



Think tank gives governor a failing grade

Written by IBJ news services

A libertarian think tank gave failing grades Thursday to the governors of eight states, including Pat Quinn in Illinois, for alleged fiscal shortcomings.

With the economy on an upswing, states are balancing their budgets in the short run, but major budget challenges loom ahead. In the 12th biennial fiscal report card, Cato Institute's Nicole Kaeding and Chris Edwards assign grades of "A" to "F" to governors based on their efforts since 2012 to restrain government and cut taxes and spending.

In Fiscal Policy Report Card on America's Governors: 2014, Kaeding and Edwards award an "F" grade to Govs. Quinn of Illinois, Jerry Brown of California, Mark Dayton of Minnesota, John Hickenlooper of Colorado, Jay Inslee of Washington, John Kitzhaber of Oregon, Jack Markell of Delaware, and Deval Patrick of Massachusetts. In contrast, Gov. Mike Pence from neighboring state Indiana received an "A" rating for his fiscal restraint. As did Govs. Pat McCrory of North Carolina, Sam Brownback of Kansas and Paul LePage of Maine,

"This year's lowest-scores were awarded to governors who have shunned fiscal reforms, making their states less competitive. In 2011 Quinn sold hikes in the individual and corporate income tax rates as a temporary fix needed to balance the budget and pay down debt. In 2014 he pushed to make the "temporary" income tax hikes permanent. He also signed into law a \$1 per pack increase in cigarette taxes in 2012 and proposed raising corporate taxes by more than \$400 million in 2013," the Cato statement said.

"Lower taxes and less government spending allows the economy to flourish," said Kaeding. "That means more jobs, more opportunities, and more freedom for individuals to pursue their passions. Unfortunately Gov. Quinn's policies are moving Illinois in the wrong direction."

"Global competition is making it imperative that states improve their investment climates, and the strongest economic growth is achieved with low and neutral taxation that treats all industries equally," said Edwards. "In this report, the 'A' governors have pursued broad-based tax reforms such as income tax rate reductions."

By examining fiscal policy throughout the states, Kaeding and Edwards discover the U.S. is in the midst of the best tax-cutting run since the late-1990s. The biennial fiscal policy report card looks at data from every state and awards an objective grade based on two spending variables (per capita and actual change in spending), one revenue variable (dollar value of tax changes), and four tax variables (changes in the personal and corporate income tax rate, general sales tax rate, and cigarette tax rate). Governors who have cut taxes and spending the most receive the highest grades, while those who have increased taxes and spending the most receive the lowest grades.

The report can be found at: <http://www.cato.org/publications/white-paper/fiscal-policy-report-card-americas-governors-2014>

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