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# Earning a better fiscal grade means no more tax increases

[Byron Schlomach](#) [Printer-friendly version](#)

## Goldwater Institute Daily Email October 14, 2010

The Cato Institute recently issued a report card on the budget and tax policies of all 50 governors in the United States, and Arizona Governor Jan Brewer barely received a passing grade.

The report card assigned a "D" to Governor Brewer because she oversaw the two biggest tax increases in the state's history. The first was the return of a \$250 million state property tax after a three-year suspension. The second was the 18 percent increase in the state's sales tax rate with Proposition 100.

So, how can the person who will be elected governor on Nov. 2 improve this score? Let's start with no more tax increases. Instead, the next governor must focus on spending less. The Joint Legislative Budget Committee has shown that of the \$12.5 billion in "solutions" used since fiscal year 2008 to balance the state's budgets, less than a fifth of that total has been in permanent spending reductions.

Governor Brewer has taken some political risks to reduce spending. She championed a proposed restructuring of the juvenile justice system, and supported the elimination of KidsCare before federal health care reform forced the Legislature to reverse course. She backed efforts to recognize that funding isn't available to keep supporting the most recent expansion of state Medicaid and AHCCCS through Proposition 204.

Other changes, however, have been slow in coming such as sentencing reform for nonviolent offenders, getting the private sector involved in providing state park services, and ending special subsidies to favored industries that locate here.

The next step to balance the state budget can't be more taxes. Arizonans, who have watched their average personal income fall to 43rd in the country, just can't afford them.

*Dr. Byron Schlomach is an economist and director of the Center for Economic Prosperity at the Goldwater Institute.*

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Goldwater Institute: [Budget Reduction Opportunities](#)

Goldwater Institute: [Put Arizona on a Real Budget: New Spending Limit Can Restore State's Fiscal Health](#)

Cato Institute: [Fiscal Policy Report Card on America's Governors: 2010](#)

Joint Legislative Budget Committee: [Finance Advisory Committee: Revenue and Budget Update](#)



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