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‘Frugal’ Budget a Close Shave for N.C. Taxpayers

Bipartisan agreement halts tax increase

RALEIGH – The North Carolina house reached a bipartisan agreement Wednesday, rejecting Gov. Mike Easley’s expanded budget and categorically rejecting calls for statewide tax increases. Democrats and Republicans joined together on the floor of the House to pass the \$21.3 billion budget proposal by a margin of 102-12.

The approved budget plan rejected Gov. Easley’s added \$180 million provision to the budget, and agreed to the lowest year-to-year spending in the last 5 years. In addition, both Democrat and Republican leaders firmly rejected the governor’s calls to raise the cigarette tax in North Carolina by \$.20 cents per pack.

“Both sides of the political compass can claim victory on this budget bill. However, the greatest victory goes to the taxpayers, who see a direct benefit from this compromise,” said Grover Norquist, president of Americans for Tax Reform.

While the reality of no new taxes for citizens of North Carolina is promising, legislators should strive to reduce spending; an increase in spending leaves the door open for new taxes in later years – perhaps when elections are not a factor.

“While I commend the legislature for their restraint, I would compel them to further examine their budget and, in the future, take the necessary actions to ensure that the citizens of North Carolina can look forward to paying less taxes, not just retaining the current level,” said Norquist. **“The taxpayer already forks over more than enough money to government each year, and legislators must make a dedicated commitment to easing this burden each and every year.”**