

House Republican Press Release

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Press Office: 860-240-8700

STILL NOT PAYING ATTENTION? (2007)



By State Representative John J. Ryan

If you recall last year's (and prior) columns with this title, the idea was (and is) to cover the tax and spending proposals that affect you here in lower Fairfield County, as opposed to the campaign rhetoric from the last election, or the "spin " that gets played out in the daily area media. Once again, the issue continues to be in Hartford "how can the "Gold Coast" pay more and more in taxes, and get less and less in return.

Just the latest chapter in this long-playing horror story was the 'budget' recently voted out of legislative committees as the Democrat budget proposal (remember, Governor Rell made her budget address in February), nearly every Democrat voted for it (and Republicans, of course, did not). If you were less than ecstatic with the Governor's plan, and with the annual story on where Connecticut comes out on the current "Tax Freedom Day", then I expect that this news will NOT brighten up your day, so be warned, the Democrat proposal is for the second largest tax hike in the history of our State, and the surplus in this fiscal year is projected over \$600 million and climbing:

- Income tax: apparently if you are a single filer reporting more than \$79,700 (or a joint filer above \$150,000) you are deemed to be "rich" because your income tax rate would go up to 5.25 %, then up AGAIN at \$106,250 (\$200,000 for joint filers) and yet AGAIN at \$132,800 (\$250,000 for joint filers), and yet AGAIN, this time to 6.95 % above \$132,800 for single, and above \$250,000 for joint filers!

- Estate tax: remember the talk about eliminating, or phasing out this recently passed tax? Well, the Democrats do propose eliminating the notorious "cliff" effect, but the rate goes UP, not down, so that the lowest rate would be increased from 6% to 8%, and the highest rate from 16% to 20 %!!

- Sales tax: the exemptions on such things as clothing, and funeral expenses would be ELIMINATED.

- Conveyance tax: guess what? That "sunset date" on this supposedly "temporary tax" is ELIMINATED, thereby making the tax permanent.

- Business tax credits: cut from 70% to 60%, meaning businesses would pay more to the State in taxes.

And there is a new "earned income tax credit" (basically a tax credit for low income earners-meaning a revenue loss to the State), an increased cigarette tax, new Dept. of Public Safety fee increases, and more than we can detail in full. And in the interest of full disclosure, there is an income tax cut (to 4.75 %) for single filers under \$53,125 and joint filers under \$100,000., and the maximum property tax credit (on the State Income Tax) would go up to \$1,000.

So does this sound like an appealing budget package to the lower Fairfield County taxpayer? Can you possibly venture a guess which towns in the State would be paying even more and more in taxes? Do you believe that there will be a flood of new funding coming to our area from the State in return?

Do you also assume that Connecticut could do a better job on the tax side, and have a State budget that does NOT increase your taxes, and yet does not cut State services? (Especially when you consider the large surplus of your tax revenue that is generated nearly every year?) If you believe the answer is YES, then I hope you saw the news in this Wednesday's papers about the budget proposal that my House Republican caucus just made. We will outline that alternative in next week's column.

As always please feel free to contact me with your concerns and issues. As your state representative, it is my job, and my priority to represent you and to make sure that your needs and concerns are addressed at the capitol. You can write to me at Room 4200, Legislative Office Building, Hartford, CT 06106-1591, send me e-mail at John.Ryan@housegop.ct.gov or call my office toll-free at 1-800-842-1423.