

Thursday, November 17th, 2011

To: All media outlets -- reporters, columnists, editorial writers, and others in newspapers, radio, and TV (cc'd to our thousands of supporters throughout the state, House & Senate members, and the Governor)

From: Tim Eyman, tim_eyman@comcast.net, 425-493-9127, cell: 509-991-5295

RE: On Monday, Eyman will counter Gregoire's tax talk in Olympia

Following Governor Gregoire's press conference on Monday morning where she will unveil her tax hike plans, I will have a press conference in the Capitol Building's Rotunda immediately afterwards (I would estimate it'd be around 11 am). It's important that there be a counterpoint to Gregoire's tax talk.

It was just one year ago that voters overwhelmingly passed Initiative 1053 (2/3 legislative approval or voter approval for tax hikes). It was the 4th time that voters approved its policies (1993, 1998, 2007, and 2010). Not only did I-1053 receive 64% of the vote statewide and 54% in King County, but it was approved in 44 of 49 legislative districts (everywhere except Seattle). Here's the breakdown:

<http://www.VotersWantMoreChoices.com/1053results.pdf>

My remarks will center around I-1053's continued role in the current budget discussions and Gregoire's tax talk. Initiative 1053 was the greatest taxpayer protection victory we've had in 15 years so I welcome the opportunity to discuss it, debate it, and defend it. Any questions, let me know. Thanks.

P.S. I will certainly spend considerable time during Monday's discussion highlighting the points raised here:

From: Tim Eyman [mailto:tim_eyman@comcast.net]

Sent: Thursday, November 17, 2011 10:54 AM

To: tim_eyman@comcast.net

Subject: The state's budget deficit has already been cut in half by tax hikes

Thursday, November 17, 2011

To: Our thousands of supporters throughout the state (cc'd to the media, house & senate members, and Governor)

From: Tim Eyman, Jack Fagan, & Mike Fagan, fighting for taxpayers for 15 years, ph: 425-493-9127, email: tim_eyman@comcast.net, www.VotersWantMoreChoices.com

RE: The state's budget deficit has already been cut in half by tax hikes

The Legislature's special session and regular session are getting closer. And since Democrat politicians and special interest groups are pushing for higher taxes, it's important to highlight the significant contribution the taxpayers are already making. These days we hear spending advocates call for a "balanced approach." But Washington state taxpayers have already done more than their fair share.

The problem is that everyone seems to forget that the Legislature passed a whopping tax increase in 2010. And even though Washington voters rolled back a few of those tax increases with Initiative 1107 later that year, most of them remain in place.

Those tax increases already have wiped out more than half the shortfall Washington would otherwise be facing this year. So if you buy the argument that taxpayers ought to pay half the bill, they've already done it.

After suspending Initiative 960 (the 2/3 vote requirement for raising taxes) during the 2010 legislative session, Governor Gregoire and the Democrats passed a tax package that was projected to bring in \$774 million in "revenue enhancements" for the 2009-2011 budget (voters were very upset with this betrayal and reinstated the 2/3 vote requirement the following November). The 2010 tax package was sold to the public and the press as temporary but most of its' tax hikes were permanent * (see below). After the 2010 tax package was signed into law, Initiative 1107 was approved by voters and it repealed a few of the high-profile tax hikes (taxes on soda pop, water, candy). But when you look at the numbers provided by the Office of Financial Management, it turns out that I-1107 repealed only 7% of the revenues from the 2010 tax package, meaning \$719 million in higher taxes remained.

But those 2010 tax hikes didn't expire -- they're still very much in effect and taxpayers are paying them. In fact, those 2010 revenue enhancements are contributing substantially to the 2011-2013 budget. How much? \$1.473 billion.

As was reported today by OFM, the projected deficit for the 2011-2013 budget is \$1.4 billion. But what's being ignored is the \$1.473 billion we're being forced to pay because of the tax hikes imposed in 2010. The state's budget deficit for 2011-2013 would have been \$1.473 billion higher -- \$2.873 billion total -- if not for the 2010 tax package.

Pro-tax-increase politicians and special interest groups have been insisting that the state's budget deficit be addressed with a 'balanced approach' ... which is usually identified as 1/2 tax hikes, 1/2 government spending reforms. As documented above, the taxpayers are paying \$1.473 billion in higher taxes during 2011-2013. So the taxpayers have already reduced the deficit in half with tax hikes. It is now time for the rest of the deficit be handled with government spending reforms.

We cannot tax our way to prosperity, we cannot spend our way to prosperity, we cannot borrow our way to prosperity. The only way government revenues are going to increase is when the economy starts growing again. And that isn't going to happen with more taxes, more spending, and more borrowing.

The state's budget deficit has already been cut in half by tax hikes. Taxpayers shouldn't be forced to pay any more.

Regards, Tim Eyman, Jack Fagan, & Mike Fagan, fighting for taxpayers for 15 years, ph: 425-493-9127, email: tim_eyman@comcast.net, www.VotersWantMoreChoices.com

* OFM's 10 year cost projection for 2010's "revenue enhancements" totalled \$7.1 billion. I-1107 repealed just 5% of that, meaning there will be a \$6.748 billion hit on Washington's families and businesses that we'll be forced to pay until 2020 and beyond. It just shows that even a temporary suspension of the 2/3 vote requirement can permanently burden the taxpayers.