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Whistlin' to the Tune of Higher Taxes in the Bluegrass State

Tax hike packages may soon rear their ugly heads

WASHINGTON, D.C.- As the legislative session gets underway in Kentucky, lawmakers in the Bluegrass State may see a stream of tax hike proposals headed in their direction. The first is an income and sales tax hike package that would hit taxpayers' wallets by upwards of an additional \$315 million in the first year of implementation.

In an effort to patch up a projected \$1 billion state budget hole caused by government overspending, House Bill 262 calls for several tax increases including: an increase on the income tax for earners over \$75,000, a decoupling from the federal phase-out of the death tax and an expansion of the state sales tax to include certain services. The lead sponsor of the legislation is State Rep. Jim Wayne (D-Jefferson), who sits on the House Appropriations Committee. Eight Democrat co-sponsors join Rep. Wayne in this effort to raise taxes.

"This old song and dance of tax and spenders is nothing more than a broken record that should be put out of its misery," said Grover Norquist, president of Americans for Tax Reform. **"They spend beyond their, then feign surprise when they come up short. When the going gets rough, they just dig their grimy hands deeper into the taxpayers' pockets instead of governing responsibly."**

This tax increase proposal may not be the only plan on the table for long. Leaders in the Democrat-controlled House are warming to the idea of raising the state's tobacco tax, which recently jumped from 3 to 30 cents in 2005. The Republican-controlled Senate joins with freshman Gov. Steve Beshear (D) in nay saying a tobacco tax increase.

"Plain and simple, this budget 'hole' is not a problem to be thrown at the feet of Kentucky taxpayers," said Norquist. **"The state government has overspent themselves into a deep hole, so instead of looking to raising taxes, it's their job to reform their big spending ways. Taxpayers cannot afford a heavier burden to facilitate laziness on the part of their elected officials."**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact John Kartch at (202) 785-0266 or at jkartch@atr.org.

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