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Gibbons' headlong 'race to the bottom'

By [Jen Huntley](#)

I imagine that Gov. Jim Gibbons and I might have one thing in common. We are both polishing our thoughts at the last minute—I with this little column, he with his State of the State address for Mon., Feb. 8. By the time you read this, he will have delivered that speech, which is expected to include calls for disastrous cuts to higher education and state jobs, and his call for a special session of the legislature at a cost of approximately \$300,000 per day to the state.



Oh yeah, and any discussion of raising revenue, i.e., taxes, is totally off the table.

My fellow citizens of Nevada, we do not need to stand for this. Yes, I am a lifelong educator and a recent career victim of Gibbons' last round of budget cuts, so I do have a personal bias in this matter. But Gibbons' insistence on cuts alone is as irresponsible as the deadbeat dad who refuses to get a job.

Make no mistake, if Gibbons has his way with the universities, we citizens will lose a precious engine of economic development. Few Nevadans realize that in recent decades, UNR achieved parity with MIT for research dollars, and that many of those grants helped pave the way for regional economic growth. Fewer still recognize that those grant monies are contingent on state support. My own institute brought in approximately \$5 in grants and earmarks for every \$1 in state support during its short tenure. But the first round of budget cuts gutted grant-building capacity—and this story is repeated across the system of higher education. "Step over a dollar to save a dime."

Of course, it's not just the university that suffers. News buzz at the moment estimates Gibbons will also cut 300 government jobs. This may sound like music to teabaggers' ears, but those cut jobs are steady, tax-paying, hard-working citizens who not only serve the state as police officers and teachers, but (did I mention?) also provide precious state revenue in the form of—yes, taxes.

What would be a viable alternative? Here are just two ideas of many:

Start with tax expenditures—tax breaks that are just like spending (in lost revenue) but without public accountability. According to the Institute on Taxation and Economic Policy, Nevada could be losing hundreds of millions of dollars—except we can't know exactly how much, because we are "doing less than virtually any other state to make basic information available about where state tax breaks are going and how much they cost. As a result, the state's tax code is riddled with outdated and unfair

special tax breaks for small, vocal constituencies that would never withstand direct public scrutiny.”

So, step one: Enact a tax expenditure report and review process. Cut as appropriate. And step two? Take another look at our most sacred cow: income tax.

Nevadans are missing out on the opportunity to build revenue and shift potentially hundreds of millions of dollars of tax burden to the federal government by refusing to implement a state income tax. Federal tax policy provides a break for income tax, just like property taxes. We are not talking about California-style taxes, here. With a modest income tax we could still attract business, shift some of our state’s tax burden off the shoulders of our poorest and most transient citizens and onto the feds.

These are just two simple ideas that could pull in enough revenue to stabilize our economic disaster. The governor who categorically refuses to even discuss these alternatives while burdening the state with yet another special session and devastating cuts to our fundamental institutions is equivalent to the deadbeat dad who refuses to pay for his kids’ school lunch. We deserve better than this, and there is a way to wake up from this nightmare. It’s called impeachment.