



NEWS

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The Tax-Hiking Record of the Easley- Administration

-- Against earlier assurances, North Carolina Gov. Mike Easley has a record of hiking taxes --

WASHINGTON, D.C. – Despite campaign promises by Gov. Mike Easley (D) that he would not raise taxes, North Carolinians have seen their taxes increase steadily under his administration. During his term, Gov. Easley has not only signed laws that place more burdens on hard working families, but he also proposed tax increases.

In 2001, Governor Easley proposed a “temporary” one percent increase in sales tax that would amount to \$798 million increase in the state’s revenue. He later signed a state budget that included two new tax increases: a half percent increase in sales tax and a half percent increase on the highest personal income bracket. Both taxes, which were set to sunset by 2003, instead were extended for another two years to offset Easley’s budget proposal that called for \$700 million spending increase. His 2004 budget proposal again called for more spending increases.

“First, Easley promised not to raise taxes at all, but refused to sign the Taxpayer Protection Pledge, and thus put his commitment in writing. Then he called for “temporary” tax hikes. Once they were in place, - surprise! - they were extended for another two years,” said Grover Norquist, President of Americans for Tax Reform in Washington, DC. **“Governor Easley blamed the economy for increasing taxes, however, the real reason for these tax increases was his uncontrolled spending. It is unlikely that under his continued leadership, the tax hikes will ever be phased out.”**

Governor Easley’s “temporary” tax increases cost the taxpayers \$400 million dollars. The hikes were projected to increase taxes by \$860 million from 2003 to 2005. Gov. Easley is seeking re-election this year. He will face former state Senator Patrick Ballantine, who has emerged as the Republican nominee from a crowded field of candidates.

“This fall, North Carolinians have the possibility to decide whether they agree with their tax-hiking governor” Norquist continued. **“Voters may very well chose his opponent Patrick Ballantine (R), who has signed the Taxpayer Protection Pledge, and thus has pledged in writing to “oppose and veto any and all efforts to increase taxes,” over a governor who has mislead his constituents.”**

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 Chris Butler at (202) 785-0266 or by email at cbutler@atr.org.