

## Find another way to send a message

By Michael J. Widmer  
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'IT'S TIME to send them a message. They just don't get it.'

As I travel across the state speaking in opposition to Question 1, the refrain is the same. There is a palpable sense of frustration with political leaders, and unfortunately Question 1 - the proposed income tax repeal on the November ballot - has become the misguided means for expressing that frustration.

And given the economic squeeze facing individuals and families - increasing costs of food, energy, and other essentials, declining property values and retirement investments, and concerns that their jobs may be eliminated - it is not surprising that they would be tempted to vote themselves a tax cut. Though it is the wealthy who would get a tax cut and the lower-income people who would likely end up paying more.

Massachusetts is already facing enormous fiscal and economic problems that would increase manifold if the income tax were repealed. There is at least a \$1.5 billion shortfall in the fiscal 2009 state budget, and with a likely sharp decline in capital gains taxes the deficit could be larger. Cities and towns are reeling from a combination of higher property taxes and cuts in services. Roads, bridges, and transit systems are deteriorating at an alarming rate.

The income tax produces \$12.5 billion, or 40 percent, of the approximately \$30 billion state budget. What would be the result if it were eliminated? To put it in perspective, if you were to lay off all 67,000 state employees - e.g. correctional officers, highway engineers, college professors, judges, mental health counselors - you would save only \$5 billion.

An upcoming analysis by the Massachusetts Taxpayers Foundation shows that if one were to preserve the 2008 level of spending for Medicaid, health reform, state aid to municipalities, and debt service, then one would have to eliminate every other program of state government - from prisons, courts, and State Police to funding for higher education and the elaborate network of services for the elderly, disabled, and others in need.

Absurd, of course - which is the point.

The loss of the state's principal revenue source would create fiscal, political, and legal chaos. The state's bond rating would plummet, and what business that depends on predictability would make an investment under such circumstances?

The ultimate irony is that the inevitably huge cuts in state aid to cities and towns would lead to large increases in property taxes. So the lower- and middle-income families who thought they were voting themselves a tax cut would likely end up paying more in taxes, just out of a different pocket. Meanwhile, the wealthier who pay a higher share of income taxes would get a big tax break.

So how do the nine states without a personal income tax survive?

Several have a strategic asset, such as oil in Alaska, minerals in Wyoming, gaming resorts in Nevada, or tourism in Florida, that raises large amounts of money. Five of the states rely heavily on state and local sales taxes - Florida, Nevada, South Dakota, Tennessee, and Washington rank among the top 11 states in terms of their sales-tax burden. New Hampshire ranks third in the nation in the burden of state and local property taxes.

Yes, government needs to be reformed, but in the end there is a close connection between the level of taxation and the services the citizens receive.

"But I only want to send a message," some voters might say.

Find some other way. It's no exaggeration to say that your future, and the Commonwealth's future, are at stake.

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