

# Opinion: Calif. should follow Trump's lead with tax cuts

By Ted Gaines

President Trump's federal tax reform held up a mirror to tax-loving California politicians and they are afraid of what they saw.

At major issue to the panicked Progressive political class is the state and local tax (SALT) deduction, which, until now, has allowed taxpayers who itemize the ability to deduct their state and local taxes on their federal tax returns. The average California SALT deduction per claimant was nearly \$39,000 in 2015, but the deduction is now capped at \$10,000. California was the largest beneficiary of the now-reduced deduction, with tax filers claiming roughly \$100 billion in 2014. This deductibility has softened the blow of our state's punishing tax regimen and helped cover up the fact that our politicians have been shoving our taxes into the stratosphere.



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With the capped deduction, coupled with California's sky-high taxes, could California taxpayers lead another Prop. 13-like revolt and tear down the high-tax, high-spending edifice that so comfortably houses fat cat politicians and their political allies?

It's this fear that's led to the absurd, over-the-top howling

about the tax bill, with embarrassingly apocalyptic rhetoric about this much-needed reform and the tired talking point that the Trump plan, by letting people keep more of their own money, was somehow “looting” the treasury. That would only be true if all money you earned belonged to the government and was doled back out to you by their grace. But that belief says much more about entitled legislators than the legislation itself.

The problem is not SALT deductibility, it's the taxes themselves.

California's top marginal tax rate of 13.3 percent is the nation's highest, by far. Our state's base sales tax rate of 7.25 percent is also the nation's highest, and local add-ons push it above 10 percent in some cities.

Even those punitive rates might be tolerable if California delivered first-class infrastructure or schools, for example, but our roads are crumbling and our schools hug the bottom of the achievement curve. What exactly have California taxpayers been getting for their money, whether it's deductible or not?

At the very least, SALT changes could spotlight the terrible bargain California taxpayers get and drag state legislators into an era of greater accountability.

But until then, California politicians will be working overtime to figure out an end-around on the President's tax plan that will keep taxes high but allow continued SALT deductions, so they can pull the veil back over the people's eyes.

I have a better solution and I'm going to introduce a bill to make it happen: Cut California taxes. By lowering our income tax rates, we could help people in every tax bracket keep more of their paychecks, spreading prosperity throughout the state.

Instead of investing time and energy scheming a way around the

Trump plan, let's take this opportunity to provide tax relief to California's citizens.

Instead of complaining about deductibility, let's take a page from the majority of states with far lower taxes and give Californians lower taxes themselves. Why not aim to add to the tally of the six states, including deep blue Washington, with no state income tax at all?

Letting people and businesses keep more of their money expands our economy and personal freedom. Trump knows this far better than California's leading politicians, who will fight tooth-and-claw to keep state taxes among the highest in the country.

Here's hoping they fail, and President Trump's tax cut becomes the catalyst for a tax cut in the Golden State.

*State Sen. Ted Gaines represents the 1st Senate District, which includes all or parts of Alpine, El Dorado, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra and Siskiyou counties.*