



BINVERSIE: Give Cato a ‘C’ for giving Walker a ‘B’

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Walker: Dems partied, he got the hangover.

By Kevin Binversie | Wisconsin Reporter

Like kids in a classroom, American governors get grades. They get a grade of pass or fail on Election Day. They get rated by the media. And they are constantly appraised by such third-party groups as the **Cato Institute**.

This year, Cato gave Wisconsin’s Gov. Scott Walker a “B.”

A Washington, DC-based, libertarian think tank, Cato has published “A Fiscal Policy Report Card on America’s Governors” every two years since 1992. The organization says it uses “statistical data to grade the governors on their taxing and spending records.”

Governors who cut taxes and spend less get A’s and B’s. Those who raise taxes and spend more get D’s and F’s.

Cato gives Walker and the state legislature credit for first instituting a law requiring a two-thirds supermajority on all future tax-increase votes and for Act 10, Walker’s public-employee reform, which Cato notes could “save money at both the state and local levels of government.”

Cato said the tax credits at the heart of the new **Wisconsin Economic Development Corporation** (WEDC) are corporate giveaways that will clutter the Badger State's tax code. Cato also dinged Walker for boosting state spending (by as much as 1.5 percent) and doing little to reduce Wisconsin's income or corporate tax rates, now 7.9 percent.

I give Cato's B-rating a "C."

Cato might have noted that Act 10, though met with protests, recalls and court fights, has already helped local governments save state taxpayers over \$1 billion. And much of what Cato sees in increased spending is directly inherited from previous administrations. Somebody else partied, and Walker got to handle the hangover — for the \$3 billion GAAP deficit, for raids on state funds, for federal government loans for unemployment checks, and for bonds, including those issued to bolster the state's underfunded public-employee pension system.

And, sure, the state's tax system requires fixing. Earlier this week, the **Tax Foundation** ranked the state 43 out of the 50 states in terms of business-friendly tax environments.

Cato's assessment offers a clear solution: cut the business tax. That, not short-term incentives designed to attract corporate journeymen, would keep businesses in the Badger State.

And really: five — five! — personal income tax brackets?

If the state wants to be seen as more business-friendly — heck, simply *morefriendly* — then it must become more tax-friendly, as well. Then Wisconsin will be truly "open for business."

Veteran political blogger Kevin Binversie is a Wisconsin native. He served in the George W. Bush administration from 2007-2009, worked at the Heritage Foundation and has worked on numerous state Republican campaigns, most recently as research director for Ron Johnson for Senate. Contact him at atkevin.binversie@franklincenterhq.org.