

# Townhall

## After Rejecting Tax Cuts, Liberal Congressmen Looking for Bail Out Before Fall Elections

Brian Darling

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Liberal Democrats, panicked over voters' responses to their anti-tax relief agenda, now want the federal government to subsidize quick political victories for them in November. The fear is that taxpayers will realize that the Trump tax plan is a tax cut and not a tax hike as Democrats have been saying.

After telling us for years that avoiding taxes was unpatriotic, Democrats in high-tax states are now pushing Washington bailout schemes so their rich constituents can pay less. The truth is that the Trump tax plan will create pressure on high tax states to lower taxes, creating a win-win proposition for middle class taxpayers of high state and local taxes like New Jersey, New York and California.

Democrats voted en bloc against the middle-income relief package because it didn't provide enough tax breaks to the wealthy. For example, Sen. Dianne Feinstein (D-Calif.) referred to the bill as the "#GOPTaxScam" because it "caps the mortgage interest deduction at \$750,000 for new mortgages." That was an excuse for some liberals to oppose this tax cut bill and to falsely claim the new law will be a tax hike.

The Tax Foundation has studied the impact of these tax cuts and have found that in every income group, taxpayers will get a big tax cut. The Cato Institute's Ryan Bourne makes the case that the Trump tax plan "could improve state tax systems too" by putting "pressure on states to reduce spending—a feature of this reform, rather than a bug."

Perhaps the funniest example of a Hail-Mary solution being proposed to appease voters before the upcoming November congressional elections came in New Jersey last Friday. Liberal Democrat Josh Gottheimer, who represents a district that went red for President Donald Trump and Republican gubernatorial candidate Kim Guadagno, came up with a knee slapper.

Stalwart conservative Steve Lonegan, who is running against Gottheimer in the 2018 election, recently came out with an op-ed in *The Record* that debunked every anti-tax reform argument in liberal's like Gottheimer's arsenal. According to Lonegan, middle-income New Jersey families' incomes will rise by 15-percent more than the national average because of Congress' tax relief effort.

Gottheimer is not alone and he is parroting the desperate talking points of many other liberal Democrats who are going to have a hard time convincing those who see their taxes reduce that the Trump tax plan was a tax hike. Liberal politicians realize that the old excuses won't fly anymore; not with conservatives running for office who are fact checking these false claims.

In this closely watched New Jersey race, last week, just days after Lonegan promoted tax relief, Gottheimer held an event with Governor-elect Phil Murphy in an attempt to distract from the arguments liberals made before the Trump tax plan was signed into law. The duo announced their big "fix" to this whole political dilemma: loot more money from the federal government to create the illusion that they're cutting taxes.

Like New Jersey's state income tax, the federal tax relief bill has a \$10,000 property tax deduction. The only difference is that Congress generously allows residents to include state and local income and sales taxes in the write-off. High tax states are finding ways to justify high state and local taxation and have promoted creative ideas that will preserve the high taxes while avoiding the cap the Trump tax plan imposed on the deduction of state and local taxes.

Gottheimer and Murphy mimicked the plan that California is pushing right now. The two announced their intent to create municipal charitable funds that homeowners can "donate" to. This way, New Jersey can take advantage of the federal charitable deduction and thus provide 100% or near-100% credits to residents' property tax bills. A better solution would be for New Jersey to engage in a Trump style tax reform by reducing state and local property taxes. The people of New Jersey are taxed too much.

Under the liberal bait and switch plan, the money collected by these new "charitable" groups wouldn't go to charities, it would go to New Jersey to fund a big government. Gottheimer, like so many other liberal Democrats, have embraced class warfare and have called for higher taxes on people who have jobs. He endorsed Phil Murphy's platform in Murphy's run for governor despite the candidate's calls for \$1.3 billion in new state taxes. Without this new charitable plan, the congressman and his governor would have no way to pawn their financial problems onto Washington and keep their high tax-and-spend agenda afloat.

Gottheimer claims this new plan will bring true tax cuts, but in reality, nothing's being cut – the federal government is just picking up the tab and the people of New Jersey are getting fleeced.

Liberal politicians in high tax states are trying to find new ways to continue the high tax policies of their states. The latest idea of setting up de facto government entities called "charities" is not a good solution. A better one would be for the people of high tax states to repeal the tax and spend liberal policies that are bankrupting these states and replace them with innovative new politicians who want to make government smaller and keep taxes low.