



July 14, 2008

An Open Letter to the Arkansas Legislature: Return Overpaid Taxes!

Dear Legislator:

On behalf of the nearly 3,200 Arkansas members of the National Taxpayers Union, I urge you to devote the \$260 million surplus currently facing the Legislature to tax relief.

By sending more money from their livelihoods to Little Rock than necessary, your constituents have effectively overpaid their taxes. There are a number of policy options being considered to make use of the additional funds, most of which involve spending them. In this tough economic climate, these dollars should be returned to the hard-working citizens who earned them in the first place.

Granted, the temptation to increase the size and scope of government may have grown, considering that \$176.5 million in excess revenue from this past fiscal year has been added to the \$83 million surplus the state had already amassed. Some legislators have pounced on the opportunity to splurge on new and existing programs; however, an increase in spending is the opposite of what the state needs to weather the current economic downturn. With prices of food and gasoline soaring, Arkansans deserve a refund in the form of additional tax cuts.

Last year's surplus was immediately spent on a variety of projects, to the chagrin of many of those who funded it. Governor Beebe is currently mulling another expansion of government spending, citing more outlays for the "Quick Action Closing Fund," an economic development tool that has already devoured \$50 million of last year's surplus. Other spending increases last fiscal year were lavished on the state's transportation infrastructure and higher education. In the end, the vast majority of government revenues went to new spending, rather than the taxpayers who made the surplus a reality.

This time around, the Legislature should give taxpayers a break, reducing their burdens rather than loading more government liabilities onto their backs. It's clear that even with last year's spending choices, your constituents are still being overcharged by their government. With less than ideal economic conditions nationwide, it's as important as ever to let Arkansans keep as much of their income as possible. After all, what's good for the taxpayer is good for the economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua Culling".

Joshua Culling
State Government Affairs Manager