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No More Tax Giveaways

Many of Florida's legislators have begun to sound off about the state budget being developed for the fiscal year that will start July 1. House and Senate leaders are telling the members not to raise taxes, using sound-bites like Senate President Jeff Atwater's: "The people of Florida do not have one more dime to send us." That's very quotable and pretty popular too, since no one really loves to pay taxes in the first place and many feel government is inefficient and doesn't do a good job of helping the economy.

But equally jarring are the inconsistencies: at the same time elected officials rail against taxes they also acknowledge the inevitable outcome of cutting services that struggling families need in a recession because there isn't enough money to meet those growing needs.

Another inconsistency is the story that is rarely told as loudly as the "no taxes" declaration. While pledging not to raise taxes, many legislators are fond of digging Florida's financial hole deeper by continuing to hand out tax breaks for businesses while misleadingly calling them an investment in economic development and job creation. These "tax expenditures," as they are known, cost money just the way appropriations from the state budget do. In fact, they amount to several billions of dollars in lost tax revenue each year. In every legislative session, tax breaks are approved with little attention given to examining whether or not they really do provide the economic benefits and jobs that their supporters claim.

That raises a question. If the people of Florida do not have "one more dime" to send to Tallahassee, shouldn't that edict extend to tax expenditures too?

The state should take a hard look at existing tax breaks and view with skepticism new giveaways, such as three that surfaced last week: special tax breaks to try to lure the Chicago Cubs to Florida for spring training, filmmakers for working in Florida, and towing, storage and salvage services on Florida waterfronts. These three alone would cost state and local taxpayers several hundred million dollars in the next three years. It's money we don't have, for jobs we might never see.

In these tough economic times, the need for public services grows just as the resources available to the state to meet those needs shrinks. Thousands of families are struggling with the consequences of unemployment and the number could rise. Thousands are on waitlists for public services due to a lack

of state funding. Florida has the highest rate of mortgage foreclosures and delinquencies in the country. Poverty and homelessness are increasing. Are these needs less important than tax breaks for baseball teams and film moguls?

Florida has significant environmental needs as well. For instance, springs across the state have become choked in recent years with weeds and algae as nitrogen levels in groundwater have increased. A state official just warned a Senate Committee that waiting to spend the dollars necessary to protect Florida's springs could cost more in the long run.

Revenue to make investments in education and job training are needed too. Recently, after two years of study and discussion, the Governor along with prominent business groups concluded Florida faces an emerging "talent gap" that is "our state's most important resource for driving sustainable economic development and a diversified economy." Are these needs less important than tax breaks for individual businesses?

There are severe consequences when the Legislature cuts the state budget; state agencies lay off workers, cut salaries and benefits, scale back payments to private-sector providers and nonprofits, and reduce aid to local governments. Those entities, in turn, respond by cutting back further on the number of people employed. With the newly jobless spending less money, the impact ripples through the state's economy; other businesses suffer as well and are less able to create or preserve jobs. All these actions in response to budget cuts will be a drag on the recovery and could even tip the economy back into recession.

The better way - popular-sounding sound-bites aside — is a balanced approach that instead of relying only on spending cuts also provides needed revenues through closing corporate tax loopholes and unjustified tax expenditures and makes investments in our future, while at the same time reduces government spending by eliminating inefficient, ineffective or unneeded state programs. The choices will not be easy; the issues are complex, but a better future for Floridians and its economy is more certain.

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