



March 22, 2005

An Open Letter to the Connecticut Legislature: Say No to More Tax Increases

Dear Legislator:

On behalf of the 350,000 members of the National Taxpayers Union (NTU) nationwide and our more than 6,000 members in Connecticut, I urge you to oppose not only the massive tax increases contained in Governor Rell's budget, but also to oppose any plan to increase the state's income tax.

Just two years ago, the Legislature increased the income tax rate from 4.5 percent to 5 percent for most filers. Now, Governor Rell is proposing a 74-cent increase in the state's cigarette tax, from an already steep \$1.51 per pack to an astounding \$2.25 per pack – a rate that would be the highest in the nation by far. She is also proposing to raise beer, wine, and liquor taxes by 15 percent. The combined effect of these tax hikes would cost taxpayers approximately \$112 million annually. In addition to these revenue-raising schemes, the Governor has proposed a six-cent hike in the gas tax at a time when gas prices are higher than ever. The result would give Connecticut a gas tax higher than any other state rate except New York's.

Unfortunately, Governor Rell is not the only one planning massive tax hikes in the Nutmeg State. Some in the Legislature have proposed yet another hike in the income tax. Under one proposal, the rate would increase from 5 percent to 5.5 percent for single filers earning \$133,800 or more a year and joint filers earning \$250,000 or more. The rate would then jump from 5 percent to 6.25 percent for single filers earning over \$1 million and joint filers earning more than \$2 million. Since income taxes are the most economically harmful form of taxation, it goes without saying that a massive, highly progressive, income tax hike would do immense harm to Connecticut's sluggish economy.

The tax burden per capita in Connecticut is already the heaviest in the nation with 33 percent of the average resident's income going to taxes. The last thing the state's overburdened taxpayers and businesses need now is even higher taxes. Legislators in both houses must re-consider the size of Connecticut's government and the harm that higher taxes will do to Connecticut's economy. In order to provide government services at a lower cost, Connecticut should consider a broad array of public-private partnerships and private contracting.

Instead of picking the pockets of Connecticut taxpayers time and time again, state government must tighten its belt and reduce spending. Once again, I urge you to vote "no" on new taxes and spending. Please feel free to contact me, or anyone here at NTU, for ways to close the budget deficit without raising taxes.

Sincerely,

Paul Gessing
Director of Government Affairs