

House Republican Press Release

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O'Neill: Democrats Abandon Tax Relief



Ranking Member of Appropriations Committee Criticizes Partisan Maneuvers

HARTFORD—State Representative Arthur J. O'Neill (R-Southbury), the Ranking Member of the General Assembly's Appropriations Committee criticized Democratic leaders for ignoring key elements of

Governor M. Jodi Rell's proposed budget, and producing a partisan budget that increases spending to about 16.2 billion, spends over \$600 million in budget surplus funds, and breaks the constitutional spending cap by over \$500 million.

"The package that the Democrats delivered completely abandons the tax relief that Governor Rell has offered, and instead treats Connecticut tax payers to the continued squandering of their hard-earned money," said O'Neill. "Budget surpluses are the result of over-taxing. We have over \$600 million in surplus, and the Democrats have spent all but \$39 million of it, which they have placed in the Rainy Day Fund. Governor Rell had proposed putting \$340 million into that fund."

O'Neill noted that the Office of Fiscal Analysis estimates the budget to be just under the spending cap due to a gimmick with Medicaid expenditures. "What they have done is take a \$180 million payment and make it prior to the change of the fiscal year instead of after it, inflating the previous year's budget through the cap so it would appear that the coming year is under it. It's a shell game, and it is deceptive."

Governor Rell's revised car tax relief proposal, which had additional benefit to seniors, was completely scrapped by majority Democrats. "I find it particularly interesting to note that Democrats, who are always holding up the property tax as the worst kind of tax, offer no relief from it whatsoever," said O'Neill.

"Democrats promised a session focused on job creation, the economy. What they have delivered is poison to Connecticut's economic prosperity," he added. "Nothing in their package creates one private sector job, improves the economic climate for business, offers an established business a reason to stay, nor offers a new business a reason to come here. They do manage to continue to strangle Connecticut businesses with high taxes, and create up to 300 new state employee jobs. It represents a total failure on their part."

Budget negotiations between the Democratic-controlled General Assembly and the Governor are ongoing. The 2006 regular session adjourns midnight, May 3rd.