

## House Republican Press Release

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### **Alternative GOP budget cuts gas taxes, business taxes, offers early state employee retirement**



HARTFORD – The alternative Republican budget offered today would cut state gas taxes, eliminate a business tax and balance by offering thousands of state employees an early retirement plan that will reduce spending by \$163 million next year, according to the non-partisan Office of Fiscal Analysis.

With just 10 days remaining in the legislative session House and Senate Republicans put forth a balanced tax and spending plan that will not raise taxes, streamlines government and will avoid potentially huge budget deficits in the coming years.

“The GOP budget proposal recognizes the fact that gas prices and punitive business and individual tax policies have placed the state on the brink of an economic meltdown,” said Rep. John Piscopo (R-Thomaston). “With the revenue estimates what they are, now is not the time to ‘do nothing’ and go home. We must act now.”

Democratic leaders 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 a roll back the scheduled gross receipts tax increase of .5 percent on July 1. Those roll backs will save consumers \$50 millions Republicans said.
- Eliminate the \$250 Business Entity Tax that all businesses pay just for opening their doors over two years to save \$35 million (\$17.5 million in the first year)
- Phase out of the so-called Death Tax cliff that will save families \$24 million and help keep more people in Connecticut (\$12 million in the first year).
- Offers up to 11,600 eligible state workers an early retirement incentive program (ERIP) to save a projected \$163 million in the next fiscal year.

The ERIP offered in 2003 in the midst of the last state fiscal crisis saw more than 4,000 workers retire and cut the state payroll by more than \$155 million. Republicans stressed that no state worker would lose his or her job because of the ERIP.