



# NEWS

AMERICANS FOR TAX REFORM

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FOR IMMEDIATE RELEASE

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## Media/Interview Alert:

### **September 1<sup>st</sup> – The Money Grab is On!**

*-- As many of Virginia's tax hike's provisions take effect, Warner administration is sitting on money --*

WASHINGTON – As the summer slowly comes to an end, Virginians have to get ready for the money-grab their legislators and Gov. Mark Warner agreed on earlier this year:

#### **This coming Wednesday, on September 1<sup>st</sup>:**

- **Virginia's smokers will have to dig deep into their pockets: The state excise tax increases from 2.5 cents per pack to 20 cents per pack – a 700% increase!**
- **Virginians will pay 4% when shopping for non-food items, rather than the 3.5% they paid before – a 14.3% increase!** This change will result in a combined state and local tax rate of 5%. The new tax rate for vending machine sales will be 6%.
- **The state recordation tax on property transactions will increase by 10 cents, raising the rate to \$.25 per \$100 – an increase of 66.7%!**

**While Virginians have to tighten their belts to pay for the tax increase, the Warner administration is sitting on money:**

- The fiscal year 2004 ended with a surplus of \$323.8 million!!
- Even without a tax increase, the Virginia budget was estimated to increase by 11.6% over the biennium.
- The \$1.6 billion tax increase, will be piled on top of the year-end surplus, and the natural estimated revenue growth!

***The numbers leave Virginians wondering:  
Why again was it necessary to raise taxes???***

*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](mailto:cbutler@atr.org).*