



Government Has More Than Enough of Your Dollars

By George Runner

After years of debt, deficits and budget cuts, it may come as a surprise to learn that our state government is flush with cash. But you wouldn't know it by the talk of tax increases coming out of Sacramento.

First the facts:

1. **California is outspending other states** – As the *Sacramento Bee's* Dan Walters recently reported, census data shows California state spending jumped 7.5% last fiscal year and is well above average when compared to other states.
2. **The Governor's proposed budget is huge** – In January, Governor Jerry Brown unveiled a \$113 billion budget proposal—the largest ever in California state history. If there's any criticism of the Governor's budget so far, it's that he is underestimating revenues. The Legislative Analyst's Office recently reported that current fiscal year revenues alone will exceed the Governor's forecast by \$1 to \$2 billion or more.
3. **California taxes are really, really high** – Californians pay some of the highest income, sales and gas taxes in the nation. According to the Tax Foundation, many small businesses face top marginal tax rates of 51.9%—the highest in the nation.

But in California, facts like these never get between liberal politicians and their need to spend more of your tax dollars. Already this year they've implemented or introduced at least three schemes to get more of those dollars. And it's only February!

- On January 1, the Governor and his Air Resources Board appointees quietly imposed a hidden gas tax (currently 10-15 cents but could go higher) to help fund California's bullet train and other so-called anti-global warming efforts. Falling gas prices helped mask the tax increase, but the gap between California's gas prices and the rest of the nation has grown.
- On January 12, Senator Bob Hertzberg (D-Van Nuys) released a tax hike plan that would impose a massive \$10 billion dollar tax on services like bank transactions, haircuts, movie

tickets and everything in between. When asked about the Senator's proposed tax hike, Governor Brown said, "If you tell people that their Pilates class will be taxed at 8.5 percent, they may not be as yoga-happy as they were before."

- On February 4, Assembly Speaker Toni Atkins (D-San Diego) unveiled a plan to impose a new \$1.8 billion "Road User Charge" on drivers to help pay for road improvements. California drivers would be forced to pay \$52 or so annually on top of the taxes and fees they already pay. There's no question that California's roads need help, but the Speaker seems to miss the fact that Californians already pay plenty to support our roads and highways.

And this list doesn't even include ongoing efforts to gut Proposition 13 tax protections for homeowners, raise taxes on soda purchases and impose a mileage-based tax on California drivers.

Lawmakers are quick to propose new taxes and fees, but they're slow to eliminate old taxes—including those that are proven failures or no longer needed.

Almost since the day California voters first approved Proposition 30, Superintendent of Public Instruction Tom Torlakson and others have been calling for these temporary taxes to be extended or made permanent. Either approach would impose a multi-billion dollar tax increase on Californians from all walks of life. Rather than further sap California's sluggish recovery—California has the second highest unemployment rate in the country—these temporary taxes must be phased out as promised.

And let's not forget that during difficult budget times in 2011, the Governor and Legislature imposed a controversial "Fire Prevention Fee" on rural Californians, including many seniors on fixed incomes. This "fee," which is really an illegal tax, has been a nightmare for both the state and homeowners. Rather than admit the mistake and repeal this bad law, the state is attempting to stall a class action lawsuit that I strongly support and expect will ultimately prevail in court.

Tax-and-spend politicians always push for more spending, taxes and regulations that rob us of freedom and jobs. They'll do their best to convince you, the California taxpayer, that you just aren't paying enough tax because they believe if each taxpayer paid just a little bit more, California could finally solve its problems.

Don't fall for the lie. Sacramento does not have a revenue problem, it has a spending addiction. There's plenty of money—just not enough to fund the endless spending appetite of tax-and-spend politicians.

George Runner represents more than nine million Californians as a taxpayer advocate and elected member of the State Board of Equalization. For more information, visit boe.ca.gov/Runner.