



PAR disputes need for boost in cigarette tax

By The Associated Press

Gov. Kathleen Blanco has yet to make a strong enough case for her proposed \$1-per-pack hike in cigarette taxes, a government watchdog agency said Thursday.

In a news release, the Public Affairs Research Council noted last month's improved state revenue projections -- \$169 million more in the coming fiscal year alone, according to the state Revenue Estimating Conference -- plus other potential revenue sources. The release questions the need for the tax, which Blanco has said would be used to fund school teacher, school support worker and college faculty pay raises.

A Blanco spokeswoman said the governor disagrees with PAR's assessment.

"When you look at the budget situation, the money that was recognized by the Revenue Estimating Conference is going to health care, so there is no money left over for teacher pay unless you look at new revenue," Denise Bottcher said.

PAR noted that, following the rosier revenue projections, lawmakers have been adding pet local projects for the state budget for 2005-06.

PAR said the cigarette tax would raise \$40 million more than needed for the Blanco-backed \$3,300 teacher pay raise over two years and the 5 percent raise for college faculty.

The cigarette tax proposal, meanwhile, has stalled in the House as the governor tries to drum up enough support to get the two-thirds vote needed to pass it to the Senate.

"Considering the additional revenues available -- or potentially available -- to the state, it is incumbent upon the administration to provide a stronger fiscal justification for its proposed increase in the cigarette tax than has been made thus far," PAR said in its Thursday statement.

PAR added that Blanco should fight -- and veto if necessary -- the proposal to free up revenue that is currently earmarked for the rainy day fund. That bill remains stalled in the Senate amid questions about its effect on the state's bond rating.

Bottcher stressed that the administration has persuaded senators to hold up on the rainy day trust fund bill. She said the nursing home cuts, proposed prior to

the new revenue projections when the state was expecting a \$200 million hole in the health-care budget, would not have freed money for health care. But the House added more dollars to nursing homes, so that money could have been used for other items, including teacher pay.

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