Californians reject higher taxes for a reason

By George Runner

In Jerry Brown's California, you have two choices: Embrace the governor's agenda, or become the object of ridicule.

In his State of the State address, Brown contrasted "declinists" who see California as a "failed state" with him and others who see "unspent potential and incredible opportunity." The implication being that those who support his proposals are bold visionaries, while the rest of us simply lack courage and foresight.

The governor's agenda includes tax hikes, a costly rail plan and burdensome energy policies aimed at spurring so-called "green jobs." At its essence, it is a call for more public subsidies to fund more government programs.

What's missing is a sense of reality. Our choice is not between utopia and dystopia, between courage and cowardice. Rather we must choose between wisdom and foolishness and between caution and haste. We must live in the real world, soberly evaluating each proposed policy on its merits.

Ponder the following questions:

- Why have California voters consistently rejected tax increases? Do they lack faith in our state?
- Why has support for high-speed rail plummeted in recent years? Have Californians become cowardly?
- Why did California's unemployment rate rise higher than other states? Shouldn't California's rate be lower given our huge share of venture capital and successful startups, not to mention our inviting climate?

It isn't that Californians lack faith in themselves, our state or the future. It's that we've lost faith in politicians and government programs. We've been promised the moon time and again but end up with little to show for our significant tax investments. There are two competing visions of how to best spur job creation and California's recovery. The first, espoused by Brown, would increase tax rates that are already among the highest in the nation, making our overall revenue picture even more volatile. In just four years, the governor's plan would increase state spending by 30 percent, and California would take on billions in new debt to fund a dubious high-speed rail plan.

The second vision, shared by the majority of California taxpayers, would insist that government live within its means, doing more with less. State leaders would spur job creation by eliminating needless laws and regulations that make California uncompetitive with other states. Our tax policies would be smart and competitive.

Rather than creating jobs that survive only with ongoing subsidies, taxpayers would keep more of their hard-earned dollars. After all, it wasn't the government that created the success stories of Apple, Intel, Hewlett-Packard, Oracle, Qualcomm, Twitter, Facebook and others cited by Brown.

An obvious place to start would be to reform our tax laws to help stop the exodus of manufacturing jobs. Did you know that California is one of only three states in the nation that fully taxes both the input and output of the manufacturing process? According to the Milken Institute, a five-cent reduction in this tax would yield net tax revenue within three years and bring 500,000 jobs to our state within ten.

It should be a top priority.

Let's put some faith in the people of California. Let's help the job creators who are forced to comply with what even Brown admits is a "plethora of complex laws and regulations."

California's best years are yet to come. But the credit will go to the hard working citizens of this state, not higher taxes and more government programs.

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