



NEWS

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Revenue Data Proved No Need for Tax Increase

-- Earlier knowledge of numbers could have spared Virginians from the \$1.38 billion tax hike --

WASHINGTON, D.C. – As the battle over whether to raise taxes on Virginians went into its final phase in April, the Commonwealth was collecting significantly more revenue than had been projected. Had lawmakers and the public known the numbers earlier, the dynamics of the debate would have been different, and Virginians could have been spared from the \$1.38 billion tax increase that was finally passed.

The Commonwealth's Finance Department last week released its memorandum to Governor Mark Warner on revenue collections during the month of April, which stated that total general fund revenue collections had increased 22.5 percent in April over the same month last year. With a year-to-date revenue growth rate of 9.5 percent, collections are well ahead of the annual forecast of 6.7 percent, and could lead to a surplus of \$200 million at the end of the current fiscal year.

“The data released by the Finance Department proves all opponents of the tax hike right – they said it all along: With the national economy in rebound and the same development catching on in the states, tax hikes are unnecessary,” said Grover Norquist, president of Americans for Tax Reform in Washington, DC. **“And this holds true for the Commonwealth of Virginia, too. Lawmakers should have known better than to buy into tax hikers’ rhetorics.”**

Already, a number of lawmakers who voted for the infamous tax increase package are backpedaling, and have called for a reversal of the car tax freeze, and have been indicating they may not have voted for the tax increase had the numbers been on the table at the time of the vote.

“Many lawmakers were lulled by big spenders, who used scare tactics throughout their campaign for higher taxes, while the fiscal situation was brighter than ever,” Norquist continued. **“This leaves one wondering whether the Governor played politics with these numbers and – against better knowledge - held them back to get the votes for a raid on taxpayers’ wallets.”**

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.