



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

May 28, 2008

Dear Legislator,

In light of the upcoming budget debate, I urge you to stand up for North Carolina taxpayers and reject the call for higher taxes. With an expected surplus of \$152 million by the end of the year, now is the time to cut taxes and return the extra revenue to the hard-working families of North Carolina.

The proposed budget includes over \$1 billion in new spending, leaving taxpayers to foot the hefty bill. Under the governor's plan, consumers would bear an additional \$165 million burden as a result of higher excise taxes on beer, wine, and cigarettes. Imposing a higher tax on these products sends a message to taxpayers that government regulators are more adept than they at making choices of what and how to consume. **It is not only a matter of increasing tax burden, it is also a matter of using the threat of higher taxes to reduce personal liberty.**

In addition to the 4 cent hikes on beer, wine and liquor, the governor is also calling for a 20 cent per pack increase on cigarette taxes. According to the U.S. Department of Agriculture, tobacco use declines at a rate of 1-2% per year. Because they are a declining revenue source, **higher tobacco taxes will only serve as a placeholder for additional broad based tax increases to maintain spending levels in the future.**

In light of the state's projected surplus, there is *no excuse* for robbing taxpayer wallets. Rather than increase tax burden, the state legislature government should look for ways to increase the flow of money to the private economy, by allowing taxpayers to keep more of their hard-earned dollars.

Higher taxes on consumers will threaten a strong economy and only further disable one that is weak. According to an Americans for Tax Reform study last year, North Carolinians were forced to work until July 6th to pay their share of government spending and regulation. Taxpayers in the Tar Heel State cannot afford higher taxes.

Enclosed, please find key facts about 'sin taxes'. **On behalf of North Carolina taxpayers, I strongly urge you to reject any and all tax increases throughout budget discussions.**

Onward,

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