



Reeves Receives A ‘B’ In Analysis Examining Governors’ Fiscal Policies

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Mississippi Gov. Tate Reeves’ passage of a bill creating a single-rate taxpayer structure and his support for phasing out an individual income tax has landed him in the top of the class of a recent analysis grading state leaders on their fiscal policies.

The Cato Institute, a public policy organization focused on limited government, recently released its 2022 Fiscal Policy Report Card on America’s Governors. Co-authors Chris Edwards and Ilana Blumsack gave Reeves, a Republican who assumed office in 2020, a “B.”

Early this year, at the culmination of the Legislature's 2022 session, Reeves signed House Bill 531 into law, which transitions the state away from its two-rate individual income tax structure. It had placed a top rate level 5% tax rate for high earners; instead, it moves to a single-rate 4% structure by 2026.

“The tax cut will save residents more than \$500 million a year when fully phased in,” Edwards and Blumsack said of the legislation.

In a news release this spring, announcing passage of HB531, Reeves elaborated on the reason he supported the legislation, which included the condition of the state’s economy.

“There are some whose first inclination would be to immediately spend this money and grow government,” Reeves said. “These individuals have a wish list of pet projects that seems to be miles long and ever-growing. I believe we should help Mississippians bring home the bacon before another dime is spent on government pork. We will do this by giving back the money they gave the government.”

Reeves also has been an ardent supporter of phasing out Mississippi’s use of an individual income tax – a point Edwards and Blumsack noted in their analysis. Reeves brought the proposal up in this year’s state of the state address.

“If we can eliminate the income tax, we will achieve a historic victory for this state,” Reeves said in the address. “We can become a place that money flows more freely, and all Mississippians will benefit.”

While the Cato Institute’s newest report did not have a clear-cut partisan divide in the granular state-by-state rankings, there was a prevailing theme. The top-performing governors in this year’s report were Republican, while the lowest scoring leaders were Democrats.

“The results are data driven. They account for tax and spending actions that affect short-term budgets in the states,” Edwards and Blumsack said of their methodology. “But they do not account for longer-term or structural changes that governors may make, such as reforms to state pension plans.”

Five governors, all Republican, received an “A” in this year’s Cato Institute report: Doug Ducey of Arizona, Brad Little of Idaho, Kim Reynolds of Iowa, Pete Ricketts of Nebraska, and Chris Sununu of New Hampshire.

On the bottom end, eight Democrat governors received an “F” in the Cato Institute’s analysis of their fiscal policies: Kate Brown of Oregon, Jay Inslee of Washington, Phil Murphy of New Jersey, Gavin Newsom of California, J.B. Pritzker of Illinois, Tim Walz of Minnesota, Gretchen Whitmer of Michigan, and Tom Wolf of Pennsylvania.