



March 26, 2008

## Georgia Taxpayers Support Significant Income Tax Cuts

Dear Georgia Leader:

On behalf of the more than 8,300 Georgia members of the National Taxpayers Union (NTU), I write to commend recent efforts to significantly reduce your state's tax burden. Allowing families and businesses to keep more of their hard-earned money is one of the best ways to spur economic growth during these uncertain times. The question remaining is how best to achieve this shared goal.

NTU reviewed the various proposals offered by Governor Sonny Perdue, the House, and the Senate, and we agree that the general income tax, the car tax, and the retirement income tax are all worthy targets for reduction. In the interest of bringing a relief package closer to fruition, the National Taxpayers Union endorses the Senate plan as the preferred tax cut proposal.

Specifically, the Senate option would lower the state income tax most Georgians pay from 6 percent to 5.4 percent over the next five years. In the first year, taxpayers would save \$215 million. After five years, the plan would save taxpayers \$1.2 billion. NTU supports the Senate plan for three primary reasons:

- It represents the largest, real-dollar tax reduction;
- It would positively impact a broad range of taxpayers; and
- It would encourage work, thereby helping to stimulate the economy at large.

Our members are also enthused about the state spending cap (set at population growth plus the government inflation rate) and the property assessment value cap (set at the government inflation rate) contained within the Senate package. However, we urge you not to negate hard-won tax limits by throwing fee increases into this mix.

On average, Georgia's state and local tax burden claims 10.3 percent of taxpayers' total income. Now is the time to pass significant, wide-reaching tax cuts. It would be a shame for the legislative session to end without action, and we urge state leaders to coalesce around the Senate tax cut plan.

Sincerely,

Kristina Rasmussen  
Director of Government Affairs