

## **The circus has left town**

Jason Pye

Published by *The Covington News* on April 11, 2008

The 2008 session of the Georgia General Assembly is over.

The session was nothing short of a failure as the legislature left divided, bringing back memories of the 2007 session, as House Speaker Glenn Richardson and Lt. Gov. Casey Cagle made their disagreements known throughout the day.

The main point of contention between Richardson and Cagle was tax reform. The two sides agreed on limiting backdoor tax increases at the local level through caps on property assessments and eliminating the state's portion of the property tax.

Richardson wanted to scrap the car ad-valorem tax. Cagle countered with a proposal that would cut the income tax by 10 percent over five years and argued that the state would still owe local governments their portion of the car ad-valorem.

House and Senate conferees negotiated through the last day of the session. However, Richardson refused to back down from his proposal and berated Cagle, who was not in the room at the time, during a House/Senate conference committee.

Around 11 o'clock in the evening, Richardson announced to House members that tax reform and any hopes for a tax cut were dead.

"You can henceforth, when you go home on the tag tax, tell everybody that it has a new name, it's called the Cagle birthday tax. And every time they pay it they can think of Casey Cagle because Casey Cagle solely and exclusively left it on for them and I hope Georgians by the 9 million will thank him tomorrow and will flood him with e-mails and tell him we're sick of Casey Cagle. Time to get a new Lieutenant Governor in this state," Richardson classlessly thundered from the House floor.

Not long after Richardson's embarrassing tirade, he called for a vote on tax increase for transportation (SR 845), which was approved by the House but fell three votes short in the Senate. Apparently, the Speaker does not understand that Georgians are already overtaxed as it is and that it is not sound policy to raise taxes, especially during uncertain economic times.

Both men believed their plan would stimulate the economy. Only one of them was right, and that was Casey Cagle.

Gerald Prante from the Tax Foundation, a non-profit organization that educates voters on tax policy, analyzed both proposals. On the repeal of the tag tax Prante wrote, "[I]n the short run Georgia's economy would probably not get much of a boost from a cut in the car tax."

Prante viewed the income tax cut as much more favorable to Georgia's economy, adding that a cut in the income tax would increase economic output, provided that cuts in spending are made as well.

The Georgia Public Policy Foundation published a similar statement by Berry College economic professor E. Frank Stephenson in a recent commentary. Stephenson wrote, "The economic merit

of a broad-based income tax cut is that it creates significant incentives for improved economic prosperity.”

It can only be good for the economy when taxpayers can keep more of their money and when government is cutting spending. Cagle was definitely on the right path.

There were some important pieces of legislation that passed before the legislature adjourned. One of them was the Transparency in Government Act (SB 300). This bill would provide for the creation of a website that would allow taxpayers to see how government is spending their money. A similar bill was vetoed by Gov. Perdue last year.

The Budget Act (SB 12) is another bill that provides for more transparency in government. This legislation provides for zero-base budgeting to be applied during the budget process. Zero-based budgeting potentially allows appropriators to go through needs of departments in state government and eliminate waste or outdated programs.

House Bill 89 expanded rights for gun owners. Individuals with a concealed carry license may now carry in state parks, on mass transit and in restaurants that serve alcohol.

The legislature also approved SR 996, a constitutional amendment on tax allocation districts (TAD). This amendment was offered after the Georgia Supreme Court ruled in February that it was unconstitutional to use school property tax revenues for any other purpose than education. Georgian will vote on the measure in November. I would encourage readers to vote against this measure and keep education dollars in the schools and keep public funds out of the hands of developers.

The water crisis was on the minds of legislators. Both chambers of the General Assembly passed the statewide water plan early in the session. However, funding for new reservoirs was an issue as well. The Water Conservation and Drought Relief Act (SB 342) was passed to assist local governments that would subsidize permit costs to build new or to improve existing reservoirs.

Any bills not passed on Sine Die, the last day of the session, must be re-introduced next year. No doubt transportation funding will be an issue, as special interest groups will again attempt to hammer a tax increase through the legislature. Sunday sales will almost certainly come up again as well.

I am just glad it is over and I am hoping some sense of sanity can be restored to Georgia after witnessing the disaster that was the 2008 session of the Georgia General Assembly.