

Opinion: California Republicans need to step up to anti-tax plate

By Shawn Steel
Special to the Mercury News
Posted: 03/27/2009 07:49:26 PM PDT

Gov. Arnold Schwarzenegger and the Democratic Legislature tried closing the budget deficit with the largest state tax increase in American history, yet the Legislative Analyst projects it will widen by \$8 billion anyway.

Tax increases harm a recessionary economy. They also harm a recessionary California Republican Party. While most Republican legislators opposed the tax hikes, their six renegade colleagues who voted for those taxes left Republican fingerprints on them, at least in the public mind.

How do California Republicans repair that damage and reclaim our birthright as the party of liberty and limited government?

For starters, Republican legislators must absolutely, unconditionally oppose additional taxes — come hell, high water or the public employee unions.

That includes Proposition 1A, which cloaks a tax increase behind a timid spending limit. More than half have already done so, but grass-roots pressure must continue until the holdouts follow suit.

GOP alternative needed

Opposition isn't enough. Voters need to hear a Republican, alternative vision for growing the economy while reining in government: tax and regulatory reduction and simplification to spur a rising economic tide lifting all budget boats — family, business and government alike. At every opportunity, GOP legislators should call for a single, low income tax rate; eliminating corporate and capital gains taxes; slashing the heavy regulatory burden smothering job creation; and liberating taxpayers from bondage to unaffordable "entitlements" and government employee unions that raid the taxpayers' purse. It also includes a hard spending cap — limiting government to the annual growth in inflation and population.

Republican lawmakers in Georgia are responding to downward recessionary pressure on revenues with pro-growth tax cuts, on the advice of Californian Arthur Laffer. GOP legislators in Sacramento should follow their example.

Republican lawmakers need to toughen up if they're going play budget brinkmanship with the Democratic majority. Why fight protracted budget wars if Republicans blink and assent to higher taxes rather than let the fiscal chickens come home to roost on the Democrats? Will deals for smaller tax hikes grow the GOP?

The state party organization also needs to step up to the plate. Saying "no" to the governor and coming out against Proposition 1A is a good start. A Republican Party that cannot oppose a massive tax hike might as well fold its tent. The California Republican

Party must wholeheartedly commit party resources and infrastructure to defeating Proposition 1A.

Then there are the six Republicans legislators who midwived the \$13.5 billion tax increase. It's mind-boggling one of them, Mike Villines, remains Assembly Republican leader. It's tough to sell the GOP as the party of lower taxes and limited government when our Assembly leader negotiates a massive transfer of wealth from taxpayers to the government.

Draw the party line

Senate Republicans replaced their tax-hiking leader — but even more than GOP leaders able to withstand the tax hike's siren call, the public needs to appreciate the fundamental difference between the parties. It's the Democrats who have brought us low. California has the nation's highest teacher salaries, but the worst education outcomes. Not only do we have the highest state employee salaries, but we've added 50,000 of them in the last few years, with no discernible public benefit. We have the nation's highest taxes, helping force 1.5 million middle-class taxpayers out of California. Independent and moderate Democrat voters are disgusted with the status quo. A clear, consistent vision of opportunity from Republicans can turn them our way. But we must clearly draw the line in the sand, not blur it by enabling Democratic "solutions."

Like it or not, California Republicans are at a crossroads. We can either go along with tax hikes to cover government overspending, or fight for business and job creation by cutting taxes and regulations — and choose our leaders accordingly. Our party has walked both paths, and history leaves no doubt which one works.

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