



Youngkin says General Assembly budget includes \$2.5 billion in tax hikes

ICYMI: Governor Glenn Youngkin slammed the budget released by Virginia Democrats as a \$2.5 billion tax hike on Virginia families, telling the Richmond Times-Dispatch the “backwards budget” will undo the great progress made over the last year to lower the cost of living and provide tax relief for Virginians.

Richmond Times-Dispatch

Youngkin says General Assembly budget includes \$2.5 billion in tax hikes

By Dave Ress
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Gov. Glenn Youngkin said Friday that the budget rewrite that senior General Assembly members just negotiated includes a \$2.5 billion tax hike that will disproportionately hit low- and moderate-income Virginians.

He said legislators are misleading the public on the impact of an expansion of sales taxes to cover digital services.

“I’ve now had a chance to preliminarily review the budget, it’s early, we haven’t dug in, but what I can tell is that this is a

backwards budget,” Youngkin told the Richmond Times-Dispatch.

House and Senate budget negotiators on Thursday released their compromise spending package. It does not include Youngkin’s proposed \$1 billion in tax cuts. It includes a version of just one part of his tax package — to expand application of the sales tax.

Youngkin said the General Assembly budget’s expansion of sales taxes would have a bigger impact than the \$1 billion the budget forecasts for the general fund — the state government account that tracks tax revenue and how it is spent.

Instead, he asserted that it would amount to a \$2 billion tax increase over the next two years when Virginians go shopping.

“They don’t want anybody to see that they’re raising taxes,” Youngkin said.

He said that’s because a portion of the 5.3% sales tax goes to a separate account, the Commonwealth Transportation Fund, to be used for highways and transportation projects.

For the fiscal year ended June 30, 2023, that amounted to \$1.4 billion.

In addition, not quite one-fifth of the sales taxes people pay goes directly to localities, he noted.

Youngkin also criticized language in the budget that would require Virginia to rejoin the Regional Greenhouse Gas Initiative, a program under which power plants have to pay to buy allowances for every ton of carbon they emit.

He said that would amount to an additional \$500 million tax on Virginians’ electricity bills. Youngkin pulled Virginia out of the program last year.

“Everything we’ve done in the past 2½ years, they’re taking us backwards,” he said.

Youngkin said the budget also takes the state back on public safety and economic development.

He said it reduces what he sought for help recruiting police officers and for school resource officers.