

Cato praises ‘reform-minded’ GOP governors

Betsi Fores – October 10th, 2012

Republicans Sam Brownback of Kansas, Rick Scott of Florida, Paul LePage of Maine and Tom Corbett of Pennsylvania topped a new report card grading governors’ efforts to keep their states’ finances under control.

These governors have all championed major tax and spending reforms at a time of declining revenues and budget shortfalls, according to the Cato Institute’s “Fiscal Policy Report Card on America’s Governors,” which ranked and graded the country’s governors based on their “fiscal policies from a limited-government perspective.”

“Many reform-minded governors elected in 2010 have championed tax reforms and spending restraint to get their states back on track. Other governors have expanded government with old-fashioned tax-and-spend policies,” the study from the libertarian think tank read.

At the bottom of the charts were Pat Quinn of Illinois, Dan Malloy of Connecticut, Chris Gregoire of Washington, Mark Dayton of Minnesota and Neil Abercrombie of Hawaii, all Democrats.

“Some of these governors are schizophrenic on taxes,” report card author Chris Edwards wrote in the Wall Street Journal. “They jack up overall business tax rates, then give breaks to favored businesses. Gov. Quinn, for example, pushed up corporate rates within a massive, overall \$7 billion tax increase in 2011. He has also handed out special tax breaks to filmmakers and to companies that threaten to leave the state because of high taxes.”

Governors like Chris Christie of New Jersey and Scott Walker in Wisconsin, who both received a grade of “B,” have been spotlighted by the national media for standing strong against union demands and working tirelessly to close budget gaps.

“Intense global economic competition makes it imperative that states improve their investment climates,” the report card found.

“To that end, some governors are pursuing broad-based tax reforms, such as cutting income tax rates and reducing property taxes on businesses. The bad news is that many governors are expanding narrow ‘tax incentives,’ which clutter the tax code in an attempt to micromanage the economy.”