



NEWS

AMERICANS FOR TAX REFORM

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Will Bob Riley and the Legislature Ever Learn?

After humiliating defeat of his tax increases at the polls last fall, Gov. Riley and the legislature raise numerous small taxes that do not require voter approval.

WASHINGTON, D.C. – Two years ago, Bob Riley – then a conservative Republican Congressman – ran for governor of Alabama promising “no-new-taxes.” But shortly after taking office, Riley proposed and the legislature passed, a \$1.2 billion package of tax increases on income, sales, property, utilities, and virtually every aspect of life.

Hard-working Alabama families were saved from these new taxes by provisions in the state constitution requiring most tax increases be approved by the people. On September 9, 2003, voters rejected the governor’s plan by a vote of 68%-32%. Less than a year later, Gov. Riley and the legislature have succeeded in passing a handful of tax increases that do not require a popular vote.

“Does Bob Riley have any shame?” asked taxpayer advocate Grover Norquist, president of Americans for Tax Reform. **“He won office promising the voters he would not raise taxes. Then he proposed the biggest tax increase in Alabama history. But the public repudiation he received didn’t seem to slow him down a bit – he is back to raising taxes, just in a more sneaky way.”**

The General Fund budget for the coming fiscal year will spend 16% more than the current year’s budget. To pay for that massive increase, the legislature has passed a 158% increase in cigarette taxes, a 100% increase in other tobacco taxes, increases in fees for court proceedings and agriculture inspections, an increase in the severance tax on oil and natural gas, elimination of some sales tax exemptions, and an increase in nursing home taxes. And in a telling postscript, the “accountability” reforms that were supposed to accompany the budget failed to pass the legislature.

“Once again, Bob Riley is out to nickel-and-dime the people of Alabama in order to keep the big-spenders in Montgomery happy,” continued Norquist. **“He talks accountability, but a 16% spending increase funded by tax increases shows his real motivations. It seems the only thing the governor and the legislature learned from their embarrassment last year is that he must go behind the backs of the people to get what he wants.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.