



NEWS

AMERICANS FOR TAX REFORM

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In case you missed it...

FDIC: Virginia Tax Hikes Will Hurt Growth and Jobs

WASHINGTON, D.C. – The Federal Deposit Insurance Corporation (FDIC), the federal entity that guarantees American banks, tracks banking and economic trends nationwide. Its Summer 2004 profile** for the Commonwealth of Virginia notes that – **prior to the tax increases passed this spring** – jobs were being created, unemployment was dropping, and revenues were rising. But dangers lurk ahead:

“State tax collections are beginning to recover from large percentage decreases in 2002, indicating general improvement in the economy. However, the state’s General Assembly agreed to raise taxes by \$1.36 billion in 2004 in order to cover existing budget shortfalls. Higher taxes could create a drag on the state’s economic recovery.”

In a Hampton Roads *Daily Press* article authored by Novelda Sommers, the regional director for the FDIC, Jack Phelps, noted that:

“Taxation takes money out of the economy that would otherwise be spent in the private sector[.] It can be a counter-stimulant to the economy.”

According to the Rockefeller Institute’s State Revenue Report, Virginia revenues are up **7.8%** in the January-March quarter over 2003, adjusted for inflation and legislated tax changes.
(http://stateandlocalgateway.rockinst.org/fiscal_pub/state_rev/sr_reports/RR_56.pdf)

**Revenues are increasing WITHOUT tax increases.
Gov. Warner, REPEAL the destructive tax hikes!**

** FDIC report can be found at <http://www.fdic.gov/bank/analytical/stateprofile/Atlanta/va/VA.xml.html>.

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.