

House Republican Press Release

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REP. RYAN: VOTES NO ON BILLION DOLLAR DEMOCRATIC TAX BILL



“TAX PLAN HURTS AREA RESIDENTS”

HARTFORD- State Representative John Ryan (R-Darien) today opposed legislation in the House of Representatives that will lead to major tax hikes that will dampen economic growth, make it more difficult to attract new employers to Connecticut, and mean fewer

new jobs for residents.

“This billion tax increase should shock everyone,” Rep. Ryan said. “Already shouldering the heaviest tax load of any state in the country, our citizens will face still higher taxes, even when we continue to have an enormous surplus year after year. When will it dawn on these ‘tax and spenders’ that the reason for our annual surplus is that our residents are ALREADY overtaxed. This huge increase on top of the ever-growing surplus is nothing short of outrageous.”

Under the Democrat proposals, the income tax rate will increase from 5% to a graduated top of 6.9%. Taxpayers filing joint returns will see a higher rate beginning at \$150,000. “As a consequence, two tenths of one percent of our taxpayers, or just about 3,000 people, will pay 90% of the income tax.”

Moreover, the Democrat tax package punishes the middle class by eliminating the clothing exemption on the purchase of clothes and shoes costing \$50 or less and adds a tax on internet purchases.

In addition to change in the income tax, the top estate tax rate will go from 16% to 20%. The increase is offered as the price for eliminating the much-criticized “cliff effect” which makes the base rate apply from the first dollar once the \$2,000,000 threshold is crossed, “This is a case of fairness being held for ransom,” Rep. Ryan commented.

In voting no on the ‘record’ tax increase, Representative Ryan added, “Darien and Rowayton citizens will pay far more than they will ever receive; a result of the tax increase. Connecticut residents already shoulder one of the heaviest tax burdens in the country. If the state legislature approves a budget along with this tax package without any significant spending cuts, the tax increases that will come with it will be a drag on our

state's economy, hurt our efforts to make Connecticut more attractive to out of state companies, and mean fewer new jobs for the people Connecticut.”

According to the IRS data: 42,169 tax filers moved out of Connecticut and 34,776 tax filers moved into Connecticut from 2003 to 2004 which is a net loss of 7,393 people and over \$400 million in income.

“Although the Democrats consider it a myth, it is actually a fact that wealthy Connecticut families are moving to Florida. The same IRS data indicates that from 2003 to 2004, 2,663 tax filers moved from Florida to Connecticut while 7,236 tax filers moved from Connecticut to Florida. The path the Democratic Supermajority has moved Connecticut down needs to be reversed,” concluded Rep. Ryan.