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COALITION APPLAUDS LEMBO'S CALL FOR ACCOUNTABILITY and NEW YORK'S TAX PACKAGE

STATEWIDE -- Better Choices for Connecticut, a coalition dedicated to creating a more sustainable and fair revenue system for the state, lauds two positive steps this week: Comptroller Kevin Lembo's call for more transparency and accountability to measure the success of business tax breaks, and a new tax structure in New York State that will generate \$1.9 billion -- enough to nearly halve the budget gap that lawmakers expect to confront in January -- by preserving the millionaire's tax on the highest income earners while lowering the tax rate for millions of New Yorkers.

"This proves it's possible to raise revenue in a sound, fair and sustainable way," said Renae Reese, Executive Director of the Connecticut Center for a New Economy. "Connecticut should follow New York's lead, and take further steps to reduce income inequality through our tax structure. This is right in line with Governor Malloy's statement that we should benchmark our own income tax against that of neighboring states. Even when the New York legislature approves this change, Connecticut's highest tax rate will be significantly lower than New York's."

"We welcome Comptroller Lembo's efforts towards ensuring our public investments provide the highest return on the taxpayer dollar," added Jamey Bell, Executive Director of Connecticut Voices for Children and co-chair of Better Choices. "At the very least, we should be analyzing and reporting on whether tax breaks and incentives are creating jobs and stimulating the economy. Citizens and policy makers need this basic information to make informed choices."

The Coalition also lauded Lembo's request that the statutory committee charged with evaluating the effectiveness of existing tax expenditures be fully reconstituted with experts in taxation.

In New York, Gov. Andrew Cuomo and legislative leaders reached an agreement, approved Thursday, to overhaul New York State's income tax. The plan preserves higher taxes on incomes of \$2 million or more, creating a higher tax bracket for the highest-income residents while allowing initially-scheduled tax reductions to go into effect for millions of middle-class residents. The income ranges will be indexed to inflation. The new rates take effect in January.

Additionally, a new 13-member state Tax Reform and Fairness Commission will examine long-term changes to the tax structure, including income, sales and corporate.

Better Choices also called for Connecticut to create a similar tax reform commission, and for the Office of Fiscal Analysis to conduct tax incidence studies periodically, at least every three years to determine which corporations pay taxes, and how much.

Better Choices for Connecticut is a community coalition working to help Connecticut make better choices on ways to improve the state's imbalanced revenue system so that it advances opportunity for shared prosperity for all Connecticut residents; preserves services for children, families and the elderly; creates and sustains good jobs; and reinvests in the middle class and our communities.

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