



Governor LePage Receives Highest Marks Among Governors on Fiscal Report Card

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The Cato Institute has released its 2016 Fiscal Policy Report Card on America's Governors, which awarded five governors an "A" based on their taxing and spending records. Governor Paul R. LePage received the highest overall grade among all governors. The full report is available [here](#).

"It's all about implementing good economic policies that will help the Maine people; this is what I care about," said Governor LePage.

Five governors, including Governor LePage, received the top honor in this year's 13th biennial fiscal report card. The Cato Institute is a public policy research organization, whose scholars and analysts conduct independent, nonpartisan research on a wide range of policy issues. Earning an "A" are Republican Governors Paul R. LePage of Maine, Pat McCrory of North Carolina, Rick Scott of Florida, Doug Ducey of Arizona and Mike Pence of Indiana.

"Paul LePage of Maine has been a staunch fiscal conservative. He has held down spending growth, and state government employment has fallen 9 percent since he took office," cited the report. "LePage has been a persistent tax cutter. In 2011 he approved large income tax cuts, which reduced the top individual rate and simplified tax brackets. In 2015 he vetoed a tax-cut plan passed by the legislature partly because the cut was not large enough. The legislature overrode him, and Maine enjoyed another income tax reduction. In 2016 LePage pushed for more reforms, including estate tax repeal and further income tax rate cuts."

The Fiscal Policy Report Card examined seven tax and spending variables, including two spending variables, one revenue variable and four tax-rate variables. Fiscal policy trends were also examined and notes reductions to individual and corporate income tax rates. There have been substantial rate cuts in Arizona, Indiana, Kansas, Maine, New Mexico, New York, North Carolina, North Dakota, Ohio and Oklahoma in recent years.

Ten governors were awarded an "F": Robert Bentley of Alabama, Peter Shumlin of Vermont, Jerry Brown of California, David Ige of Hawaii, Dan Malloy of Connecticut, Dennis Daugaard

of South Dakota, Brian Sandoval of Nevada, Kate Brown of Oregon, Jay Inslee of Washington and Tom Wolf of Pennsylvania.

Fiscal Policy Notes on Governor Paul R. LePage

Maine

Paul LePage, Republican

Legislature: Divided

Grade: A

Took Office: January 2011

Governor Paul LePage has been a staunch fiscal conservative. He has held down general fund spending in recent years, and he has cut state government employment 9 percent since he took office.⁶⁹ LePage has signed into law cost-cutting reforms to welfare and health programs, and he has decried the negative effects of big government: “Big, expensive welfare programs riddled with fraud and abuse threaten our future. Too many Mainers are dependent on government. Government dependency has not—and never will—create prosperity.”

LePage has been a persistent tax cutter. In 2011 he approved large income tax cuts, which reduced the top individual rate, simplified tax brackets, and reduced taxes on low-income households. He also increased the estate tax exemption, cut business taxes, and halted automatic annual increases in the gas tax.

In 2013 LePage vetoed the legislature’s budget because it contained tax increases, including an increase in the sales tax rate from 5.0 to 5.5 percent. However, his veto was overridden by the legislature.

In 2015 the Maine budget process broke down. LePage proposed a plan to reduce the top individual income tax rate from 7.95 to 5.75 percent, reduce the top corporate tax rate from 8.93 to 6.75 percent, eliminate narrow tax breaks, repeal the estate tax, and raise sales taxes. When the legislature rejected the plan, LePage said that he would veto any bills sponsored by Democrats. In the end, the legislature passed a budget that included substantial tax cuts over the veto of LePage, who wanted larger cuts. The plan cut the top personal income tax rate from 7.95 to 7.15 percent, reduced taxes for low-income households, increased the estate tax exemption, and made the prior sales tax rate increase permanent.

In 2016 LePage pushed for more tax cuts. In his State of the State address, he proposed reducing the individual income tax rate to 4 percent over time and repealing the estate tax. Over the years, he has also called for abolishing the state income tax altogether.