



NEWS

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Gov. Schwarzenegger, It Is Not Just “Wishful Thinking”

--Other states have done it. And California's Governor is right when he says that new taxes would punish ordinary Californians for the failure of government to control spending --

WASHINGTON, D.C. – While he has confirmed his commitment to finding a way out of California's fiscal mess without raising taxes, Gov. Schwarzenegger (R) hinted it would be difficult to do so. When interviewed by the Los Angeles Times about the possibility of tax hikes, the Governor said: “I'm going through wishful thinking that I'll never have to go there.”

Gov. Schwarzenegger faces a \$14-billion budget shortfall, in large part a result of his predecessor's lack of fiscal responsibility. Democratic Governor Gray Davis had increased state spending rapidly and had tripled the state's car tax – an act for which he was recalled and replaced by Gov. Schwarzenegger.

“Gov. Schwarzenegger deserves credit for his steadfast opposition to new taxes,” said Grover Norquist, president of Americans for Tax Reform in Washington, DC. **“Several of his fellow governors have given in to the big-spending interests when faced with budget shortfalls. However, being able to close a huge budget hole without raising taxes is not wishful thinking. It is doable and it has been done. In Texas, for example, Gov. Rick Perry closed a \$10 billion shortfall by actually shrinking the budget below previous year levels.”**

Other states that have overcome huge budget shortfalls without raising taxes include New Hampshire, Florida, Colorado, Hawaii, Minnesota, and Massachusetts. On the other hand, Gov. Riley of Alabama, Gov. Kulongoski of Oregon, Gov. Taft of Ohio, Gov. Guinn of Nevada, and of course former Gov. Davis of California all faced voter revolts after attempts to raise taxes.

“Of course, Gov. Schwarzenegger is faced with huge pressure from spending interests,” Norquist continues. **“But so were those who closed their budget holes without tax increases. A new trend across the nation rewards those, who refrain from tax hike policies, and punish those, who raid taxpayers' pocketbooks. We stand ready to protect his commitment to taxpayers.”**

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.