



AMERICANS for TAX REFORM

Grover G. Norquist
President

March 31, 2008

Dear Leader Bruno,

As the leader of the Republican majority in the New York state senate, you have made clear that “raising taxes is the worst thing that can be done at this point.” As the budget discussions continue in the coming hours, I urge you to live up to this position and reject any and all tax increases that are put on the table.

According to several reports, many lethal tax increases are on the table. In particular, doubling the state cigarette tax is being promoted with little concern for the consequences of doing so. Funding any budget “priority” with a cigarette tax increase is setting up New York taxpayers to bear the brunt of a future tax increase. According to the U.S. Department of Agriculture, tobacco use declines at a rate of 1-2% per year. At this rate, cigarette tax revenue is anything but a stable funding source.

Small businesses, the engine of job creation in the U.S., are hurt most by tobacco tax hikes. According to a 2003 Small Business Survival Committee study, when New York City raised the tobacco tax by \$1.42, it resulted in \$127 million in lost profits for small businesses and some 10,000 lost jobs.

But make no mistake, any of the tax and “fee” hike proposals that are on the table are dangerous. At a time when the state’s economic future is uncertain, removing dollars from the private economy and out of productive use is playing Russian roulette with New York’s future.

Before placing taxpayers on the chopping block, responsible governing requires you to address the true problem of overspending. Currently, it is rumored that the budget deal calls for an increase in spending by 4.5% from Fiscal Year 2007 levels. As you have pointed out, now is not the time to facilitate further irresponsibility with taxpayers’ hard-earned money on the line.

I urge you to act in the best interest of New York taxpayers in the final hours of the budget debate and reject any and all tax increases that are put on the table and instead, reach a budget deal that is pro-growth and tax-increase free.

Onward,

Grover Norquist

cc: New York Republican Caucus

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