



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

LEGISLATIVE ALERT Reject Tax Hikes in Budget Deal

According to media reports, the “Big Head Committee” has reached an agreement on a budget plan for the next fiscal year which would increase taxes. These reports come of the heels of an announcement of a boost in state revenues, the bulk of which is said to not be used to address the state’s overspending problem.

While higher income taxes are said to be “off the table”, the agreement is expected to include several other tax hikes, among them a partial repeal of a gross receipts tax cut from 2005, and an increase in the tax on alcoholic beverages by as much as 50 percent.

While it may be tempting to slap an additional tax on a product perceived as ‘bad’ by some, and to increase alcohol license fees, ultimately, **businesses and taxpayers would be punished for the sale and the consumption of a legal product.** Keep in mind that these taxpayers and businesses are already struggling to make ends meet and are feeling the pain at the pump and the grocery store.

As taxpayers have less money to spend, small businesses and the hospitality industry are losing business, and the rumored alcohol tax increase would only add fuel to this fire. Raising gross receipts taxes would be another blow to businesses, and experience shows that ultimately, taxpayers will foot the bill.

Make no mistake - any tax increase is dangerous to the growth of the Delaware economy. Since any tax increase will drain money out of the private economy and productive use, it is a disservice to constituents. Taxpayers are relying on you to seek responsible, pro-growth measures to ensure the future of the state economy.

Like most states, Delaware does not have a revenue problem.
Delaware has a spending problem.

Raising taxes is not an effective or responsible long term fiscal solution as the desire for spending, if left unchecked will invariably outpace revenue.

It is time for government to do what it asks of its constituents –
live within its means.

Reject All Tax Hikes in the Budget Deal!

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