

FOR IMMEDIATE RELEASE

CONTACT: John Kartch
Eric Schmidt

25 MARCH 2008

202-785-0266

Kentucky State Senate Excels While House Dems Fail

State Senate Passes Budget Without Tax Increases

WASHINGTON, D.C. – Yesterday, the Republican-controlled Kentucky state senate approved its version of the state's new \$19 billion dollar budget. The spending plan calls for including no tax increases and modest budget cuts, closely resembling Gov. Beshear's original budget plan before he turned about-face in recent weeks.

As part of the budget plan the senate called upon the Lottery to raise the revenue percentage paid to the state from 26.4% to 35%, as had been agreed upon when the Lottery was formed. Also, the senate is calling for a \$79 million dollar reduction on prison maintenance costs by utilizing home incarceration and other creative practices. With these and other measures, the senate found a way to avoid all tax increases promoted by Gov. Beshear and the house Democrats, including the governor's latest pet, a 70 cent per pack cigarette tax increase.

"Leaders in the state senate have shown that they are willing to go the extra mile for Kentucky taxpayers," said Grover Norquist, president of Americans for Tax Reform. **"Instead of simply taxing their way out of trouble like house Democrats, they buckled down and worked to produce a taxpayer friendly budget plan."**

Now leaders from both Kentucky's house and senate will go to conference committee in an attempt to resolve differences in their \$19 billion budget plans. Both sides will seek to resolve their differences and close the state's approximately \$900 million "shortfall" within eight days.

"The friend taxpayers thought they had in Gov. Beshear turned out to be those fiscal conservatives in the senate instead," continued Norquist. **"The senate crafted a budget that keeps the pressures of a higher tax burden off the backs of the hardworking people in the Bluegrass State, and I urge the governor and house budget leaders to consider adopting the senate's budget plan as the best and only option for Kentucky."**

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