

4TH DISTRICT SESSION REPORT

Dear Friends,

The 2010 session is over. As you probably know, the Democrat majority was unable to finish its business in the allotted 60-day session and needed a 30-day special session called by Gov. Gregoire – all in an effort to raise your taxes!

Finally, after using all 30 days of the special session, and after much debate and deliberation, **Democrats passed the largest tax increase in state history!** We believe that if they would have expended as much energy on reforming state services and finding true efficiencies as they did on looking for new and increased taxes, we would **not have needed a special session and the budget would not have been balanced on the backs of taxpayers.**

Our priorities for this session were to get people back to work and balance the budget without raising taxes. We feel this session was one of missed opportunities as one-party rule in Olympia continues to push our state in the wrong direction. We hope you'll join us in working to make Washington the best state in which to live, work and raise a family.

Sincerely,



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We have used periodic e-newsletters to communicate with constituents and community groups throughout the legislative session. This is a great way to stay informed and stay involved. We promise not to inundate your e-mail inboxes, but we will strive to keep you abreast of the issues, problems and solutions that have a direct impact on you.

If you would like to join our electronic mailing list, please visit our websites and click on this graphic on



the right side of the page:

Rep. Larry Crouse:

<http://housepublicans.wa.gov/Crouse>

Rep. Matt Shea:

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KILLING I-960 (THE TAXPAYERS' PROTECTION ACT)

Earlier in the session, the majority party voted to eliminate Initiative 960, known as the Taxpayers' Protection Act, which requires a two-thirds vote of the Legislature to raise taxes. The voters of this state have made it clear time and time again that raising taxes should be difficult and used only as a last resort.

BUDGET, TAXES, AND A SPECIAL SESSION

Despite all the rhetoric, platitudes and promises, at the end of the day, **state spending has decreased by only 0.8 percent from last year's budget.** When compared to the private sector, where more than 189,000 jobs have been lost since the beginning of the recession in February of 2008, this small cut in state spending represents a serious disconnect from reality.

We offered the majority party more than \$750 million in government reforms and efficiencies, but were ignored. And, because their budget solution to our state's \$2.8 billion shortfall relies so much on one-time money, the practice of adopting unsustainable and unrealistic budgets continues. As a result, **we will most likely see another multi-billion dollar shortfall next session.** This is not responsible governing; this is not accountable leadership.

Families and employers were hit especially hard as the Democrat majority passed new and increased taxes amounting to nearly *\$1.7 billion for the 2011-13 budget cycle (\$794 million in just the first year alone)*. This is **the**



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largest tax increase in state history. Following is a small sampling of these new and increased taxes which will further hamper our state's economic recovery and lead to more job losses (dollars are in millions):

TAX PLAN	Next Year	2011-2013
A 0.30% increase in the B&O tax on all services except hospitals and scientific R&D =	\$242	\$483
Cigarette(\$1 per pack) and other tobacco products =	\$101	\$198
50-cent per gallon (28-cents per six pack) beer tax =	\$59	\$118
Sales tax on bottled water =	\$32.6	\$69
Sales tax on candy/gum =	\$30.5	\$62.4
2-cent per 12-ounce soda tax =	\$33.5	\$72.4
B&O increase on certain canned meat (SPAM) products =	\$4.1	\$8.8
B&O tax increase on mortgages =	\$3.6	\$7.9
B&O tax increase on corporate officer salaries =	\$2.1	\$4.6
Tax increase on livestock nutrient management (manure) =	\$1.3	\$2.8
Tax increase on PUD electric bills =	\$1.2	\$2.2
Personal liability for tax debts =	\$1	\$2

We continue to believe that tax increases are not the answer to our state's budget problems. State government has grown too big, too fast and state spending must come back into alignment with state revenues.

Remember, just a few years ago, our state had a budget surplus of around \$2 billion! But overzealous legislators increased spending by over 33 percent (nearly \$9 billion!) in just four years.

We need to get back to the proven success of the Priorities of Government process. We need to define and establish our state's core functions – and then fund those first. The era of a bloated, top-heavy state government must come to an end. And, just like families and employers across the state, we need to look for new efficient ways of getting things done.

PUT THE FEDERAL GOVERNMENT BACK INTO ITS CONSTITUTIONALLY-DESIGNED BOX

We're very concerned about the federal government overstepping its constitutional bounds in meddling with matters reserved to the states. The clearest example is the newly-adopted federal health care reform legislation. The 10th Amendment to the U.S. Constitution declares: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." We will continue to defend our state's constitutional rights, including fighting the federal takeover of health care.



*"As many of you are aware, I recently underwent heart valve replacement surgery. Well, I made it through my surgery in good shape and am currently on the mend and eager to get back to work. Thank you, everyone, for your well wishes, prayers and kind words, and for the many lovely get well cards, flowers and other gifts that I have received. I am truly thankful for so many colleagues and friends, both here at home and in Olympia."
 – Sen. Bob McCaslin*

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