

## IF OTHER GOVERNORS CAN BE RESPONSIBLE, WHY CAN'T OURS?

*They've moved on to the 21st century, but Dayton is stuck in the tax-and-spend '60s.*

Last Thursday, California's liberal Gov. Jerry Brown signed into law a balanced budget that doesn't raise income taxes.

Imagine that -- on the same day that Minnesota's governor insisted on implementing a significant income tax increase, California -- a state that faced a budget deficit five times larger than Minnesota's -- did the right thing. It is living within its means.

Fact is, we're the only state in the nation without a budget. That is because Gov. Mark Dayton is unable to shake the urge to fall back on the failed tax-and-spend politics of the 1960s.

It's hard to imagine how we got to this embarrassing budget impasse. It didn't have to happen.

Our Legislature passed a \$34 billion budget for the next two years that increased general-fund spending by 6 percent while erasing the \$5 billion budget deficit. These budget bills, some of which received bipartisan support, were sent to Dayton for his consideration -- in May.

Forty days have passed since legislative leaders and the governor began their budget negotiations. Yet it wasn't until this cynical and political government shutdown began that we learned that the hitch was Dayton and his insistence on raising income taxes on Minnesota's high-income earners.

Minnesota is once again an outlier because one elected official demands that we return to the tax-and-spend policies that got us in this mess -- and that have been proven over time to have a devastating effect on jobs and economic growth.

In 2008, Maryland's Gov. Martin O'Malley instituted a "millionaires' tax." It proved to be so disastrous to the state he was forced to repeal the law after only one year.

When proposed, O'Malley promised that his income redistribution plan would raise an extra \$106 million in revenue. Instead, tax revenue plummeted by nearly 25 percent when one-third of the state's high-income earners fled the state.

According to the Wall Street Journal, O'Malley's blunder actually cost the state nearly \$1 billion of its net tax base. And that figure doesn't include the permanent income losses to state and local government coffers.

Most other governors seemed to heed the lesson of Maryland. California's Brown signed into law a \$129 billion package that slashed spending to subdue a \$25 billion deficit. His plan, according to the Los Angeles Times, "contains severe cuts." And those cuts came on top of an earlier round of spending reductions that included kicking welfare recipients off state programs in four years instead of five.

The cuts are staggering in their size and scope, but Brown acknowledged that Republican resistance to taxes forced his hand. Even our nation's foremost liberal governor understands that, even in California, there is little appetite for raising income taxes.

Other state budget officers report much the same -- states, they say are "balancing budgets with cuts, not taxes."

According to the National Association of State Budget Officers, "State general fund spending decreased 6.3 percent last year, the largest decline since NASBO began collecting data in 1979."

Florida and Arizona's respective state budgets spend \$1 billion less than last year, and New York's leaders under high-profile Gov. Andrew Cuomo, "closed their \$10 billion deficit with \$9.3 billion in spending reductions."

"Everyone's cutting ... [T]hat's a given," said an expert at the Council of State Governments. As of today, only three states have taken the self-defeating route of raising income taxes.

So here we are. The pain of a state government shutdown didn't have to happen.

Last week, Republican legislative leaders, in a desperate move to stave off closing the government, proposed a "lights on" budget resolution that would have allowed services to continue while negotiations continued. In a crass, cynical move, Dayton rejected this good-natured offer.

We are here for one reason -- Dayton. He insists upon inflicting as much pain as possible for state residents and government employees. And he is doing this so that the Legislature will bend to his will and raise income taxes, launching Minnesota into the stratosphere of high income taxes.

There are certain principles worth fighting for. Preserving a sound economic future for our state is one of those things.

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