



Reformers vs the GOP Establishment: The Battle to Eliminate the Income Tax

Dan Mitchell | May 17, 2012

Do Republicans stand for economic growth and tax reform, or not? That question is on the table in Oklahoma, where GOP Governor Mary Fallin has a plan to cut and eventually eliminate the income tax. Her main opposition: fellow Republicans in the state Senate. ...Ms. Fallin points to decades of evidence that America's nine no-income tax states have had superior population, income and job growth. The case for a Sooner State tax cut has taken on new urgency because neighboring Texas has no income tax and Missouri, Kansas and Nebraska are working toward or have already enacted rate cuts this year. ...A cavalcade of lobbyists, including local Chambers of Commerce, teachers unions and welfare groups are fighting the tax cut. The Tulsa and Oklahoma City Chambers are pleading for corporate welfare that benefits politically connected large corporations, rather than rate cuts for all businesses.

I'm no longer surprised when I read about the [Chamber of Commerce supporting bad policy](#). Big business [rarely is a friend of freedom](#).

But I am very disappointed to read that economists at some of the state universities have climbed into bed with the political elite.

Last week economists on the public payroll from the University of Oklahoma and Oklahoma State came out against the tax cut. Cynthia Rogers of OU said that the evidence on whether income-tax cuts help the economy is "inconclusive." Maybe in the faculty lounge. But Oklahomans can see the jobs bonanza across the border in Texas, which pays its bills with a sales tax. ...Meanwhile, states with some of the highest income-tax rates—California, Maryland and Illinois—have had the toughest time keeping out of the red. New Hampshire, Tennessee,

Florida and others that don't levy an income tax manage to balance their budget nearly every year.

The WSJ makes a very good point about real-world evidence. [Texas and California are both role models](#), and they demonstrate that states with no income taxes kick the you-know-what of states with class-warfare fiscal systems.

Unfortunately, some Oklahoma Republicans care more about political power than the well-being of the people.