

Republican Perspective
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by Ed Manning

AN EMERGING NATION?

Elections should be held on April 16th- the day after we pay our income taxes. That is one of the few things that might discourage politicians from being big spenders. Thomas Sowell

One of the over reactions to President-elect Trump is the current Calexit campaign. Following Britain's lead to exit the EU, proponents are in the midst of garnering enough signatures for a citizens initiative for the 2018 ballot. Their wish is to have California secede from the United States. They argue that California will be a thriving nation when it no longer is required to subsidize the other 49 states. But how thriving?

The San Diego Tax Fighters keeps interesting data on the Golden State. California ranks Number One in the nation for state personal income tax. It has the second highest state tax bracket, and the third, and the fourth. The "millionaire's tax" rate is 13.3% - including capital gains (CA capital gains rate is now 2nd highest in the *world!*) The 10% tax rate starts at \$250k; a rate that many dual income couples approach. For the proletarians, the top 1% pay 50% of CA taxes.

Given the Progressives nanny mentality, it is difficult to believe that these tax rates would go down upon secession. It takes real money to fund the requirements of public sector unions and their public servants. Pay/benefits for local City Managers: Walnut Creek - \$300,647; Lafayette - \$354,837; Orinda - \$292,763. One factor why CA is an expensive place to retire.

High taxes don't stop with personal income tax rates. We enjoy the highest sales tax in the nation at 7.5%, not including local sales taxes. Our gasoline tax is 56.6 cents which is 7th highest in the nation. The Progressive socialist Democratic legislature is considering adding another 17 cents.

Under Prop 13 our property taxes are low, so goes the argument. But according to RealtyTrac, a national firm that keeps statistics on both residential and commercial properties, our single-family residence property tax is the 8th highest in the nation. Progressives continue their efforts to chip away at Prop 13. Perhaps their rationale is to increase the divide between the haves and the havenots?

CA has the only "cap and trade" tax in U.S. Even proponents admit that it will have minimal impact on climate change. This is another "feel good" effort by extreme environmentalists. When it comes to energy, our residential electricity rates are 42% higher than the national average. For industrial use, rates are nearly 94% higher than

the national average. With the CA “greens” war on fossil fuel, the unanswered question is whether solar & wind will provide affordable and reliable electricity.

The “business tax climate” of CA ranks third behind New York and New Jersey. When it comes to small business, it has an \$800 minimum tax that even applies to many non-profits. Next highest is Rhode Island at \$500 but most states are at zero. CA corporate income tax rate (8.84%) is the highest west of Iowa except for Alaska. The top U.S. CEO’s surveyed rank CA “the worst state in which to do business” for the 12th straight year.

For my attorney friends, the American Tort Reform Foundation again ranked CA the “worst state judicial hellhole” in the U.S. – the most anti-business. The U.S. Chamber of Commerce ranks CA a bit better – “only” the 4th worst state in 2015.

When it comes to workers’ compensation, CA has the highest/worst state rates in 2014, up from 3rd in 2012. CA rates 21.3% higher than 2nd highest state, 88% higher than median state.

Education is a conundrum with CA’s public school teachers the third highest paid in the country. Yet, CA students rank 48th in math achievement and 49th in reading. This is why CA needs smart immigrants. Higher education is cheap. Nationwide, the average community college tuition and fees are more than double those of CA. Students in the University of California system whose family income is less than \$80,000 pay little in tuition/fees. 55% of all UC students pay zero tuition to enjoy their “safe spaces.”

Time will tell whether or not Calexit will succeed. If it does, don’t look for your taxes/fees to go down. Progressives will be able to create the nation they desire. A sustainable, green nation of open borders. One with stifling rules and regulations that will make its populace subservient to government bureaucrats.