



California Would Create More Jobs Without Prop 30

By George Runner

In his recent piece for *The Sacramento Bee*, [“State’s job growth defies predictions after tax increases,”](#) David Cay Johnston argues that California’s recent job creation numbers prove recent tax increases embodied in Proposition 30 aren’t killing jobs or slowing economic growth.

Yet the evidence Johnston presents is less than convincing—surprising for an academic and former investigative journalist. He points to recent positive job growth numbers but neglects to mention that California’s “unemployment rate” remains tied for fifth worst in the nation.

Thirteen counties in California still have double-digit unemployment rates, the highest of which is 22%.

Due in part to California oppressive tax and regulatory climate, the recession was markedly worse in our state. As a consequence, we ended up with a bigger jobs hole, and we now need more jobs than other states to fill that hole.

Yet in the past year, states with lower unemployment rates like North Dakota, Utah, Texas, Delaware, Colorado, Florida, Oregon, Indiana and Washington have all out-performed California in per capita job creation.

At best, California’s job creation record is middle of the road. Given our climate, natural and human talent, and need for jobs, we should be leading the nation in employment gains.

Instead we lead in taxes. California has the highest top income tax rate, the highest statewide sales tax rate and the second highest gas tax. High taxes and fees, combined with an oppressive regulatory environment, contribute to the high cost of living that undermines our state’s competitiveness and impoverishes many of our citizens.

In his op-ed, Johnston fails to answer, let alone ask, key questions like: How many more jobs would California have created if Proposition 30 hadn't passed? How many job creators have left our state? Were the high taxes embodied in Proposition 30 even necessary?

Proponents of Proposition 30 warned of dire consequences including devastating cuts to schools should the measure fail. Yet since its passage the state has received a surge in new revenue unrelated to Proposition 30—leading *Sacramento Bee* columnist Dan Walters to question whether Proposition 30 was truly needed.

The Governor and legislators are using billions in new revenue to grow government programs. What if those dollars were instead given back to taxpayers to invest in their families and local communities?

Even the Legislature seems to recognize that California can't compete under its current tax scheme and has recently voted for a number of boutique tax incentives to keep businesses from leaving our state. How then can anyone argue that California taxes and regulations aren't driving jobs away?

As California's economy continues to recover, we should not be satisfied with middle-of-the-road job creation numbers, high taxes and high poverty rates. We can and must do better.