

House Republican Press Release

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Klarides & House Republicans Offer Targeted Tax Cuts for Middle Class on Energy, Health Care



HARTFORD – In an effort to ward off the effects of an economic downturn, Deputy House Republican Leader Themis Klarides (R-114) stood with House Republicans this week as they unveiled an immediate, targeted middle class tax relief plan to help those struggling to heat their homes and combat the ever increasing costs of health care coverage.

“Ideally, this plan could help offset the projected economic slide in this state,” said Klarides. “We are lucky enough to be running a budget surplus while a great number of other states are running deficits. This plan is directly aimed toward assisting middle class families.”

For the short term, Republicans outlined a specific timetable of public hearings and various committee reviews that could produce a bipartisan, comprehensive relief package by March 19th. Republicans proposed using roughly \$200 million of the state’s \$263 million surplus to:

- Provide maximum income tax credits of up to \$500 per household for joint filers earning up to \$150,000 for home heating assistance;
- Provide similar maximum \$500 income tax credits to offset out-of-pocket medical costs.

Both benefits would be targeted to the vast number of Connecticut citizens who consider themselves to be middle class. Klarides noted that her caucus first proposed eliminating the Business Entity Tax penalty that all companies pay in 2003 that Democrats finally endorsed on Jan. 28. That proposal will benefit small business owners as they struggle to meet their bottom lines. Democrats also this week adopted a property tax credit plan that mirrors previous Republican proposals.

“I am particularly pleased to see legislative Democrats endorse Republican fiscal policies like these tax credits and tax cuts,” said Klarides. “This makes it all the more likely that we can accomplish something quickly this session for working families and their children.”

Long Term Investment Boosts Jobs, Economy, Environment

Klarides and House Republicans also outlined a long-term plan to bolster the fuel cell energy market, power the state's economy, create jobs and lead to hydrogen production for mass transit. Eventually Republicans want to "green" Bradley International Airport. Klarides said Republicans support investing \$50 million through bonding per year in a new fleet of transit buses that will utilize hydrogen from fuel cells.

The impact of government on markets can be tremendous, Klarides said, and the state could very well become the nation's leader in the fuel cell industry. "Everything is in place to make this happen with the initial investment," said Klarides.

The General Assembly begins its 2008 session on Wednesday, February 6th.