



Cato Institute gives Charlie Baker a poor mark for fiscal responsibility

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Is Charlie Baker a fiscal conservative?

Not really, according to a new report from the CATO Institute.

CATO put out its annual fiscal policy report card for each of the 50 state's governors. Baker received a D.

After a career in the health care industry and state government, Charlie Baker was elected governor in 2014. He ran as a fiscal moderate and a social liberal.

He scored poorly on the CATO report mainly because of his support for a payroll tax to fund a new family medical and paid leave program.

When running for office in 2014, Baker said that he would not raise taxes, but he has broken that promise several times. Baker signed into law a tax on short-term rentals, such as Airbnb, and he has approved increases in online sales taxes. He has proposed increasing taxes on ride-sharing services, such as Uber. And in 2020, Baker proposed 'real-time' sales tax remittance to boost state revenues \$300 million while raising compliance costs on businesses.

Baker's largest tax increase came in July 2018, when he approved a 0.63 percent payroll tax on private employers to fund a new paid leave benefit. The law increased taxes on workers in the state by \$750 million or more a year.

For reference, Republican governors Chris Sununu of New Hampshire and Phil Scott of Vermont earned an A and B, respectively.

A spokesman for Governor Baker could not immediately be reached for comment on Wednesday, October 7.

Paul Craney, spokesman for the Massachusetts Fiscal Alliance, said Baker's grade from the CATO Institute reflects the state's misplaced priorities.

"Cato's study examines a wide variety of tax and spending choices governors have made in recent years," Craney said in an email statement. "Cato's 'D' grade for Governor Baker once again demonstrates the need for Massachusetts to cut low value state spending programs and pursue more growth enhancing tax reforms. Unfortunately, those conversations rarely, if ever, take place at the State House."