

If the state's commerce director jumps off the bridge, governor should not follow

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The argument that “everyone else is doing it” is no more compelling now than it was when you first tried that excuse with your parents. Egging the neighbor's house, skipping school, drinking to excess. These are things you should not do because your friends are doing it.

Your mom usually scolded you for thinking that way. Mom would ask me, “If your friends were jumping off a bridge, would you?” It didn't happen much. I was a good kid. Really.

Likewise, tax policy shouldn't be governed merely because everyone else is engaging in dumb behavior. To be sure, there is a lot of dumb behavior disguised as good public policy. Corporate welfare is endemic. That's no reason we should do it, too. If that sounds a bit harsh right before Christmas, I apologize. But the legislative session is quickly approaching. Lawmakers are trying to decide now what to “give” us during 2014.

And with the spirit of Christmas in mind, consider this: I hear all the time from business people who are simply struggling to make ends meet. They tell me about their products or services, their plans for the future, their children. Many of them expect they'll never hire hundreds of employees, spend millions of dollars on a capital project or offer huge salaries and perks.

But they'll try really hard to be successful in their own right, by their own metrics, even if success is measured by the ability to have a warm fire on a cold Christmas night and modest presents under the tree.

Comes now a proposal from Idaho chambers of commerce that would rebate a company's sales and income taxes by almost a third if they add “high paying jobs.” It's expected to be the topic of debate during the 2014 legislative session. The state Department of Commerce is working on draft legislation. The state's commerce director wants Gov. Butch Otter to champion it.

According to one news account, companies providing annual salaries between \$75,000 and \$100,000 would qualify for the special tax breaks. Advocates for such deals will say it's a way to lure businesses here by returning tax revenue for a company's decision to investment in Idaho. Then comes the argument that “everyone else is doing it.”

Here's what everyone isn't doing that we should be: We should encourage economic growth, prosperity and opportunity for everyone, not just big companies and their advocates who have the political clout to ask for handouts. That means lowering marginal tax rates uniformly, so that everyone can enjoy the fruits of such a low tax rate. It means eliminating one form of taxation instead of relying on and taxing everything in every possible way.

States that eliminate sales or income taxes fair better in state-to-state tax surveys than Idaho, which clamors to tax everything in every form possible. And instead of rewarding or penalizing economic behaviors, the state should simply let people and businesses engage in the marketplace, unfettered by politicians and bureaucrats who think they know which jobs, which industries and which investments are deserving of special treatment.