

Governor Gets Failing Grade on Fiscal Policy

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Illinois Gov. J.B. Pritzker got an “F” grade on a report that evaluated the nation’s governors on their fiscal restraint.

The Cato Institute’s Fiscal Policy Report Card on America’s Governors uses statistical data to grade the governor’s on taxing and spending records. Governors who have cut taxes and spending the most receive the highest grades, while those who have increased taxes and spending receive the lowest grades, according to the institute.

“Cato believes in smaller government but we score on a purely nonpartisan basis driven by the hard data so the governor who restrains taxes and spending the most we give the highest grades to,” author Chris Edwards said.

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Pritzker signed into law \$2.7 billion in net annual tax increases in 2019. He hiked vehicle registration fees, doubled the gas tax to 38 cents per gallon, and expanded online sales taxes. One good move, according to the report, was enacting a phase-out of the state’s corporate franchise tax, which is a burden on businesses in addition to the state’s corporate income tax.

The big tax question will be in November when Illinois voters decide whether to amend the state constitution to convert the state’s flat individual income tax to a progressive tax. Pritzker has spent more than \$50 million of his own money promoting the change.

Opponents of the amendment say the plan to increase taxes on higher earners threatens to erode the tax base by pushing more people to move out of Illinois for lower-tax states. IRS data show Illinois loses two taxpayers earning more than \$200,000 per year to other states for each one that moves in.

It is no secret that Illinois has budget problems, including unfunded pension obligations, high debt and the lowest bond rating in the country. Despite those issues, Pritzker’s 2021 budget proposed an increase in general fund spending by 5.7 percent.

Six other governors received the lowest grade of “F”, including Ralph Northam of Virginia, Andrew Cuomo of New York, Phil Murphy of New Jersey, Jay Inslee of Washington, Kate Brown of Oregon, and Gretchen Whitmer of Michigan.

Four governors received the highest grade of “A”, including Chris Sununu of New Hampshire, Kim Reynolds of Iowa, Pete Ricketts of Nebraska, and Mark Gordon of Wyoming.