

## House Republican Press Release

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### **Reps. Hovey, Wasserman: Republican 'No Tax Increase' Alternative Budget The Best Path For Connecticut**



#### *HOUSE GOP UNITES AGAINST TAX HIKES*

HARTFORD – State Reps. Julia Wasserman (R-Newtown) and DebraLee Hovey (R-Monroe, Newtown) today joined with House Republicans in unveiling an alternative budget plan that requires no new taxes, is balanced and would save taxpayers at least \$1 billion over the next two years without slashing vital state services.

Newtown would receive an additional \$886,609 in additional state Education Cost Sharing (ECS) funds and Monroe would receive \$694,296 in ECS funds under the “No-Tax-Increase Republican Budget Alternative” with no increase in the state income tax. The Republican budget proposal would also begin to reduce other taxes, including the state income tax on senior citizen pension benefits.

In direct contrast to the Democrat plan that would raise spending by \$1.7 billion, the Republican alternative plan would spare Connecticut another tax hike. But Republicans noted that their plan increases spending in many areas:

- \$358 million in public school funding and \$1.1 billion for fully funding teachers' pensions;
- Medicaid reimbursements for hospitals increases by \$87 million to expand healthcare access for low income families;
- another \$50 million for other providers and \$13 million for nursing homes;
- municipal aid for town and city PILOTS, Town Aid Road and the Pequot Fund goes up by \$23 million;
- \$20 million for a unique first-time home buyer's initiative for college graduates that will help keep young people in Connecticut;
- Dedicates \$2 million to help state dairy farmers meet the rising costs of doing business.

“This is, frankly, the first budget proposal I would be able to vote for without reservation in the 17 years I've served in the Legislature,” said Rep. Wasserman. “The people of Connecticut are overtaxed and this proposal clearly holds the line on taxation.”

“This plan has an unequivocal level of thoughtfulness and fairness,” said Rep. Hovey. “It finally does convey to the public that our state can be fiscally responsible and maintain

programs and services that are important to the people of Connecticut and do it without a huge tax increase.”

Connecticut residents already pay the highest taxes in America, and raising them higher only drives them away to lower cost states. House Republican tax cuts include:

- Phasing out the state income tax on pensions to save retirees \$33 million;
- Eliminating the annual tax on small businesses resulting in a \$25 million savings;
- Doing away with the electricity sales tax for businesses resulting in a \$30 million savings;
- Phasing out the estate tax and eliminating the cliff;
- Retaining the clothing tax exemption;
- “Deleting” a proposed tax on Internet sales.

While crafting the alternative no tax increase budget, Republican legislators maintained several principals:

- It must not slash core government services
- It must Invest in Connecticut’s Future in Key, Vital Areas:–Education–Health Care–Energy–Jobs/Economic Growth
- It must NOT Raise Taxes