



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
Paul Proski
202-785-0266

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The Georgia Senate Has Shown Tax Hikes Are Not Necessary – Why Does the House Insist on New Taxes?

Senate passed a balanced budget with no tax increases; House continues to demand over a hundred million dollars in property and tobacco tax hikes.

WASHINGTON – Like 43 other states across the nation, Georgia has faced a massive budget deficit for 2004 because of reckless overspending in the 1990's and the current economic downturn. In response, each house of the Georgia legislature has taken a different approach to solving the budget problem.

The Georgia Senate has followed the lead of states like Florida, Colorado, Kentucky, Texas, and even Massachusetts – it has held the line on new spending, rooted out wasteful programs, and cut perks for the public sector in order to pass a balanced budget with no tax increases. But the Georgia House has decided to avoid such tough choices and raise taxes on working families.

“Georgia families are struggling through the most protracted economic downturn in decades,” said taxpayer advocate Grover Norquist, president of Americans for Tax Reform. **“And the Georgia House wants to add to their burdens by jacking up their property taxes? It wants to sap their buying power by taking more from smokers? Georgia needs to get its economy moving again, and a heavier tax burden is the WORST prescription for a slow economy.”**

States across the country are balancing their budgets without raising taxes by closely scrutinizing every state asset and spending plan. For example, some states are selling off vacant office space, some are cutting down on vehicle fleets, some are implementing hiring freezes, and some are withdrawing from wasteful organizations such as the National Governors Association, saving hundreds of thousands of dollars in dues. Georgia's Senate has followed this approach.

“If the Senate has shown the Georgia budget can be balanced without tax hikes,” continued Norquist, **“why is the House fixated on new taxes? Is the House so determined to pay off its special interests that it is willing to take more money from working families during a recession?”**

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.