

House Republican Press Release

April 19, 2007
Press Office: 860-240-8700

**SENATOR DEBICELLA, REPRESENTATIVE HOVEY:
OUTRAGEOUS BUDGET PACKAGE OVERTAXES, OVERSPENDS**



HARTFORD- State Senator Dan Debicella (R-21) State Representative DebraLee Hovey (R-112) today blasted a biennial budget proposal that would increase spending by more than 10% this year. The budget's spending and tax elements, approved by the Legislature's Appropriations Committee on April 12 and Finance, Revenue and Bonding Committee on April 16, is unsustainable without major tax increases in the next several years, said Sen. Debicella and Rep. Hovey, who both serve on the Appropriations Committee.

The spending plan would use more than \$340 million of the current surplus to pay for ongoing expenses during the next two fiscal years. This would create deficits of more than \$1.3 billion in Fiscal Year 2010, 2011, 2012. It also fails to address major issues that affect area residents, such as skyrocketing energy costs and property taxes. The spending level does not allow for any significant cuts to energy-related taxes or property taxes. It sends additional funds to towns but places no restrictions on how the money is spent, with no provisions requiring it be passed onto property owners as tax relief.

The tax package would increase the state income tax on joint filers earning more than \$150,000 and single filers earning more than \$79,700 by 10 percent. It would also increase the cigarette tax from \$1.51 per pack to \$2.00 per pack. In addition, it would eliminate the 'sunset' date of the conveyance tax, making it permanent and cost state businesses \$12 million more per year by reducing business tax credits.

"I did not support Governor Rell's proposal to increase the income tax," said Rep. Hovey. "However, that aspect of her budget opened the door to the idea of tax increases and now Democrats are having a party on the other side. How many people have had a 10 percent salary increase this year? People who paid their taxes this week should be aware that if this plan becomes law, they will soon be paying even more taxes."

"A 10.5 percent increase is irresponsible. If you raised your family budget by 10 percent a year, you would soon be bankrupt. If the state increases its spending by 10 percent, you can be sure of one thing - a massive tax increase. This is the type of radical proposal you get when a party controls the legislature by two-thirds. The Democrats are out of control and hurting families," said Sen. Debicella.