

# Virginia Viewpoint

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## Spending Reform, Not Tax Reform

By Senator Ken Cuccinelli

### Summary

Virginia needs a tax and expenditure limitation amendment similar to Colorado's Taxpayers' Bill of Rights. We can no longer afford to place blind faith in politicians to display fiscal discipline. The best way to ensure a stable financial future for Virginia's families is with institutional restraints that can only be relaxed with voter approval.

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***Hard, honest, spending caps – a Taxpayers' Bill of Rights - would finally put Richmond's taxaholics on the wagon, and force them to set priorities, and live within their means, just like Virginia's families and businesses.***

In October 2001, candidate Mark Warner promised us he was “a fiscal conservative. Someone who understands that government has to live within its means. *Someone who will not raise your taxes.*” It was just pandering then – a campaign fib to win votes. But that fib has snowballed into a Big Lie, otherwise known as the Governor's “tax reform” package. And unless those of us who really are fiscal conservatives can stop him, Warner will succeed in killing Virginia's economic recovery.

Yes, an economic recovery. You may not have read much about it, and certainly the Governor has no intention of letting folks know about it, but right now Virginia is on a pace to rack up budget surpluses in excess of \$40 million *per month*. At that rate of growth, Virginia taxpayers will pour enough money into the state's coffers to pay for almost every pet project and cause the Governor can dream up. But that's not enough for Mark Warner.

Why? Because taxaholics like Warner and his allies in the General Assembly can never get enough of your money. Of course, they always frame their needs in terms that fit the latest focus group findings – we need money for roads, more money for healthcare, schools are falling down, and on and on.

Like every other politician who wants to raise taxes, Warner believes he has first dibs on your wallet. It doesn't matter that you have plans for your hard-earned money. He has needs to fulfill, obligations to meet, and by golly, if he can't get more money *right now*, there will be hell to pay tomorrow!

Governor Warner also says that unless we throw out the tax code that has encouraged almost three decades of unprecedented personal income growth in Virginia (and even healthier growth in state taxes and spending), Virginia will lose its “coveted” triple A bond rating. Losing this bond rating, he says, “would be a real blow to our economic competitiveness...it would have a serious detrimental effect.”

You bet it would – because if Wall Street downgrades Virginia's bonds, the state has to pay higher interest to the bondholders – in effect, a tax increase. And if that happens, you can thank Mark Warner. Remember when candidate Mark Warner railed against one-time fixes for the budget? Well, after he got elected he became the King of one-time fixes. Now Virginia's finances are not as strong as they were when Warner was elected. His

*continued*

solution? More taxes.

It is historically undeniable that, as a group, politicians cannot be trusted with taxpayers' money. Given the opportunity, they will spend it all, and then pawn whatever they can lay their hands on to spend even more.

That's why what Virginia really needs is not "tax reform," but spending reform. Hard, honest, spending caps – a Taxpayers' Bill of Rights - would finally put Richmond's taxaholics on the wagon, and force them to set priorities, and live within their means, just like Virginia's families and businesses. Eventually such institutional restraints would even lower the overall tax burden.

Colorado's Taxpayers' Bill of Rights is doing just this. State spending continues to rise – but only as fast as the combination of the growth in population plus inflation. Any excess revenues are refunded to taxpayers each year. Colorado Governor Bill Owens has presided over some of the most difficult economic times in his state's history. But thanks to the constitutional protections in place for Colorado's taxpayers, state government hasn't been allowed to tax and spend its way out of the problem. If they want to try, they first have to get voter approval. The result? Colorado has one of the healthiest state economies in America.

Virginia is well-positioned to enact just this sort of essential taxpayer protection. Our economy is growing faster than anyone expected. Revenues are up more than state budgeters forecast. And even state spending is up, about 4 percent last year – even after the allegedly "draconian" cuts of the last session.

A Taxpayers' Bill of Rights will ensure that government has all the revenue it needs to meet its obligations now and in the future. And once those needs are met, the balance will be returned to you – the taxpayer. That's real fairness – and it's what real fiscal conservatives will fight for in the upcoming session.

When you need more money, can you just walk into your boss' office and demand higher pay? Of course not. Mark Warner thinks he can, but remember, you're the boss – the citizens of Virginia. Do you want to give the politicians more money?

Going all the way back to the very founding of our nation, our first Governor, Patrick Henry, was a leader in the fight for limited government and low taxes. Virginia needs to return to the fruitful legacy of our first Governor and turn away from the economically destructive path of our current Governor.

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(Senator Ken Cuccinelli serves in the General Assembly of Virginia.  
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John Taylor  
Virginia Institute for Public Policy  
20461 Tappahannock Place  
Potomac Falls, Virginia  
20165-4791

Phone: (703) 421-8635  
Fax: (703) 421-8631

[www.VirginiaInstitute.org](http://www.VirginiaInstitute.org)  
[JTaylor@VirginiaInstitute.org](mailto:JTaylor@VirginiaInstitute.org)

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