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Commentary: Low taxes not the road to prosperity

BY GILDA JACOBS

Michigan's voters sent a loud message to the state's policymakers on taxes on Election Day. On Proposal 5, a well-informed public took the time to read and understand that a plan to virtually eliminate the ability of state lawmakers to raise any state taxes was dangerous to Michigan's future. No on 5, a campaign I was proud to help lead, with many other organizations in the state, won 70 percent of the votes cast.

In fact, No on 5 won more votes than any other measure or candidate on the ballot, with more than 3 million Michigan voters standing up to say they opposed this kind of fiscal extremism.

They did so despite a well-funded campaign by the opposition that explicitly told voters that they could guarantee no tax increases for generations by voting for Proposal 5. Our internal polling agreed with a consistent finding of other surveys throughout the last five years: That Michigan voters support balanced plans to address our state's needs, with careful reform and paring of some programs, but also sufficient tax revenues to maintain prudent public services.

In fact, in the races that Republicans lost in the state House, a common theme was a rejection of candidates who joined to slash business taxes at the expense of senior citizens and low-income working families (raising pension taxes and nearly eliminating the Earned Income Tax Credit) - while slashing spending for education, roads, police and firefighters and other local programs.

The impact of those cuts can be seen all around the state today. Elementary classrooms that once had 20 children in them are now crowded with 28 or 30 students. Teacher aides who helped teachers were laid off in droves as districts struggled to make ends meet, as state support has failed to keep up with inflation or needs.

More and more cities are finding themselves facing or nearing bankruptcy, thanks in large part to a massive reduction in state revenue sharing.

State support for the University of Michigan and Michigan State University, flagship research universities, has been cut by 15 percent in the last two years, at a time when businesses are begging for talent.

A major test of whether Michigan's leaders understand the No on 5 lesson will be in the lame-duck session. Many in Lansing are pushing hard for elimination of the state's Personal Property Tax — and more cuts to cities and schools.

Ending the Personal Property Tax will give large businesses huge tax cuts when putting in new equipment designed to replace workers. There will be even less money for local schools and cities — for better education and safer streets and other amenities that young talented college grads are looking for when they're deciding where to live. It pits the short-term interests of factory owners against our state's long-term future.

Michigan is at a crossroads. We overwhelmingly rejected one of the centerpieces of the anti-tax strategy on Election Day. Our campaign repeatedly reminded voters that a supermajority was required by Mississippi to raise taxes — Mississippi, the low tax paragon with the lowest per-capita income in the nation, high unemployment rates, poor schools, crumbling cities and one of the smallest proportions of college grads in its population.

It's time to look at successful states, like Minnesota in our region — a state that has taken steps to attract college grads, and as a result has the lowest unemployment rate and the highest per-capita income in the region. And Minnesota's taxes — its investment in the kinds of cities, schools and other services young talent demands — are also the highest in the region.

The No on 5 mandate leads to the same conclusion: A state that simply adopts tax cuts and fewer public goods as its policy is out of step with its people.

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