



# NEWS

## AMERICANS FOR TAX REFORM

1920 L Street, NW • Suite 200 • Washington, DC 20036  
202.785.0266 • Fax 202.785.0261

WWW.ATR.ORG

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CONTACT: Jonathan Collegio  
202-785-0266

## Gov. Guinn Risks Nevada's Reputation as a Business-Friendly State with Tax Hike Proposal

*Nevada is one of the most business-friendly states in the nation, but won't be if Governor Guinn's tax hike proposal becomes law.*

WASHINGTON — Major magazines such as Money and Fortune have consistently rated Nevada as one of the most favorable states for business location. Small business associations have done the same. But will it continue this reputation, as Gov. Kenny Guinn and the legislature consider a \$1 billion tax hike?

**“Nevada’s reputation as a business-friendly state is at terrible risk as Gov. Guinn considers this proposal,”** said taxpayer advocate Grover Norquist, who heads Americans for Tax Reform (ATR) in Washington. ATR is widely considered the nation’s leading taxpayer advocacy organization. **“It’s the type of tax hike that has every businessman and woman in the state wondering if they’re next, and that’s no good for business, jobs or the economy,”** he continued.

Governor Guinn, a Republican from Clark County, said last month that cigarette and alcohol tax increases are likely to fund the state’s overspending problem, while he refused to answer if he would hike the employee annual business license tax, which currently hovers at \$100 per employee. In his state of the state address to the Legislature last night, Guinn outlined a budget for the next two fiscal years that, with his tax plan added in, hits a record \$4.89 billion.

The non-partisan Small Business Survival Committee, based out of Washington, DC, ranked Nevada first in its rating of business-friendly states in 2001, and second in 2002. But this reputation of being a friend of business is at risk with the governor’s tax hike proposal and the ever-growing state budget, which totals almost \$5 billion this year. When businesses leave the state, jobs will follow soon after.

Nevada is one of forty-four states facing similar tax revenue shortfalls due to overspending this year. Notably, Colorado, which passed a law in 1992 limiting state spending to the rate of inflation and population growth, does not face budgetary problems of this magnitude.

**“Controlling spending, like Gov. Owens and the taxpayers of Colorado have done, is the way to deal with budget problems, not raising taxes,”** continued Norquist. **“A permanent tax hike to quick-fix a short term budget problem will damage Nevada’s economy and reputation. When Gov. Guinn calls legislators ‘cowardly’ for opposing a tax hike, he should rethink his own lack of courage at taking a bite out of Nevada’s budget.”**

*Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at [jcollegio@atr.org](mailto:jcollegio@atr.org).*