

House Republican Press Release

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Sawyer Pushes Alternative Republican Budget That Cuts Gas Tax, Eliminates Burdensome Small Business Tax and Streamlines Government by Offering Early Retirement to State Workers



State Rep. Pamela Sawyer (R-55) today lent her full support to the taxpayer and business-friendly budget alternative offered by House and Senate Republicans.

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.

“This budget must deal with the reality that the national economic downturn will result in a negative impact on our state economy in due time,” said Rep. Sawyer. “I have proposed and supported eliminating the business entity tax each of the last two years, as well eliminating the estate tax for farmers and my caucus understood. This budget will offer some immediate relief in both of those areas, but as each day passes and our dollars in the state coffers dwindle, we have no choice but to seriously reduce our budget needs with an early retirement plan to protect other valuable state employee positions. I hope the GOP proposal is adopted before adjourn on May 7.”

The Republican alternative:

- Cuts gas prices by 10 cents through a summer state tax moratorium and a roll back the scheduled petroleum gross receipts tax increase of .5 percent on July 1. Those roll backs will save consumers \$50 millions Republicans said.
- Eliminates 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)
- Phases out of the so-called Death Tax cliff that will save estates \$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, or 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 stresses that no state worker would lose his or her job because of the ERIP.