



# The Senate Connection

Connecting Davie and Rowan Counties with news from the  
Office of Senator Andrew Brock

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## Budget News and Week 25 Senate Update

Week twenty-five of the North Carolina General Assembly 2009-2010 session started off with legislative Democrats announcing they were close to an agreement on the state budget for the fiscal year that began on July 1.

According to news reports, Democrats have tentatively agreed on a spending package that will total \$20.3 billion which includes the federal stimulus money. Democrats have said they plan to raise taxes on North Carolina families and businesses by \$990 million as part of their budget plan. Unfortunately for North Carolina's taxpayers the Democrats' final tax package will likely be enacted without normal legislative review, not even the level of scrutiny ordinarily given to routine non-controversial bills. This is because the final budget will be presented to the legislature as a Conference Report which cannot be amended and can only be voted up or down. The level of uncertainty about this is heightened because of the controversy surrounding many of the tax proposals and because discussions occur exclusively among legislative Democrats largely behind closed doors.



The Democrats' tax plan includes:

- A sales tax increase of three-fourths of a cent to one cent
- A "temporary" two percent tax penalty (a tax on taxes) to be assessed on the income tax liability of all individuals and businesses.
- The digital "click-through" internet tax
- Additional tax increases on cigarettes and alcohol
- Possible sales tax increases on electricity and natural gas

Governor Perdue and her Democratic allies in the legislature have finally given us an outline of their plan to raise taxes by \$990 million. This will destroy jobs and further raise record-high unemployment rates. What we are seeing for Democrats is just more of the same, old Democratic tax-and-spend philosophy that got us into this mess in the first place and will only add to the economic hardship felt by North Carolina's families. Continuing to grow government budgets while family and business budgets are shrinking will not put North Carolina on the road to economic recovery.

## **Budget News Continued**

It is expected that Democrats will release the details of their budget early next week.

Another bill considered this week was [House Bill 1481](#), Energy to Commerce; OEO to Energy. The bill moves the State Energy Office and the Energy Policy council, a group charged with responsibility for development of state energy policy, from the Department of Administration to the Department of Commerce. The Senate engaged in a protracted debate when an amendment offered by Senate Jim Jacumin (R-Burke) to add a member to the council was considered. Senator Jacumin's amendment would require that one seat of seventeen be occupied by someone with a background in the petroleum industry, preferably in oil and gas exploration. Republicans argued for the amendment; Democrats argued against. The amendment was finally passed after it was modified to remove the language that the petroleum industry representative would preferably have experience in oil and gas exploration.



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