

Tax Cuts Better Than Bailouts

by County Executive Scott Walker

What taxpayer wants to bail out failed state and local governments? Yet that is exactly what Jim Doyle and four other Governors recently called for from the federal government. So, what's wrong with the idea?

First, bailing out governments that cannot balance their budgets with one-time money for operations will only create larger budget holes in the future.

Wisconsin faces a \$5.4 billion budget deficit (4th largest in the country) largely because state leaders failed to address long-term budget problems in the past – making the budget situation worse today. Even before the national fiscal crisis, Wisconsin had one of the largest GAAP deficits in the country.

Second, all federal taxpayers will pay for these bailouts. Eventually, middle class taxpayers will get stuck paying for most of this new federal spending – nearly \$1 trillion.

And the price to pay for it all goes up each day - with interest. Most Americans are now learning to live within our means again. Maybe its time that government did the same.

Third, the real way to stimulate the economy is not to put more money into the hands of the government, but in the hands of the people. For months, I have called for tax cuts to get this economy going again.

It worked for Ronald Reagan in the 1980s and it is what John F. Kennedy proposed in the 1960s. Even Barrack Obama is now calling for tax cuts.

Sadly, state government leaders are now calling for all sorts of tax *increases* to balance the current state budget deficit. This will only drive jobs and residents out of the state at a time when we need them the most.

Instead, we need to use these challenging times as an opportunity to streamline our government and make it more cost effective for the future. Then, we can reduce taxes to improve the economy and put more people to work in Wisconsin.