

## Cato gives Bev a C

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POSTED ON OCTOBER 9, 2012 AT 11:11 AM, BY [MITCH KOKAI](#)

The Cato Institute's new Fiscal Policy Report on America's Governors gives North Carolina's Beverly Perdue a [C grade](#).

*Early in her tenure, Governor Perdue signed a giant package of tax increases that raised \$1 billion annually. Middle-income households were hit with a 2 percent surtax on their incomes, and higher earners and corporations were hit with a 3 percent surtax. In addition, the state sales tax rate was raised by one percentage point, bringing the typical state-local rate in North Carolina to 7.75 percent. Perdue also broadened the sales tax base, increased cigarette taxes, imposed a new hospital tax, and hiked taxes on beer, wine, and liquor.*

*Perdue promised that the sales tax increase would be temporary, but in 2011 she changed her mind and proposed extending most of it. However, since the hike was put in place the legislature has flipped to Republican control and it has blocked extension of the sales tax increase.*

*Purdue [sic] seems undecided on the issue of business taxes. She opposed a major tax cut for small businesses last year, which passed over her veto. However, she proposed cutting the corporate income tax rate from 6.9 to 4.9 percent, but that pro-growth reform has not yet passed.*

[Chris Edwards](#) of Cato shares highlights of the new report in a *Wall Street Journal* [column](#).