

House Republican Press Release

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Press Office: 860-240-8700

**REPS. HETHERINGTON AND BOUCHER: APPLAUD
ALTERNATIVE REPUBLICAN BUDGET**



***“CUTS GAS TAXES, BUSINESS
TAXES, OFFERS EARLY STATE
WORKER RETIREMENT”***

HARTFORD – State Representatives Toni Boucher, R-143rd District and John Hetherington, R-125th District, today announced support for an alternative Republican budget. The alternative budget would cut state gas taxes, eliminate a business tax, these tax cuts would be balanced 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.

Rep. Hetherington said, “We cannot simply do ‘nothing’ about the budget. Times are becoming tough and our citizens need some help.”

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.

Rep. Boucher said, “It took a lot of hard work to come up with a sound alternative budget, but there is over \$100 million in savings with reductions in the business tax, the gas tax and the estate tax. The majority party needs to take a serious look at our proposal because the public is hurting right now.”

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 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)
- 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).
- 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. The incentive plan will be a matter of personal choice and that the enrollment period could begin immediately.