



AMERICANS FOR TAX REFORM

**HALL OF
SHAME
LEGISLATIVE
SESSION OF 2006**

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

W W W . A T R . O R G

CONTACT: Elizabeth Karasmeighan
Sandra Fabry

DRAFT

EXECUTIVE SUMMARY

ATR's "Hall of Shame" lists all legislators who are signers of the Taxpayer Protection Pledge, a written commitment to "oppose and vote against any and all efforts to increase taxes," and broke their commitment by voting for a tax increase during the legislative session of 2006.

We thank Anastasia Feaster, Jordan Schwartz, and Karri Bragg for their research assistance. We also are indebted to our friends in the states, who helped us clarify issues and confirm our research.

Yet, since we monitor 99 legislative bodies in 50 states, we may have missed a tax increase somewhere. If you think we have missed a Pledge violator, please contact Elizabeth Karasmeighan (Ekarasmeighan@atr.org) or Sandra Fabry (sfabry@atr.org) and share with us the relevant information.

This year, the highest tax increase was passed in New Jersey. Here, the Governor and the legislature passed a \$1.8 billion tax increase.

PLEDGE BREAKERS BY STATE AND MEASURE

ALABAMA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN ALABAMA.

ALASKA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN ALASKA.

ARIZONA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN ARIZONA.

- ✓ Additionally, the \$10 billion budget included a \$500 million tax cut in the form of a permanent ten percent income tax cut over two years, a three year suspension of the state-levied education property tax and the doubling of a corporate tuition tax credit for private school scholarships that lawmakers passed earlier this year.

ARKANSAS

NO REGULAR SESSION IN 2006

CALIFORNIA

TAX INCREASE INCLUDED IN: AB 2873

- Passed the Assembly on 5/31/06.

SUMMARY OF BILL:

- Authorizes a county or city to impose an additional $\frac{1}{4}$ of 1% sales and use tax rate.

DETAILS OF BILL:

- Amends the Bradley-Burns Uniform Local Sales and Use Tax Law.
- Authorizes local governments to impose additional ¼ of 1% sales and use tax.
- Requires that revenue generated from the additional ¼ of 1% sales and use tax be deposited into a local transportation fund.

FISCAL IMPACT:

- Estimated to generate an additional \$1.4 billion statewide.

PLEDGE BREAKERS:

- ASSEMBLY (Roll Call Vote on 5/31/06)
No Pledge Breakers
- SENATE
No Votes

TAX INCREASE INCLUDED IN: SB 1414

- Passed the Senate on 6/1/06
- Passed the House on 8/30/06
- Sent to the governor on 9/11/06

SUMMARY OF BILL:

- Imposes a tax on employers with over 10,000 employees for the purposes of funding employee health insurance costs.

DETAILS OF BILL:

- Requires that an employer with over 100,000 employees spend at least 8% of the total wages paid to employees in the state on employee health insurance costs.
- Establishes the California Fair Share Health Care Fund. Money in the fund may be appropriated for the Medi-Cal program, the Healthy Families Program, and the Access for Infants and Mothers Program.

FISCAL IMPACT:

- The Department of Industrial Relations estimates that the costs for FY 06-07 will be \$410,000. The department estimates that full year costs thereafter will total \$634,000.
- The Department of Industrial Relations is unable to estimate the potential revenue generated from employer payments.

PLEDGE BREAKERS:

- SENATE (Roll Call Vote on 6/1/06)
No Pledge Breakers

- HOUSE (Roll Call Vote on 8/30/06)
No Pledge Breakers

COLORADO

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN COLORADO.

CONNECTICUT

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN CONNECTICUT.

DELAWARE

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN DELAWARE.

FLORIDA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN FLORIDA.

- ✓ Additionally, Florida cut taxes. Floridians will see tax cuts after the state added \$298 million in tax relief including: \$131 million from the repeal of the intangibles tax on savings and investment, \$54 million in targeted tax cuts to spur investment in the manufacturing, research and development and space sectors, and the elimination of the “By-the-Drink” tax in fiscal year 2007-08.

GEORGIA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN GEORGIA.

HAWAII

TAX INCREASE INCLUDED IN: HB 2419

- Passed Senate on 5/4/06
- Failed in the House on 5/4/06

SUMMARY OF BILL:

- The bill establishes an integrated tax services and management special fund to receive revenues from the integrated tax information management systems post-implementation revenue-generating initiatives.

DETAILS OF BILL:

- Adopts amendments to Hawaii tax laws to implement the streamlined sales and use tax agreement
- County surcharge on state tax administration, and streamlined sales and use tax administration

FISCAL NOTES:

No fiscal notes.

PLEDGE BREAKERS:

- HOUSE (Roll Call Vote on 5/4/06)
There were no Pledge breakers
- SENATE (Roll Call Vote on 5/4/06)
Ige

TAX INCREASE INCLUDED IN: SB 2961

- Passed the Senate on 5/2/06
- Passed the House on 5/4/06
- Enrolled to governor on 5/8/06

SUMMARY OF BILL:

- Increases tax on cigarettes to fund Hawaii Cancer Research Fund, emergency medical services, trauma care, and community health centers.

DETAILS:

- Imposes a tax of 8 cents on each cigarette sold beginning on September 30, 2006 and increasing by 1 cent each year to 13 cents for each cigarette sold on and after September 30, 2011.

FISCAL IMPACT:

- No fiscal notes.

PLEDGE BREAKERS:

- Governor Linda Lingle
- SENATE (Roll Call Vote on 5/2/2006)
Hemmings
- HOUSE (Roll Call Vote on 5/4/2006)

Ching, Kawakami, Marumoto, Stevens, Thielen

TAX INCREASE INCLUDED IN: SB 3181

- Passed the Senate on 5/2/06
- Passed the House on 5/2/06
- Vetoed by governor on 7/11/06

SUMMARY OF BILL:

- Extends the bottle tax to containers with a volume of 68 oz. or less.

DETAILS:

- Applies the 6 cents bottle tax to containers that are less than or equal to 68 ounces.

FISCAL IMPACT:

- No fiscal notes.

PLEDGE BREAKERS:

- HOUSE (Roll Call vote on 5/2/06)
Ching, Harbin, Kawakami, Stevens, Thielen
- SENATE (Roll Call vote on 5/2/06)
Hemmings, Hogue, Ige

- ✓ **Although the Hawaii legislature raised taxes, lawmakers also used a portion of the \$600 million surplus to cut income taxes by about \$58 million.**

IDAHO

TAX INCREASE INCLUDED IN: HB 679

- Passed the House on 2/17/06

SUMMARY OF BILL:

- Increases the sales tax by one-half of one percent.

DETAILS:

- Imposes an additional one-half of one percent sales and use tax effective on and after June 1, 2006.
- Revenue generated from these taxes will be incorporated into the general fund.

FISCAL IMPACT:

- Estimated to generate between \$100 million and \$105 million for fiscal year 2007.

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote on 2/17/06)
Nielsen
- In SENATE
No Votes

TAX INCREASE INCLUDED IN: HB 787

- Passed the House on 3/15/06

SUMMARY OF BILL:

- The bill raises the tax on each container of moist snuff to a minimum of \$1.00 per ounce.

DETAILS:

- Imposes \$1 dollar per ounce tax on containers whose wholesale price is \$2 dollars and fifty cents or less per ounce.
- Imposes a tax rate of 40% of the wholesale price if the wholesale price is greater than \$2 dollars and fifty cents per ounce.
- Dedicates revenue generated from the additional taxes to funding family and mental health courts.

FISCAL IMPACT:

- Estimated to generate an additional \$850,000 dollars in revenue.

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote on 3/15/06)
Clark, Hart, McKague, Nielsen, Wood
- In SENATE
No Votes

ILLINOIS

TAX INCREASE INCLUDED IN: HB 1918

- Passed the House on 4/26/06
- Passed the Senate on 5/4/06
- Signed by governor on 5/26/06

SUMMARY OF BILL:

- Imposes a tax on certain casinos of 3 percent of adjusted gross receipts

DETAILS:

- Amends the Illinois Horse Racing Act of 1975 to change the Horse Racing Equity Fund into the Horse Racing Equity Trust Fund.
- Provides that the Horse Racing Equity Trust Fund shall be a non-appropriated trust fund held separate and apart from State moneys. Provides that the Trust Fund shall be administered by the Illinois Gaming Board.
- Provides that certain owners licensees must pay an amount equal to 3 percent of adjusted gross receipts into the Horse Racing Equity Trust Fund.
- Senate amendment places the Horse Racing Equity Trust Fund language from the engrossed bill in a new Section of the Illinois Horse Racing Act of 1975 and adds a provision repealing the Section 2 years after the effective date of the amendatory Act.
 - Provides that, for a period of 2 years beginning on the effective date of the amendatory Act, the specified owners licensees must make the 3% payment into the Horse Racing Equity Trust Fund.
 - After the 2-year period, the current provisions requiring certain owners to pay 15% adjusted gross receipts will apply (moneys that will go into the Horse Racing Equity Fund).
 - Restores a provision concerning appropriation of moneys from the General Revenue Fund to the Education Assistance Fund in an amount equal to the amount paid into the Horse Racing Equity Fund in the prior calendar year. Replaces the severability clause with an inseverability clause.

FISCAL IMPACT:

- Estimated to generate approximately \$54 million in additional annual revenues

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote No. 8)
Bellock, Biggins, Boland, Bost, Hannig, Molaro, Myers, Stephens, Verschoore, Wait
- In SENATE (Roll Call Vote No. 2)
Geo-Karis, Jones, J., Jones, W.

INDIANA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN INDIANA.

IOWA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN IOWA.

- ✗ However, Gov. Vilsack advocated strongly for an increase in the state cigarette tax. Due to Speaker Christopher Rants' staunch opposition to higher taxes, all efforts to raise the tax were rejected this session.
- ✓ Additionally, Iowa will phase out the income tax on Social Security over eight years. Every senior will see a tax cut with a plan to exempt the first \$24,000 for a single filer, and \$32,000 for joint filers.

KANSAS

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN KANSAS.

- ✓ Additionally, Kansas cut the estate tax and eliminated property tax on new business equipment and machinery.

KENTUCKY

TAX INCREASE INCLUDED IN: HB 380

- Passed by the House: 4/11/06
- Passed by the Senate: 4/10/06
- Signed by the governor, with 33 line items vetoed: 4/24/06

SUMMARY OF BILL:

- Record-breaking \$18.1 billion two-year spending plan
- Includes tax increases

DETAILS:

- raises tax on cigarette papers
- locks in gas tax increase of 2005
- extends the 7% corporate tax rate that was scheduled to drop to 6%

FISCAL IMPACT:

- \$2.38-billion in additional debt (also a record)
- Substantial pork project spending including:
 - \$75-million for a government-owned sports arena in Louisville
 - \$25-million for a hotel for the Kentucky Horse Park
 - \$6-million for a polar bear exhibit at the Louisville Zoo
 - \$4-million for the Abraham Lincoln Bicentennial Commission
 - \$2.5-million for the Governor's Council on Wellness and Physical Activity

PLEDGE BREAKERS:

- Governor Ernie Fletcher
- House (Roll Call Vote #588)
Adams, Baugh, Bratcher, Bruce, Couch, Crimm, Damron, DeWeese, Embry, Fischer, Ford, Gooch, Hall, Harper, Henley, Higdon, Hoover, Kerr, Lynn, Marcotte, Mobley, Montell, Napier, Nunn, Reinhardt, Rader, Stewart, Turner, Upchurch, Vincent
- Senate (Roll Call Vote on 4/10/06)
Blevins, Borders, Buford, Denton, Gibson, Guthrie, Harris, Kelly, McGaha, Roeding, Sanders, Stine, Stivers, Tapp, Tori, Westwood

TAX INCREASE INCLUDED IN: HB 338

- Passed the House on 2/23/06
- Rejected by the Senate, no committee hearing

SUMMARY OF BILL:

- Raises fees on mortgages and deed transfers to fund affordable housing programs.
- Allows local governments to impose parallel fee increases to fund similar affordable housing programs.

DETAILS:

- Imposes a \$10 fee on first mortgages.
- Imposes a \$10 fee on transfer of real estate.
- Allows local governments to impose similar fees to generate revenue for local Affordable Housing Trust Funds.

FISCAL IMPACT:

- Any amount in excess of \$7 million from delinquent property receipts will be transferred to affordable housing trust fund

PLEDGE BREAKERS:

- House (Roll Call Vote #244)
Adams, Baugh, Bruce, Couch, Crimm, Damron, Deweese, Ford, Gooch, Hall, Harper, Henley, Higdon, Hoover, Kerr, Marcotte, Napier, Nunn, Reinhardt, Turner, Upchurch, Vincent
- Senate
No Votes.

LOUISIANA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN LOUISIANA.

MARYLAND

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN MARYLAND.

MASSACHUSETTS

TAX INCREASE FOUND IN: H 4479

- Passed the House on 4/4/06
- Passed the Senate on 4/4/06
- Signed by governor, with line item vetoes on 4/12/06

SUMMARY OF BILL:

- The plan would use a combination of financial incentives and penalties to expand access to health care over the next three years and extend coverage to the state's estimated 500,000 uninsured. All residents will be expected to either buy insurance through an employer or the government. Those who can't afford a plan will be subsidized. The bill also imposes a new tax on employers with 11 or more full-time workers who do not offer and contribute to their employees' health insurance.

DETAILS:

- Employers who don't make a "fair and reasonable" contribution toward employee health insurance premiums will be required to make a per-worker "fair share contribution." The contribution will be calculated to represent the cost of free care used by the employees of non-contributing employers, but will be capped at \$295 per employee. Businesses with 10 or fewer employees will not be subject to the contribution.

FISCAL NOTES:

- The plan calls for \$58 million in new state spending over the rest of current fiscal year and \$125 million each in the following three fiscal years.
- Legislative analysis projects that the plan will be about \$160 million short of its estimated cost of \$1.56 billion in the fiscal year that starts July 1, 2008.
- The \$295-per-employee charge on employers who don't provide insurance, is projected to raise about \$45 million a year.

PLEDGE BREAKERS:

- HOUSE (Roll Call vote # 370):

Atsalis, Miceli, Nangle, Coppola, deMacedo, Frost, Hill, Humason, Loscocco, Poirier, Ross, Smola

- SENATE (Roll Call vote # 241):
Hedlund

MAINE

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN MAINE.

MICHIGAN

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN MICHIGAN.

- ✓ Additionally, the legislature voted to repeal the onerous single business tax. Although the repeal was vetoed by the governor, it was subsequently presented to the legislature through the citizens' petition process and was passed.

MINNESOTA

TAX INCREASE FOUND IN: S.F. 2734

- Passed by the Senate on 4/3/06
- As House version did not include tax increase, bill stalled in conference committee. Debate is likely to resume in 2007 session.

SUMMARY OF BILL:

- The bill proposes an amendment to the Minnesota Constitution, article XI to increase the sales tax rate by three-eighths of one percent and dedicate the receipts for natural and cultural resource purposes

DETAILS:

- Beginning July 1, 2007, until June 30, 2032, the sales and use tax rate shall be increased by three-eighths of one percent on sales and uses taxable under the general state sales and use tax law.
- Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated as follows:
 - 34 percent of the receipts shall be deposited in the heritage enhancement fund and may be spent only to improve, enhance, or protect the state's fish, wildlife, habitat, and fish and wildlife tourism;
 - 22 percent of the receipts shall be deposited in the parks and trails fund and may be spent only on parks, trails, and zoos in the state;

- 22 percent of the receipts shall be deposited in the clean water fund and may be spent only on protection and restoration of the state's lakes, rivers, streams, wetlands, and groundwater; and
- 22 percent of the receipts shall be deposited in the arts, humanities, museum, and public broadcasting fund

FISCAL NOTES:

- Tax increase projected to generate \$245,450,000 in FY 08 and \$276,900,000 in FY 09

PLEDGE BREAKERS:

- SENATE (Senate Journal Page 4525):
Johnson, D.E., Koering, Michel, Nienow, Olson, Sams, Vickerman, Wiger

TAX INCREASE FOUND IN: H.F. 2480

- Passed by the Senate on 5/20/06
- Passed by the House on 5/20/06
- Signed by governor on 5/26/06

SUMMARY OF BILL:

- Baseball stadium financing, construction, and operation provided; Minnesota Ballpark Authority established; community ownership option provided; and Hennepin County and future Anoka County sales taxes authorized.

DETAILS:

- This bill creates a Minnesota Ballpark Authority with responsibility for construction and operation of a new Major League ballpark in Minneapolis.
- Authorizes Hennepin County to impose a .15 percent sales tax within the county. Exempts the sales tax from the referendum requirements for local option sales taxes.
- Authorizes a .75 percent local option sales tax without a referendum in Anoka County for a Vikings stadium contingent upon approval of a development and financing plan at the 2007 or later legislative session.

FISCAL NOTES:

- Bill includes \$1.1 billion local option sales tax increase without voter referendum
- Projected to cost state \$1,830,000 in FY 07 and \$10,560,000 in biennium FY 08-09
- The team must agree to contribute \$130,000,000 toward ballpark costs, less a proportionate share of any amount by which actual ballpark costs may be less than a budgeted amount of \$390,000,000.
- The Minnesota Ball Park Authority shall require that a reserve fund for capital improvements to the ballpark be established and funded with annual payments of \$2,000,000, with the team's share of those payments to be approximately

\$1,000,000, as determined by agreement of the team and county. The annual payments shall increase according to an inflation index determined by the authority, provided that any portion of the team's contribution that has already been reduced to present value shall not increase according to an inflation index. The authority may accept contributions from the county or other source for the portion of the funding not required to be provided by the team.

PLEDGE BREAKERS:

- Governor Tim Pawlenty
- SENATE (Senate Journal Page 5880)
Day, Johnson, D.E., Kierlin, Koering, Larson, McGinn, Neuville, Vickerman, Wiger
- HOUSE (House Journal Page 8192)
Charron, Nornes, Westerberg, Dorman, Blaine, Moe, Pelowski, Severson, Solberg, Eastlund, Gazelka, Sviggum, Dempsey, Gunther, Marquart, Sykora

MISSISSIPPI

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN MISSISSIPPI.

MISSOURI

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN MISSOURI.

MONTANA

NO REGULAR SESSION IN 2006

NEBRASKA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN NEBRASKA.

- ✓ Also, taxpayers will receive tax cuts amounting to approximately \$90 million a year in income, sales and property tax relief. The package adjusts state income tax brackets, includes an earned income tax credit for low-income Nebraskans, in addition to repealing previous restrictions on claiming itemized deductions, personal exemptions and standard deductions for higher-wage earners.

NEW HAMPSHIRE

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN NEW HAMPSHIRE.

NEW JERSEY

Gov. Corzine signed a budget that raises the state sales tax from 6 to 7 percent and includes increases in the tax on cigarettes, from \$2.40 to \$2.57, a rise in the corporate business tax, an expansion of the sales tax on magazines and security services; and a new sales tax on fur coats and other items with fur.

TAX INCREASE INCLUDED IN: A4701

- Passed the House on 7/8/06.
- Passed the Senate on 7/8/06.
- Signed by governor on 7/8/06.

SUMMARY OF BILL:

- Imposes a fee on buyers of certain commercial property.

DETAILS:

- Imposes a 1% fee on purchasers of commercial real property in excess of \$1 million.

FISCAL IMPACT:

- Estimated to generate \$43.1 million for FY '07 and at least \$50.9 million for FY '08 and '09.

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06)
Greenwald, Steele
- In SENATE (Roll Call Vote on 7/8/06)
Turner

TAX INCREASE INCLUDED IN: A4705

- Passed the Assembly on 7/8/06
- Passed the Senate on 7/8/06
- Signed by the governor on 7/8/06

SUMMARY OF BILL:

- Raises the cigarette tax per pack.
- Makes tobacco products wholesale sales tax on moist snuff a weight-based tax.

DETAILS:

- Raises the cigarette tax by 35 cents per pack, from \$2.40 to \$2.75 per pack effective July 1, 2006.
- Changes tobacco products wholesale sales tax on moist snuff to weight-based tax.
- The new tax on moist snuff will be \$.75 per ounce of moist snuff.

FISCAL IMPACT:

- The new cigarette tax is estimated to generate \$30 million in revenue.
- The new weight tax on moist snuff is estimated to generate \$5 million in revenue.

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06)
Greenwald, Steele
- In SENATE (Roll Call Vote on 7/8/06)
Turner

TAX INCREASE INCLUDED IN: A4706

- Passed the Assembly on 7/8/06
- Passed the Senate on 7/8/06
- Signed by governor on 7/8/06

SUMMARY OF BILL:

- Imposes a tax on corporation business tax liability.

DETAILS:

- Imposes a 3.5% “surcharge” on corporation business tax liability for the corporation tax during FY 2007, 2008, and 2009.
- The tax is in addition to the current franchise tax
- The bill disallows the application of the various business incentive credits against the surtax, but allows application of credits for prepayment of tax liability.

FISCAL IMPACT:

- Estimated to generate \$96 million in corporate tax revenues during FY '06-'07.

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06)
Greenwald, Steele
- In SENATE (Roll Call Vote on 7/8/06)

Turner

TAX INCREASE INCLUDED IN: A4707

- Passed the Assembly on 7/8/06
- Passed the Senate on 7/8/06
- Signed by governor on 7/8/06

SUMMARY OF BILL:

- Imposes a supplemental registration tax on new luxury and fuel “inefficient” passenger automobiles.

DETAILS:

- Imposes an additional one-time supplemental registration tax for automobiles whose sales price or lease price is \$45,000 or more or whose EPA average fuel efficiency rating of less than 19 miles per gallon.
- The additional tax will be calculated by multiplying the sale/lease price by 1%.

FISCAL IMPACT:

- Estimated to generate \$25 million in revenue during FY 2006-07.

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06).
Greenwald, Steele
- In SENATE (Roll Call Vote on 7/8/06).
Turner

TAX INCREASE INCLUDED IN: 4714

- Passed the Assembly on 7/8/06
- Passed the Senate on 7/8/06
- Signed by the governor on 7/8/06

SUMMARY OF BILL:

- Imposes a tax on retail sales of fur clothing.

DETAILS:

- Imposes on individuals making retail sales of fur clothing a tax equal to 6% of the gross receipts from the retail sales of fur clothing.
- Imposes a 6% use tax on the use of certain fur clothing in NJ.

FISCAL IMPACT:

- Estimated to generate \$5 million annually.

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06)
Greenwald, Steele.
- In SENATE (Roll Call Vote on 7/8/06).
Turner

TAX INCREASE INCLUDED IN: A4715

- Passed the Assembly on 7/8/06
- Passed the Senate on 7/8/06
- Signed by the governor on 7/8/06

SUMMARY OF BILL:

- Increases the rental motor vehicle surcharge.

DETAILS:

- Increases the rental motor vehicle surcharge from \$2 per day to \$4 per day.

FISCAL IMPACT:

- Estimated to generate an additional \$35.25 million.

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06).
Greenwald, Steele
- In SENATE (Roll Call Vote on 7/8/06).
Turner

TAX INCREASE INCLUDED IN: A4716

- Passed the Assembly on 7/8/06.
- Passed the Senate on 7/8/06.
- Signed by the governor on 7/8/06.

SUMMARY OF BILL:

- Increases the annual assessment on net written premiums of HMOs.

DETAILS:

- Increases the annual assessment from 1% to 1.5%.
- Purpose is to support charity care.

FISCAL IMPACT:

- Estimated to generate an additional \$50 million in revenue.

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06).
Biondi, Greenwald, Steele
- In SENATE (Roll Call Vote on 7/8/06).
Turner

TAX INCREASE INCLUDED IN: A4901

- Passed the Assembly on 7/8/06.
- Passed the Senate on 7/8/06.
- Signed by the governor on 7/8/06.

SUMMARY OF BILL:

- Increases the sales tax.
- Expands the base of the sales and use tax.

DETAILS:

- Increases the sales and use tax from 6% to 7% on July 15, 2006.
- Expands the base of the sales and use tax on October 15, 2006.
- Sales Tax applies to digital property: electronically delivered music, ringtones, movies, books, audio and video works.
- Eliminates the sales tax exemption for seller delivery charges.
- Limits the sales tax exemption for laundering, dry leaning, tailoring, weaving, and pressing.
- Limits the sales tax exemption for such contractor services as landscaping and installation of flooring.
- Eliminates sales-tax exemption on tanning, massage services, furnishing of space for storage, tattooing, investigation and security services, info services, limousine services, initiation fees, and parking.

FISCAL IMPACT:

- The increase in the sales tax rate from 6% to 7% has been estimated to yield approximately \$1.2 billion annually

PLEDGE BREAKERS:

- In ASSEMBLY (Roll Call Vote on 7/8/06)
Greenwald, Steele
- In SENATE (Roll Call Vote on 7/8/06)

NEVADA

NO REGULAR SESSION HELD IN 2006

NEW MEXICO

TAX INCREASE INCLUDED IN: HB 602

- Failed on House floor on 2/7/06

SUMMARY OF BILL:

- Increases gasoline tax from 17 cents to 19 cents per gallon
- Creates a new fund called the “school bus routes fund”

DETAILS:

- The school bus routes fund will be a fund used for school bus routes and public school parking lot projects. The revenues from the gasoline tax distributed to the fund will be used for revenue bonds issued by the New Mexico Finance Authority to pay for projects up to \$200 million.
- Changes the distribution of the gasoline tax of other beneficiaries to incorporate the school bus routes fund
- Authorizes school bus routes bonds for acquiring rights of way and constructing, maintaining, repairing, improving and paving school bus routes and public school parking lots

FISCAL IMPACT:

- Tax increase expected to generate \$18 million per year for road infrastructure projects

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote # 1079)
There were no Pledge breakers.

NEW YORK

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN NEW YORK.

- ✓ Including property tax rebates and a revived tax exemption on clothing, lawmakers cut taxes by \$1.5 billion in 2006-07, rising to \$2.4 billion when fully implemented.

NORTH CAROLINA

TAX INCREASE INCLUDED IN: HB 1963

- Passed the Senate on 7/6/06
- Passed the House on 7/13/06

SUMMARY OF BILL:

- The bill authorizes Mecklenburg County to raise its rental-car tax

DETAILS:

- Authorizes Mecklenburg County to raise its rental-car tax from 11% to 16%
- Tax proceeds will go towards three museums and a new theater

FISCAL IMPACT:

- Additional revenue generated is expected to cover approximately half of the \$158.5 million county project for museums and a new theater

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote on session day 165, 7/13/06)
Clary, Crawford, Culp, Current, Dockham, Johnson, McMahan, Preston, Ray, Rayfield, Sherrill, Steen, Vinson, Wilson
- In SENATE (Roll Call Vote on session day 162, 7/6/06)
Allran, Berger, Blake, Garwood, Hartsell, Rand

NORTH DAKOTA

NO REGULAR SESSION IN 2006

OHIO

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN OHIO.

OKLAHOMA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN OKLAHOMA.

- ✓ This year, legislators agreed to cut the top marginal state income tax rate 16 percent from 6.25 percent to 5.25 percent by 2010, providing state revenue growth equals 4 percent plus the cost of the tax cut. The 2007 budget also eliminates the state's death tax after three years and increases the standard income deduction to match the federal level. While the tax cut package is more than four times bigger than last year's record tax cut, under the budget agreement spending levels still increase significantly.

OREGON

NO REGULAR SESSION IN 2006

PENNSYLVANIA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN PENNSYLVANIA.

- ✓ Pennsylvania property tax payers will receive a \$1 billion rebate-based tax cut. While the tax cut is effective immediately for senior citizens, the remainder of the relief will be funded by future gaming revenues.

RHODE ISLAND

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN RHODE ISLAND.

- ✓ The 2006 session was a successful one for Rhode Island taxpayers. The \$6.7 billion budget cuts the top marginal income tax rate and reduces the size of the government's work force. The \$7.2 million income tax cut component allows taxpayers who earn over \$250,000 per year to choose between paying the current graduated income tax rate, 9.9 percent at the highest after deductions, or a new flat-tax rate of 8 percent with no deductions, scheduled to drop to 5.5 percent by 2011. Along with cutting the income tax rate for high-income residents and providing property tax relief, the budget also lowers the car tax, raises the state's earned income tax credit for low-income residents from 10 to 15 percent and raises the state's property tax credit for low-income seniors and disabled residents from \$250 to \$300. The legislature also approved a measure to lower the cap on annual increases to local property taxes and school district spending from the current 5.5 percent to 4 percent by 2013.

SOUTH CAROLINA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN SOUTH CAROLINA.

- ✗ However, the South Carolina legislature defeated several attempts to raise the state's cigarette tax.

SOUTH DAKOTA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN SOUTH DAKOTA.

TENNESSEE

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN TENNESSEE.

- ✗ However, the legislature faced attempts to raise taxes to increase state health care spending.

TEXAS

NO REGULAR SESSION IN 2006

- ✓ Gov. Perry called a special session to deal with the school finance restructuring mandated by the state supreme court. The result was a package that cut school property taxes by \$15.7 billion while imposing a gross receipts tax and raising the cigarette tax. The overall package appears to be revenue neutral or a tax cut. ATR will continue to monitor this.

UTAH

TAX INCREASE INCLUDED IN: HB 371

- Passed the House on 2/21/06
- Passed the Senate on 3/1/06
- Signed by the governor on 3/17/06

SUMMARY OF BILL:

- Increases the rate of the transient room tax from a rate not to exceed 3% to a rate not to exceed 4.24%.

DETAILS:

- The bill increases the tax rate of the transient room tax from a rate not to exceed 3% to a rate not to exceed 4.25% beginning on or after October 1, 2006
- Repeals the Transient Room Tax for Convention Facilities

FISCAL IMPACT:

- Could generate an additional \$4.9 million for counties annually

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote on 2/21/06)
Noel, Urquhart

- In SENATE (Roll Call Vote on 3/1/06)
Bramble, Hatch

TAX INCREASE INCLUDED IN: HB 4001

- Passed by House on 9/19/06
- Passed by Senate on 9/19/06
- Signed by the Governor on 9/20/06

SUMMARY OF BILL:

- The bill authorizes counties to impose a tax of up to .25% for local transportation uses.

DETAILS OF BILL:

- Tax can begin on or about April 1, 2007
- Must be passed through a majority in a county legislative body

FISCAL NOTE:

- Approximate revenue for 2008 is expected to be \$116 million

PLEDGE BREAKERS:

- HOUSE (Roll Call Vote Sequence # 23):
Dougall, Hughes, Noel, Oda, Urquhart
- SENATE (Roll Call Vote Sequence #866):
Bramble, Hatch

VERMONT

TAX INCREASE INCLUDED IN: H 0869

- Passed the House on 3/17/06
- Amended in Senate to remove fuel tax increases

SUMMARY OF BILL:

- The House version of the transportation budget includes tax increases on motor vehicle fuels

DETAILS:

- Raises gas tax from 19 to 23 cents per gallon
- Raises diesel tax from 25 to 31 cents per gallon
- Includes several fee increases

FISCAL IMPACT

- Expected to generate \$24 million in revenue

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote on 3/17/06)
Helm, O'Donnell

TAX INCREASE INCLUDED IN: HB 0861

- Passed the House on 3/3/06.
- Passed the Senate on 5/5/06.
- Signed by the governor on 5/25/06.

SUMMARY OF BILL:

- Provides for several health care reforms
- Charges the commission on health care to report on a plan to increase incrementally health care coverage to ensure universal access no later than 2011
- Raises tobacco tax and imposes a tax on certain employers to subsidize Catamount Health coverage plan

DETAILS:

- Establishes a quarterly assessment of \$1 per day per full-time equivalent employees of employers who do not offer health insurance, employees who are not eligible for an employer's insurance, and uninsured employees
- Exempts 8 employees per employer in 2007 and 2008; 6 in 2009; 4 in 2010
- Starts April 1, 2007 to be paid at the end of that quarter (June 2007)
- Establishes a study on the best method of accounting for seasonal employees
- Increases the cigarette tax by 60 cents in 2006 and an additional 20 cents in 2008
- Taxes little cigars and roll-your-own tobacco as cigarettes
- Changes method of taxing moist snuff to a per-ounce basis and increases tax in 2008 by \$0.17 cents

FISCAL IMPACT:

- Employer assessment projected to generate \$34 million from 2007-2010
- Cigarette tax increase projected to generate \$53.6 million over same time period
- Tax increase on other tobacco products expected to raise \$6 million over this period
- Total cumulative tax increase of \$93.6 million from 2007-2010

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote on 5/9/06)
Branagan, Valliere

- In SENATE (Roll Call Vote on 5/5/06)
No Pledge breakers

VIRGINIA

TAX INCREASE INCLUDED IN: SB 708

- Passed Senate on 2/17/06
- Left in House Committee on Finance 3/6/06

SUMMARY:

- The bill would raise various state taxes and fees to fund transportation projects

DETAILS:

- The bill would raise new revenues for transportation by
 - imposing an additional \$200 fee upon certain convictions relating to violations of Virginia's driving laws;
 - imposing annually additional fees on any driver with a driver's record having a balance of 8 or more demerit points;
 - increasing motor vehicle registration fees by \$10 for all vehicles and doubling the gross weight registration fee for vehicles weighing more than 10,000 pounds;
 - increasing current liquidated damages for violations of any weight limit imposed under law or for violations of any weight limit included in a permit that has been issued;
 - imposing additional liquidated damages of \$20 for every violation of any weight limit imposed under law or any weight limit included in a permit that has been issued;
 - increasing the state grantor's tax to 30 cents for each \$100 of value with the revenues from the increase in the tax distributed to the respective locality and required to be used for local or regional transportation projects;
 - authorizing local governments to impose a local grantor's tax at the rate of 10 cents for each \$100 of value with the revenues to be used for local or regional transportation projects;
 - increasing the motor fuels tax on diesel fuel to 17.5 cents per gallon (the current rate of the motor fuels tax on gasoline and gasohol);
 - imposing a 5% tax on motor fuels that would be based on the statewide average retail price of a gallon of self-serve unleaded regular gasoline over rolling six-month periods and that would be imposed at a cents per gallon rate; and
 - increasing the motor vehicle sales and use tax from 3% to 3.75%, phased-in over fiscal years 2007, 2008, and 2009. The bill would also dedicate for transportation purposes all insurance license tax revenues relating to automobile insurance policies.

FISCAL NOTE:

Net revenue generated for the state in FY 2007 and FY 2008 would equal \$2,092.7 million

PLEDGE BREAKERS:

- In SENATE (Roll Call Vote on 2/17/06)
Potts, Reynolds, Ruff

TAX INCREASE INCLUDED IN: SB 5013

- Passed Senate on 4/27/06
- Failed in the House Finance Committee on 9/26/06

SUMMARY:

- The bill would raise state-wide taxes and provide a mechanism for local tax increases in the Commonwealth to fund transportation spending
- Also allows three or more contiguous localities or three or more localities in the same construction district to form a regional transportation authority. The localities in such an authority would be authorized to raise revenues for the authority through a 0.5% local sales and use tax and a 1% transient occupancy tax.

DETAILS:

- The bill would raise new revenues for transportation by
 - imposing an additional \$200 fee upon certain convictions relating to violations of Virginia's driving laws;
 - imposing annually additional fees on any driver with a driver's record having a balance of 8 or more demerit points;
 - increasing motor vehicle registration fees by \$10 for all vehicles and doubling the gross weight registration fee for vehicles weighing more than 10,000 pounds;
 - increasing current liquidated damages for violations of any weight limit imposed under law or for violations of any weight limit included in a permit that has been issued;
 - imposing additional liquidated damages of \$20 for every violation of any weight limit imposed under law or any weight limit included in a permit that has been issued;
 - authorizing local governments to impose a local grantor's tax at the rate of 30 cents for each \$100 of value with the revenues to be used for local or regional transportation projects;
 - increasing the motor fuels tax on diesel fuel to 17.5 cents per gallon (the current rate of the motor fuels tax on gasoline and gasohol);
 - increasing the motor vehicle sales and use tax from 3% to 3.75%, phased-in over fiscal years 2007, 2008, and 2009; and
 - imposing a \$0.06 per gallon fee on all motor fuel distributed from a terminal in the Commonwealth. The bill would also dedicate for transportation purposes all insurance license tax revenues relating to automobile insurance policies.

FISCAL NOTE:

- Excluding one-time general fund dollars, the Senate transportation plan would generate \$484.6 million in FY 2007, \$836.81 million in FY 2008, \$899.74 million in FY 2009, and \$913.4 million in FY 2010.

PLEDGE BREAKERS:

- In SENATE (Roll Call Vote on 4/27/06)
Potts, Reynolds, Ruff

TAX INCREASE INCLUDED IN: SB 5014

- Passed Senate on 4/27/06
- Tabled in the House Finance Committee on 7/24/06

SUMMARY:

- The bill establishes the Hampton Roads Transportation Authority and provides for local tax increases

DETAILS:

- The governing bodies of the Counties of Isle of Wight, James City, York; Cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Williamsburg may each, by ordinance:
 - Impose an additional 1% local sales and use tax with revenue to the Transportation Authority
 - The Counties of Accomack and Northampton may also impose the additional local sales and use tax at such time as the Chesapeake Bay Bridge-Tunnel becomes subject to the control of the Authority.

FISCAL NOTE:

- Assuming all 11 localities raise taxes, proposal would generate \$57.3 million in FY 2007 (with only 4 months of revenue collections) \$180.4 million in FY 2008 and \$189.3 million in FY 2009.
- If two additional Eastern Shore Counties join, an additional \$4.0 million to \$5.0 million in sales tax revenue is projected each year.

PLEDGE BREAKERS:

- In SENATE (Roll Call Vote on 4/27/06)
Martin, Potts, Reynolds, Ruff

TAX INCREASE INCLUDED IN: SB 5015

- Passed Senate on 4/27/06
- Defeated in the House Finance Committee on 9/26/06

SUMMARY:

- Allows for the creation of a regional transportation authority with the ability to impose and collect tolls and levy and impose an additional local sales and use tax

DETAILS:

- Allows the governing bodies of three or more contiguous counties or cities along the Interstate 81 corridor or three or more counties or cities in the same construction district along the Interstate 81 corridor to form a regional transportation authority.
- Such an authority shall prepare a regional transportation plan and may construct or acquire transportation facilities specified in such a plan. An authority would also be responsible for long-range transportation planning for regional transportation projects.
- An authority may impose and collect tolls on facilities within its confines, subject to approval of the Commonwealth Transportation Board, and cities or counties within the authority may, by ordinance, levy and impose an additional local sales and use tax, provided that all cities or counties within the authority adopt by ordinance the additional tax.
- An authority shall report annually on the allocation and expenditure of funds, including the use of funds to reduce congestion and improve air quality within the confines of the authority.

FISCAL NOTE:

No fiscal notes.

PLEDGE BREAKERS:

- In SENATE (Roll Call Vote on 4/27/06)

Potts, Reynolds, Ruff

TAX INCREASE INCLUDED IN: SB 5016

- Passed Senate on 4/27/06
- Defeated in the House Finance Committee on 9/26/06

SUMMARY:

- The bill allows localities that are members of the Northern Virginia Transportation Authority to impose additional local taxes and fees

DETAILS:

- The governing body of the Counties of Arlington, Fairfax, Loudoun, Prince William; Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park may each by ordinance:

- Impose an additional license fee: \$30 for passenger cars; \$40 for pickup or panel trucks; \$20 for trailers; \$15 for motorcycles; \$50 for trucks; and \$12 for all other vehicles;
- Impose an initial registration fee at the time the vehicle is first registered in the locality at the rate of 0.50% of the value of the vehicle at the time the vehicle is first registered in the locality by the owner;
- Impose a 2.5% transient occupancy tax
- Impose an additional local sales and use tax at the rate of 0.50%; and
- Raise the state grantor tax from \$0.10 per \$100 of value to \$0.30 per \$100 of the value of the real estate being recorded, with an additional local option grantors tax at a rate of \$0.10 per \$100 of the value of the real estate.

FISCAL NOTE:

- The bill is projected to generate \$172 million in FY 2007, \$388 million in FY 2008, \$397.2 million in FY 2009, and \$406.3 million in FY 2010.

PLEDGE BREAKERS:

- In SENATE (Roll Call Vote on 4/27/06)
Martin, Potts, Reynolds, Ruff

WASHINGTON

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN WASHINGTON.

WEST VIRGINIA

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN WEST VIRGINIA.

WISCONSIN

NO TAX INCREASES REPORTED FOR THE 2006 LEGISLATIVE SESSION IN WISCONSIN.

- ✓ Wisconsin also expanded and introduced new tax credits this year as well as cutting several taxes. In addition to phasing out the state income tax on Social Security, lawmakers cut one cent from the gas tax and eliminated the automatic indexing of gas taxes.

WYOMING

TAX INCREASE INCLUDED IN: HB 0054

- Failed on third reading in the House on 2/23/06

SUMMARY:

- Provides for an increase in tobacco taxes as specified and distribution with the funds going to department of health for the Wyoming medical assistance and services program.

DETAILS:

- Increases the cigarette tax by \$.40 per pack
- Increases the excise tax rate on wholesale purchase of tobacco products from 20% to 33.33%
- Increases the excise tax rate on retail price of tobacco products from 10% to 16.67%

FISCAL NOTE:

- Anticipated revenue increase of \$8.7 million

PLEDGE BREAKERS:

- In HOUSE (Roll Call Vote on 2/23/06)
There were no Pledge breakers