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Big Ideas: On basketball, prisons and Kansas

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David Boaz for the Cato Institute: Do some people think taxes don't affect economic choices? If so, they should talk to Trevor Ariza and the Washington Wizards. Ariza, a member of the Los Angeles Lakers' 2009 NBA championship team and “a key part of the Wizards' playoff run,” has decided to leave Washington and join the Houston Rockets. Why?

"Washington was disappointed but hardly shaken when Ariza chose to accept the same four-year, $32 million contract offer in Houston, where the 29-year-old could pocket more money because the state doesn’t tax income."

Yes, a $32 million salary — or indeed a $32,000 salary — goes further in Texas than in the District of Columbia. What economists call the “tax wedge” is the gap between what an employer pays for an employee’s services and what the employee receives after taxes. ... It causes some employees to flee to lower-tax countries, states or cities. The Beatles, the Rolling Stones, Bono and Gerard Depardieu are some of the better-known “tax exiles.” Now Trevor Ariza has joined their ranks.

LOCKING UP THE VOTE

Clio Chang for The Century Foundation: Imagine you're working at your office, about to order something for lunch.

Your co-workers each suggest their favorite restaurant. But somehow, Jim’s choice is counted 50 times, because his desk is near the window, and for whatever reason, that means he gets to represent the 49 people standing outside on the sidewalk.

Doesn’t make much sense, does it?

Although this is a simplified metaphor, unequal distribution of decision-making power is taking place in our country as we speak, in our democratic voting system.

In Lawrence County, Ill., if you are a resident living next to Lawrence Correctional Center, you have 50 times more voting power than the resident in the next district over.

The official name for this phenomenon is prison gerrymandering — an issue gaining traction as America's prison population grows.

The root of the problem stems from tabulation methods by the Census Bureau, which counts prisoners as residents of their prison district rather than as constituents of their original neighborhoods.

However, since 48 states deny prisoners the right to vote, this method transfers electoral weight from the prisoner's original district to the prison district.

If we return to Lawrence County, we can see that, although the district officially contains 2,407 residents, only 49 of them are not imprisoned and can actually vote.

This means these 49 people have the voting power of 2,407 people, while the prisoners' home districts are cheated out of constituents. Residents of the home districts — and, actually, of all districts without prisons — are robbed of their representational weight, if not robbed of actual votes.

KANSAS GOES TOO FAR WITH TAX CUTS

Howard Gleckman for TaxVox: Kansas Gov. Sam Brownback and his state legislature have embarked on a wonderful natural experiment. Once again we are testing the question: Can tax cuts pay for themselves? The answer -- yet again -- is a resounding no.

We've tried this experiment time and again. And tax cut proponents such as economist Art Laffer continue to insist they can turn fiscal dross to gold: Cut taxes deeply enough and the resultant boom in economic activity will boost revenues. Magic. Painless. Everything a politician would ever want.

Except this is fiscal snake oil. Over the past few years, Brownback and the Kansas legislature have gone all-in on this theory. The good news: They have left little room for ambiguity (though Brownback and his defenders are scrambling to find some, given the dismal results of their ambitious experiment).

The tax cuts in Kansas have been breathtaking. In 2012, at Brownback's urging, the legislature cut individual tax rates by 25 percent and repealed the tax on sole proprietorships and other "pass-through" businesses. It also increased the standard deduction (though it eliminated some individual credits as well).

In 2013, the legislature cut taxes again. It passed a measure to gradually lower rates even more over five years. By 2018, the top rate, which was 6.45 percent in 2012, will fall to 3.9 percent. It also partially restored some of the credits it eliminated in 2012. This time, it did raise some offsetting revenue for the first few years but far less than the statutory tax cuts. ...

So what happened after all those tax cuts? Revenues collapsed.

From June 2013 to June 2014, all Kansas tax revenue plunged by 11 percent. ... And that brings us to the bottom line. Since the first round of tax cuts, job growth in Kansas has lagged the U.S. economy. So have personal incomes.