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FISCAL DISCIPLINE IN MASSACHUSETTS

FACT: Governor Romney Closed A Nearly \$3 Billion Budget Gap Without Raising Taxes.

Governor Romney Closed The Nearly \$3 Billion Shortfall Without Tax Increases. "When Mitt Romney became governor of Massachusetts in 2003, the state had a budget gap of almost \$3 billion and was losing thousands of jobs a month. In Mr. Romney's four-year tenure, the deficit was eliminated without raising the sales tax or the income tax, and since the labor slump hit bottom in December 2003, the state has gained 81,000 jobs." (Pam Belluck, "Romney Candidacy Puts Massachusetts Economy In Spotlight," *The New York Times*, 3/16/07)

Club For Growth: Governor Romney "Imposed Much-Needed Fiscal Discipline On A Very Liberal Massachusetts Legislature." (The Club For Growth, "Mitt Romney's Record On Economic Issues," Press Release, 8/21/07)

- **To Close The Budget Gap, Governor Romney Forced The Legislature To Pass "Tremendous Spending Cuts."** "Governor Romney receives credit for actual spending in FY 2003, even though he entered office halfway into the fiscal year, because of the tremendous spending cuts he forced down the Legislature's throat in January of 2003. Facing a \$650 million deficit he inherited from the previous administration, Romney convinced the unfriendly State Legislature to grant him unilateral power to make budget cuts and unveiled \$343 million in cuts to cities, healthcare, and state agencies. This fiscal discipline continued in 2004, in which Romney continued to slash 'nearly every part of state government' to close a \$3 billion deficit." (The Club For Growth, "Mitt Romney's Record On Economic Issues," Press Release, 8/21/07)
- **Governor Romney Beat Back "Big-Tax Proposals" And Chose Instead "To Erase Deficits By Hacking Away At Spending."** "What attracted many of these economists to the Romney team was the former governor's success, in a liberal state, of beating back big-tax proposals and instead choosing to erase deficits by hacking away at spending." (Kimberley A. Strassel, Op-Ed, "Tax Talk," *The Wall Street Journal*, 3/30/07)

Fees Only Accounted For A Small Percent Of The Closure Of The Nearly \$3 Billion Budget Gap. "Romney campaign spokesman Eric Fehrstrom said some of the fees that kicked in during Romney's first year had been approved before he became governor. ... 'When Governor Romney took office, he faced a \$3 billion deficit,' Fehrstrom said. 'He balanced the budget primarily through spending cuts and reforms. Fee increases accounted for approximately 10 percent of the solution, and they were not broad-based by any means.'" (Steve LeBlanc, "Romney Oversaw Millions In Fee Hikes As Massachusetts Governor," *The Associated Press*, 8/28/07)

Massachusetts Citizens For Limited Taxation Executive Director Barbara Anderson Gives Governor Romney's Fiscal Record High Marks. "Barbara Anderson of the anti-tax group Citizens for Limited Taxation gave Romney higher marks. 'To us a fee is what a fee is and a tax is what a tax is,' she said. 'His support for the income tax rollback never wavered.'" (Steve LeBlanc, "Romney Oversaw Millions In Fee Hikes As Massachusetts Governor," *The Associated Press*, 8/28/07)

FACT: Governor Romney "Vetoed Hundreds Of Millions Of Dollars In Spending."

In The Four Budgets He Signed, Governor Romney Used The Line-Item Veto Or Program Reduction Power In An Attempt To Cut Spending By Nearly \$1 Billion. (Office Of Governor Mitt Romney, "Romney Signs No New Tax Budget In Time For New Fiscal Year," Press Release, 6/30/03; Office Of Governor Mitt Romney, "Governor Mitt Romney Signs

\$22.402B Fiscal Year 2005 'No New Tax' Budget," Press Release, 6/25/04; Office Of Governor Mitt Romney, "Governor Mitt Romney Signs Into Law \$23.8 Billion Budget For Fiscal Year '06," Press Release, 6/30/05; Office Of Governor Mitt Romney, "Governor Mitt Romney Signs \$25.2 Billion Fiscal Year 2007 State Budget," Press Release, 7/8/06)

- **For All Four Of The Fiscal-Year Budgets That Crossed His Desk, Governor Romney Used The Line-Item Veto Power More Than 800 Times.** Over the course of four budgets, Governor Romney made over 300 line-item reductions, 350 line-item eliminations and struck language 150 times. (Chapter 26 Of The Commonwealth Of Massachusetts Acts Of 2003, Governor's Veto Message, 6/30/03; Chapter 149 Of The Commonwealth Of Massachusetts Acts Of 2004, Governor's Veto Message, 6/25/04; Chapter 45 Of The Commonwealth Of Massachusetts Acts Of 2005, Governor's Veto Message, 6/30/05; Governor Mitt Romney, Memo To The Senate And House Of Representatives Of The Commonwealth Of Massachusetts; Fiscal Year 2007 General Appropriations Act Veto Items: Line Item Accounts, 7/8/06)
- **Beacon Hill Institute Executive Director David Terck: "He Vetoes Hundreds Of Millions Of Dollars In Spending."** WALL STREET JOURNAL'S PAUL GIGOT: "One of the criticisms of President Bush is that he's been unwilling to use his veto pen to reign in spending. Was Governor Romney willing to use his veto pen to do that in Massachusetts?" BEACON HILL INSTITUTE EXECUTIVE DIRECTOR DAVID TERCK: "He most certainly was. He vetoed hundreds of millions of dollars in spending." (Fox News' "Journal Editorial Report," 3/31/07)

FACT: Governor Romney Has A Record Of Fighting For Lower Taxes In Massachusetts.

INCOME TAX CUT: Governor Romney Fought To Cut The Income Tax Rate In Massachusetts From 5.3% To 5%. (Scott Greenberger, "Tax Revenue Slowdown In Forecast," *The Boston Globe*, 12/13/05)

CAPITAL GAINS TAXES: Governor Romney Turned The Legislature's \$250 Million Retroactive Capital Gains Tax Increase Into A \$250 Million Tax Refund. (Governor Mitt Romney, Remarks At The Conservative Political Action Conference, Washington, D.C., 3/2/07)

INVESTMENT TAX CREDIT: In November 2003, Governor Romney Signed An Economic Stimulus Package Making The Investment Tax Credit (ITC) Permanent. (Office Of The Governor, "Romney Signs Economic Stimulus, Supplemental Budget Bills," Press Release, 11/26/03)

PROPERTY TAX RELIEF: Governor Romney Proposed And Signed Legislation Providing Property Tax Relief To Senior Citizens, Enabling Them To Keep Their Homes. (Governor Mitt Romney, "Romney Signs Bill To Give Seniors Tax Relief," Press Release, 11/20/05)

SALES TAX HOLIDAYS: Governor Romney Extended Sales Tax Holidays. (Michael Levenson, "Governor Drums Up Business For State's Tax-Free Weekend," *The Boston Globe* 8/12/05)

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