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Rep. Williams Addresses Taxpayer Concerns at Tax Day at the Capitol



Property Tax Reform, Proposed Income Tax Hike, Business, Conveyance, Energy Taxes Among Issues Discussed

Connecticut residents and businesses shoulder one of the highest tax burdens in the United States, a situation that is forcing people and employers to abandon the state for the south and southwest where taxes are low, companies are welcome and jobs are plentiful, state Representative Sean Williams said today.

Representative Williams, R-68th District, who spoke to the Federation of Connecticut Taxpayer Organizations, Inc., at Tax Day at the Capitol today, noted that a study found that between 1990 and 2000, Connecticut lost a larger percentage of 18- to 34-year-olds than any other state, 23 percent, or more than 200,000 people.

“It is not a coincidence that Connecticut has ranked last in employment growth since 1991,” Representative Williams said. “That was the year the Democrat-controlled state legislature, at the urging of ex-Governor Lowell P. Weicker Jr., adopted a state income tax. According to a recent Wall Street Journal article, between 1991 and 2002, our state lost 240,000 of its native-born citizens.”

“After the 2000 census, Connecticut’s population loss to states like Florida, Texas, Arizona and Nevada resulted in the loss of one of our Congressional seats – and we are well on our way toward losing another after the 2010 census is completed,” Representative Williams said. “While the state income tax is probably the most hated tax in Connecticut, it is just one of several that taken together, are forcing people and employers to leave our state in search of jobs and better opportunities elsewhere.”

“When the state takes more of our disposable income, we have less to spend on discretionary expenses such as new cars, home entertainment systems, household furniture, and appliances. We go out to dinner and to the movies less often and we do not drive as much,” Representative Williams said. “When people are spending less, companies do less business, inventories pile up and profits drop, forcing employers to lay off workers or leave vacant positions unfilled. When the business climate turns sour, unemployment increases, and the economy slumps into recession.”

“When taxes are low, people have more to spend and feel comfortable about making big purchases and taking on more debt,” Representative Williams said. “When people are spending money, businesses sell more goods, increase their inventories, hire new employees and hand out more raises. When people’s incomes increase and they spend more money, the increased economic activity generates more revenues to low tax states than is collected by states where tax rates are higher.”

“About four years ago, the General Assembly passed what was intended to be a temporary increase in the conveyance tax to provide additional revenues to municipalities. The tax was supposed to lapse by the end of the first year, but instead has been extended several times. It currently is set to expire at the end of the 2007 fiscal year. The higher conveyance tax has contributed to both a slump in home sales and to heightened distrust of state legislators by the people of Connecticut. Higher taxes do not just hurt the economy and contribute to higher unemployment. They also lead to public cynicism about state government and their elected leaders,” Representative Williams said.

“We have seen the consequences of high tax rates in Connecticut and, rather than considering tax increases and more state spending, we should be working to reduce state spending and lower taxes,” said Representative Williams, who has cosponsored legislation to reduce the overall cost of the real estate conveyance tax to people who sell their homes.