



www.betterchoicesforCT.org

Connecticut is a great place to live and work because of the public structures we've created over the years — public schools, transportation system, courts, health care, police and libraries. These public structures reflect the values of Connecticut residents, who have long supported them. State revenues—taxes, fees and other income — are the collective investments we make to support our communities and maintain the high quality of life we all expect and enjoy. Unfortunately, an unbalanced and antiquated revenue system and an economic downturn have created a

budget deficit that puts funding for these public support structures at grave risk.

Governor Rell's proposed budget makes deep cuts in our state's public services and the safety net that so many residents rely on. Even with these cuts, as of February 4th, the day of her budget release, she was \$2.8 billion short of addressing the budget gap. The proposed budget cuts undermine our quality of life and will damage our state's economy. And worst of all, these cuts are simply not necessary.

In the long run, the state needs a comprehensive solution that would allow for more consistent investments in public structures and a fairer tax system.

Better Choices for Connecticut Plan:

- Increase income tax rates for those who can best afford it. Create a progressive tax structure that raises rates for the wealthiest Connecticut residents. Estimated \$800 million to \$1.2 billion in additional revenue.
 - Increase the tax rate to 6% on the portion of income over \$200,000
 - Increase it to 7% on the portion over \$500,000
 - Increase it to 8% on the portion over \$1 million
- Close corporate tax loopholes. Flaws in our tax code enable many large and profitable corporations to avoid paying their fair share and shift the responsibility for taxes onto in-state businesses and individuals. Estimated \$130-\$150 million in additional revenue.
- Increase the sales tax by 1% and limit any harmful effects by creating a state earned income tax credit to help working families and a small business property tax credit. Estimated \$425-\$475 million in additional revenue.
- Scale back public subsidies to the entertainment business. In FY09, the state will lose an estimated \$117.5 million in revenues to the television and film industry through the "movie tax credit." Estimated \$90-\$100 million in additional revenue.
- Increase cigarette and alcohol taxes. Increasing cigarette taxes will not only raise revenue, it will also discourage smoking, particularly among Connecticut's youth, thereby reducing long-term health costs. Estimated \$78-\$80 million in additional revenue.

It's a Better Choice for Connecticut.

Better Choices for Connecticut is a broad-based community coalition working to help Connecticut make the budgetary choices that reflect the priorities and values of its citizens.

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