



Tom Corbett's Secret Weapon for Economic Growth

January 16, 2013

What is the sound of thousands of cars and moving vans going from Maryland to Pennsylvania?

To Pennsylvania Governor Tom Corbett it's music to his ears.

The Republican Corbett has a simple explanation for the anecdotal reports of a significant boost in Maryland-to-Pennsylvania migration: taxes.

Corbett's counterpart in Maryland, Democrat Governor Martin O'Malley, has been raising taxes. For wealthier Marylanders, the tax burden has been especially pronounced.

Last year, the focus was on the millionaires who left Maryland just after O'Malley's first tax hikes that were targeted at the richest residents in his state. The lion's share of those tax exiles headed for Virginia.

But now, Pennsylvania is beginning to see a rise in people coming to its side of the border and Governor Corbett says yet another round of higher income taxes in Maryland is the reason why.

"A lot of it has to do with us keeping our taxes in line," Corbett said on "The Kudlow Report." "Our economy is a little more attractive to a lot of businesses. Not just from New Jersey and Maryland but from around the country and literally around the world that are looking at what we can do with our cheap energy, our great work force and our location in the country."

And so Corbett is glad to welcome those high-earners and achievers to his state.

No tax appears safe when Corbett is around, which is why the libertarian/conservative CATO institute made him one of just four state governors to get its "A" grade this year.

CATO singled out Corbett for his decision to slash Pennsylvania's Capital Stock and Franchise Tax, something he hopes to fully repeal by 2014. It sounds like an obscure reform, but this tax cost businesses \$800 million a year. Corbett says it's a job-killer.

But Corbett's focus on keeping taxes low is facing a serious challenge, one that is pushing many states to the financial brink. That problem is state worker pensions, which Corbett has recently called the "tape worm" on Pennsylvania's budget. Still, Corbett insists that holding the line on taxes is the key to the state's continued economic growth.

Much of that growth has been helped by natural gas fracking, a practice some of Pennsylvania's neighboring states have dragged their feet on approving. Corbett has been a strong supporter of fracking, even authorizing the practice on land set aside for the state's colleges.

Natural gas fracking is “extremely important” to the Pennsylvania economy, Corbett said. An “impact fee” gets pumped right back into the Pennsylvania economy, allowing for more hiring in the industry and related industries as well as the development of new technologies related to the development of natural gas, he said, adding that average job in the industry is paying around \$80,000 a year.

The biggest reason Gov. Corbett has been making news lately: his lawsuit against the NCAA. Corbett claims the NCAA overstepped its bounds when it punished the Penn State football program after former assistant coach Jerry Sandusky was convicted of systemic child sexual abuse last year. Corbett believes the state has been forced to pay too much of a financial burden because of the NCAA penalties. Most legal experts say the lawsuit is going to be tough to win.

Does Corbett deserve to be mentioned on the list of GOP presidential contenders for 2016?

He leads a state the Republicans have craved for years and he doesn't have a long list of enemies. On the other hand, he doesn't have much of a foreign policy record.

But business leaders like him and if he can win re-election next year he's sure to grab a little more national attention.