

House Republican Press Release

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Rep. Miller: Alternative GOP Budget Would Help Avoid Prolonged Recession, Business Closings, Job Losses



Republican Proposal would Cut Gas, Business Taxes; Offer Early State Worker Retirement

The alternative budget proposal offered by House and Senate Republicans Monday would help the state avoid a prolonged recession, business closings and job losses, state Representative Lawrence G. Miller said today.

The proposal, which would cut state gas taxes, eliminate a business tax and offer thousands of state employees an early retirement plan that will reduce spending by \$163 million next year, has been reviewed and verified by the state legislature's nonpartisan Office of Fiscal Analysis, said Representative Miller, R-122nd District.

"With the cost of gasoline, heating oil and food increasing almost every week, Shelton and Stratford residents, and citizens throughout Connecticut are hurting and need the kind of relief our budget proposal will provide," Representative Miller said. "Individuals and families are finding it more difficult than ever to live within their budgets. Controlling state spending and providing tax relief to middle class families and employers is absolutely essential for us to preserve jobs and encourage young people to remain in Connecticut and pursue careers here."

"With state revenues dropping and the projected state surplus declining, we could be facing deficits in 2010 and 2011, which could lead to tax increases the people of Connecticut simply cannot afford. Our proposal will provide long overdue tax relief and help bring state spending under control. Our constituents are tightening their belts and making do with less. If they can live within their means, state government should do so as well. Our alternative budget is a workable proposal that does not cut essential programs and will keep the state from going into the red. We should adopt it before the session ends next week," Representative Miller said.

Democrat leaders in the House and Senate 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 roll back the scheduled gross receipts tax increase of .5 percent on July 1. The roll backs will save consumers \$50 million.

- Eliminate the \$250 Business Entity Tax over two years that all businesses pay just for opening their doors, which would save \$35 million (\$17.5 million in the first year).
- Allow hundreds of seniors to receive home care for a savings of \$17 million (Money Follows the Person).
- 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.

Under the ERIP offered in 2003, during the last state fiscal crisis, more than 4,000 workers retired, cutting the state payroll by more than \$155 million. No state workers would lose their jobs under the GOP proposal, which would be a matter of personal choice, House Republican Leader Lawrence F. Cafero Jr, R-Norwalk, and Senate Republican Leader John McKinney, R-Fairfield said.