



Hawaii Governor Gets F Grade in Cato's Fiscal Reform Study

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As the public grows more and more dissatisfied with partisan gridlock, growing deficit and record spending in Washington DC, the best chance for fiscal reform may be at the state level.

That's the assessment by Chris Edwards, the director of tax policy studies at the Cato Institute and editor of www.DownsizingGovernment.org, who released a report Tuesday, October 9, ranking the best and worst governors in the nation in terms of fiscal management.

Just four governors received an A grade – Governors Sam Brownback of Kansas, Rick Scott of Florida, Paul LePage of Maine and Tom Corbett of Pennsylvania.

Meanwhile, five governors ranked so poorly they were awarded Fs.

Hawaii Governor Neil Abercrombie, a Democrat and former Congressman who was elected to the state's highest office in 2010, was one of those elected leaders who flunked the study.

Hawaii is one of the overall highest taxed states in the nation, and under Abercrombie, taxes have increased and may be on the rise again in the 2013 legislative session.

Edwards said Abercrombie has been governor of Hawaii for less than two years, yet he has already revealed his strong preference for higher taxes and spending.

"State general fund spending jumped almost 12 percent in his first year in office. To fund the higher spending, the governor has supported a slew of tax increases," Edwards said.

Edwards notes Abercrombie signed into law:

"Higher taxes on rental cars,

"Limitations on income tax deductions, and

“An expansion of state general excise taxes.”

Abercrombie has also proposed higher taxes on pension income, soda and alcohol, Edwards said.

“No wonder that the governor's approval ratings have been some of the lowest of any governor,” Edwards added.

The governor had no comment on the report, said Donalyn Dela Cruz, spokesperson for the governor.

Hawaii governors have ranked better in the past.

When Ben Cayetano was governor in 1998, he received a B grade from the Cato Institute.

Linda Lingle received a C grade in 2010.

Other governors awarded an F grade include Pat Quinn of Illinois, Dan Malloy of Connecticut, Mark Dayton of Minnesota and Chris Gregoire of Washington.

Unlike the governors who ranked poorly, those who received A grades made major changes in their state that improved the economic well being of their residents.

According to the study,

Gov. Brownback cut the top individual tax rate in Kansas from 6.45 percent to 4.9 percent and increased the standard deduction. He also and cut taxes on small business income.

Gov. Rick Scott ended Florida's corporate income tax impacting thousands of small businesses.

Gov. Paul LePage reduced Maine's top individual tax rate to 7.95% from 8.5% and simplified income tax brackets.

Gov. Tom Corbett slashed Pennsylvania's Capital Stock and Franchise Tax and hopes to fully repeal it by 2014.

Edwards said he hopes policymakers in states with lower grades will be encouraged to follow the fiscal reform approaches of the top-scoring governors.