

<http://www2.timesdispatch.com/news/rtd-opinion/2011/jul/31/tdopin01-memo-to-richmond-ar-1206556/>

Richmond Times-Dispatch

Published: July 31, 2011

[Home](#) / [news](#) / [opinion](#) / [editorial](#) /

Economic Growth: Memo to Richmond

By Times-Dispatch Staff

A recent study suggests lower taxes promote economic growth. The analysis by the nonpartisan Cato Institute compared the 10 metro areas with the heaviest tax burdens and the 10 with the lowest. Employment grew 2.7 times faster in the low-tax burgs. Personal income grew twice as fast.

The implications are universal. But they should carry particular weight in Richmond, which has the highest real-estate tax rate in the region and one of the highest in the state. The city also imposes a meals tax, an admissions tax and sundry other levies whose combined effects almost certainly depress economic activity.

Mayor Dwight Jones has given some attention to economic conditions and growth — he has advocated a tax amnesty program for past-due homeowner taxes, and tried to win a bigger piece of the contracting pie for minority contractors. Those steps are welcome. But a campaign to slash the costs of living and doing business in Richmond would be even more so — and in the long term would pay hefty dividends.

the Richmond Times-Dispatch © Copyright 2011 Media General Communications Holdings, LLC. A Media General company.