

House Republican Press Release

April 30, 2008
Press Office: 860-240-8700

Harkins : Alternative Republican Budget Cuts Gas Taxes, Business Taxes, Offers Early State Worker Retirement



HARTFORD – Representative John Harkins (R-Stratford) joined House and Senate Republicans this week in offering a state budget alternative. 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 one week 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.

“The Democrats have called this ‘D Day’ with the budget,” said Harkins. “It appears as though the Democrats have arrived at D Day unarmed and waving the white flag. The House Republicans with their allies in the Senate chosen to fight for the people in the state of Connecticut.”

Democratic leaders have said they are content to not make major changes in the 2008-09 budget because of recent drops in revenue projections. The Republican alternative would:

- Cut gas prices by 10 cents through a summer state tax moratorium and a roll back the scheduled gross receipts tax increase of .5 percent on July 1. Those roll backs will save consumers \$50 million, Republicans said.
- Eliminate the \$250 Business Entity Tax over two years that all businesses pay just for opening their doors. This will save \$35 million (\$17.5 million in the first year).
- Phase 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).
- Offer 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.
- Allow hundreds of seniors to receive home care for a savings of \$17 million. (Money Follows the Person.)

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 stressed

that no state workers would lose their jobs because of the ERIP. Harkins said the incentive plan will be a matter of personal choice and that the enrollment period could begin immediately.