NEWS

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STATEMENT BY TAXWATCH ON THE STATE BUDGET

"A good number of things that needed to be repealed or reduced were to a good extent, in what turned out to be a very civil session of the Legislature, " said Dominic M. Calabro, President of Florida TaxWatch. "There was a diversity of views and those views were heard, to the benefit of Florida's taxpayers."

"The repeal of the Substitute Communications Tax and an on-going phase-out of the Intangibles Tax are examples of antiquated and unfair tax policies that we rightly leave behind as we forge ahead with policies that promote a stable, predictable, and competitive economy of the 21st century. Florida TaxWatch and its task forces have led the charge on these issues and we commend the Governor and Legislature for their efforts on behalf of taxpayers," said Calabro.

"The budget reform legislation and accompanying proposed constitutional amendment are a big step forward. They will strengthen long-range planning and budgeting in Florida and place a limit on the amount of non-recurring money being spent on recurring programs. Florida government is seeing the dawn of a new age with establishment of the Government Efficiency Task Force, which will recommend ways to improve future operations and reduce costs," said Calabro.

"Likewise, successful efforts to require 60% of voters to approve future amendments to Florida's constitution, rather than a simple majority, will help reduce this very costly special interest "minority rule" we've seen with past amendments. We hope Florida's taxpayers will realize the financial burden many of these amendments create and approve this higher threshold at the ballot box in 2006," said Calabro.

The state budget increase of 7.7%, or $4.5 billion, outpaced all measures of Florida's substantial economic growth. The state budget grew at a rate more than double the combined economic growth rate of 3.5% (inflation multiplied by population growth rate) and more than the most expansive measure of Florida's economy, personal income of Floridians of 6%.

"The 2005 legislative session saw bold initiatives by the Governor that have been thoroughly discussed and acted on by a prudent, thoughtful legislature. The state seems to be focusing on how proposed policy is executed and not just a broad sketch," said Calabro.

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Florida TaxWatch is a private, non-profit, non-partisan research institute that over its 25 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Our mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government. On the web at www.floridataxwatch.org