothing' when we are all aware of the potential deficits that lie ahead. We realize that this is an election year, but we must make some clear, tough decisions now that will benefit all of Connecticut and not wait until after the campaign is over."

The Republican alternative:

- Cuts gas prices by 10 cents through a summer state tax moratorium and a roll back the scheduled petroleum gross receipts tax increase of .5 percent on July 1. Those roll backs will save consumers \$50 millions Republicans said.

- Eliminates 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)
- Phases out of the so-called Death Tax cliff that will save estates \$24 million and help keep more people in Connecticut (\$12 million in the first year).
- Offers up to 11,600 eligible state workers an early retirement incentive program, or ERIP, to save a projected \$163 million in the next fiscal year.

The 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. Republicans stresses that no state worker would lose his or her job because of the ERIP.

Rep. DelGobbo said the incentive plan will be a matter of personal choice and that the enrollment period could begin immediately.