

# Jamestown legislators weigh in on budget cuts, taxes and LNG

By Steven Stycos

As they struggle with Rhode Island's budget deficit, Jamestown's state legislators do not have much positive to say about independent gubernatorial candidate Lincoln Chafee's proposal to tax food, clothing and over-the-counter drugs to close the budget deficit.

Although she calls Chafee's stand "courageous," State Representative Deb Ruggiero (D-Jamestown), blasts his proposal.

"It's so unfair," she said. "It's so regressive. I do not support taxing those items."

State Senator Teresa Paiva-Weed (D-Newport) is gentler, but also critical.

"My concern is that Senator Chafee's proposal would have the most significant impact on the middle class," she said.

When he announced his gubernatorial campaign on Jan. 4, the former U.S. senator and Warwick



Ruggiero



Paiva-Weed

mayor proposed placing a one percent tax on items now exempt from the sales tax, such as food, gas, clothing and nursing home fees, in an effort to raise \$89 million a year.

The state currently projects a \$219 million deficit for this year.

Governor Donald Carcieri's budget-balancing proposal is built largely on cutting aid to local cities, towns and school districts, and Chafee says he wants to prevent further increases in property taxes.

Although they oppose Chafee's

proposal, Paiva-Weed and Ruggiero agree that Carcieri's plan will raise property taxes.

"Pretty draconian," Ruggiero said.

"It appears to me it would have the inevitable effect of raising property taxes," Paiva-Weed said.

A November 2009 House Fiscal Advisory Staff report found that when compared to other states, Rhode Island relies "much more heavily" on property taxes to fund government and "less" heavily on sales tax. The ocean state also relies on personal income tax "slightly more" than other states, according to the analysis.

In 2006, Paiva-Weed acted decisively to reduce local property taxes by sponsoring legislation to limit the budget increases that local town councils and school committees may approve. The bill, known by its number - "3050" - passed, and is gradually reducing

annual town spending increases from 5.25% in 2008 to 4.75% this year to an expected 4% in 2013.

The 3050 bill has been extremely successful, according to the nine-term senator.

"It's forced the cities and towns to achieve savings to stay under the cap," she said.

Despite R.I.'s sinking financial condition, one tax - the flat tax - is scheduled to be reduced next year, giving the state's wealthiest citizens a large tax cut.

Enacted by the legislature in 2006, the provision allows taxpayers to pay a flat percentage of their adjusted gross income, rather than use the regular income tax tabulation system. For 2009, the flat tax rate was 6.5% and, according to R.I. Division of Taxation estimates, it cost the state treasury \$34.7 million.

This year, the rate is scheduled to drop to 6% and cost \$50.5 mil-

lion. Most of the windfall is collected by taxpayers whose income is more than \$200,000, according to the taxation division, and R.I.'s richest citizens collect the biggest checks.

In 2009, the estimated 298 people who earned between \$200,000 and \$300,000 received an average tax cut of \$703, thanks to the flat tax. The estimated 283 people with an income over \$5 million, however, pocketed an average of \$33,172.

As Senate president, Paiva-Weed negotiates budget compromises with the governor and the House of Representatives, so she avoids rigid positions until she knows a majority of senators support her.

With the flat tax, however, she comes close.

"Certainly, whether we can afford a tax cut next year is a necessary part of the discussion," she said, after stressing the need to protect the state's neediest citizens by financing proper staffing at the Zambano and Eleanor Slater hospitals.

Last year, Ruggiero was one of 22 rebel House members who opposed the Democratic leadership

See "Legislators" on page 11


**Narragansett Café**

**Wednesday - Italian 'Night'**  
\$20 Dinner for Two with a Bottle of Chianti



423-2150 • 25 Narragansett Avenue  
www.narragansettcafe.com

**BAKER'S PHARMACY**  
'YOUR COMPLETE PHARMACY'



**Business Hours**  
Monday - Friday 8:30 am to 7 pm  
Sat. 8 am to 6 pm & Sun. 8 am to 2 pm

423-2800 • 53 NARRAGANSETT AVENUE

Voted BEST Blues Hangout **best**

**Narragansett Café**

Friday, Jan. 22 • 9:30 p.m.  
**Young Neil & the Vipers**

Saturday, Jan. 23 • 9:30 p.m.  
**Five Flavor Discount**

Sunday Blues, Jan. 24 • 4:30 - 7:30 p.m.  
**Tim Taylor Band**



Warm up by our Wood Burning Stove!  
423-2150 • 25 Narragansett Avenue  
www.NarragansettCafe.com

**JAMESTOWN WINE & SPIRITS**  
30

Locally Owned  
Community-Minded

**HOURS**  
MON. - THU. 9 A.M. - 8 P.M.  
FRI. & SAT. 9 A.M. - 9 P.M.  
SUNDAY 12 - 6 P.M.

CONVENIENT LIQUOR STORE WITH EVERY DAY LOW PRICES!

Yellowtail Chardonnay 1.5 ml.....	2 for \$20
Kim Crawford Sauvignon Blanc 750 ml....	2 for \$30
La Crema Chardonnay 750 ml.....	2 for \$35
Caldwell Vodka 1.75 lt.....	\$12 <sup>99</sup>
Burnett's Rum 750 ml.....	\$7 <sup>99</sup>
Dewar's White Label 1.75 lt.....	\$39 <sup>99</sup>
Budweiser 24 Pack Cans.....	\$18 <sup>69</sup>
Miller High Life 18 Pack Btls.....	\$11 <sup>99</sup>
Coors Light 20 Pack Btls.....	\$17 <sup>29</sup>

30 Southwest Avenue • 423-0100 • www.jamestownwine.com

**Need a Ride?**

**ISLAND SHUTTLE**

**(401) 560-0223**

**On-Island Service  
Call for Reservations  
and Rates.**

**T.F. Green Airport  
Train Stations  
Kingston & Providence**

**THREE HOMES OPEN SUNDAY 11-1. PLEASE COME!**



**112 WALCOTT AVENUE**  
ISLAND RETREAT  
Custom built south end home with wonderful interior and private yard.  
**\$1,395,000**



**7 CLARKE'S VILLAGE ROAD**  
BRAND NEW HOME WITH OUTSTANDING WATER VIEWS  
Three floors of spacious, open living that features the ocean views.  
**\$1,495,000**



**54 STEAMBOAT AVENUE**  
NEW CONSTRUCTION NEARLY COMPLETE  
Four bedroom home with 3 baths, granite counters, 9' ceilings and more!  
**\$579,000**

**OPPORTUNITY TO BUILD NEAR MACKEREL COVE!**  
Nearly 1/2 acre on the corner adjacent to preserved space and Highland Meadow neighborhood. **\$459,000**

401-423-2200 • www.ISLANDREALTYRI.COM



**Brighten your home with TULIPS! TULIPS! TULIPS!**

Stop by for our Weekly Winter Flower Special

**The Secret Garden**  
Florist & Garden Center



**New Winter Hours**  
Monday - Saturday  
10 a.m. - 6 p.m.  
12 Southwest Ave. • 423-0050  
www.theSecretGardenJamestown.com