

111 days of work pay your taxes

By Craig Huey

For the first 70 days of the year, average Californians work for the federal government, not themselves. Then, add another 41 days for state and local government. That's right, you have worked 111 days of the year to pay federal, state and local taxes.

You forfeit more of your paycheck for taxes than for housing, medical care, food and transportation.

Let's look at state and local government.

Politicians and greedy special-interest groups in Sacramento have created a budget crisis of monumental proportions, amounting to more than \$8.4 billion.

Two-income California families earning \$68,605 per year pay \$26,758 in total taxes, or 39 percent of their entire family income.

The average U.S. citizen enjoys Tax Freedom Day on April 17. But California residents must work until April 20 to pay taxes, an extra 72 hours over and above the U.S. average.

According to the Howard Jarvis Taxpayers Association, South Bay officials are among the biggest spenders. Sen. Debra Bowen received a "D" and Assemblywoman Betty Karnette a "D" last year on 43 bills that would have increased the tax burden on South Bay residents.

The gasoline tax is especially burdensome.

If you flinch at the high prices at the gas pump, you might want to look closer at the costs: First, you pay an 18.4-cent federal excise fee and another 18-cent excise fee the state imposes.

But that's not all.

You pay an additional 13 cents per gallon in local sales tax—a hideous form of double taxation.

These taxes are supposed to be used for roads—but they aren't.

It's not just the federal and state governments grabbing more and more money out of your pocket. Local politicians also think they can spend your money better than you can.

Special elections have raised taxes in the form of bonds, user fees or parcel taxes.

Last November, there were 174 local taxes on the ballot, with more than \$11 billion a year in tax implications. Most, luckily, were defeated. But how did some of these local taxes get passed by voters?

Tax proponents are usually well organized and funded, with large contributions coming from special interest groups (contractors, businesses, unions). And tax supporters often scare voters about the perceived need. Or they downplay the increase in taxes—"it's only a few cents a day." The result is temporary taxes become permanent tax burdens.

And instead of cutting waste to pay for new projects, bureaucrats find it easier to add to the tax load. Take last year's unsuccessful county sales tax proposal to pay for more police officers and deputies.

According to the chief economist of the State Board of Equalization, just a half-cent increase in the sales tax would reduce taxable sales by \$2 billion, cut 24,000 jobs and cut business investment by about \$273 million. Each half-cent increase reduces household consumption by \$1.3 million.

Thus, the unintended consequences are devastating. But the opposite is true: Reduce taxes and watch the economy grow.

In the South Bay, local taxes, such as utility user fees, are often hidden from taxpayers. Yet every time residents turn on a light, flush the toilet, heat up the house, they pay more.

But the cities don't stop here. There are also hotel taxes, sales tax, developer fees, water and gas tax, landscape/lighting district fees, trash collection fees, business license fees, sewer taxes, school bonds, a trauma emergency tax, flood control tax, El Camino College bond, sanitation tax, water tax...the list goes on and on.

In the coming months, expect more user taxes and bond measures to go before the voters. For example, Rancho Palos Verdes is making multimillion-dollar commitments for a variety of projects that could be privately funded. But when it comes to required city expenses, the funds are simply not available. This is the case with necessary sewer repair. The council wants to add a special tax, not cut unnecessary spending.

If voters would demand spending cuts and oppose tax increases from all levels of government, we could work fewer days for the government next year, allowing us to keep more of the money we earn.

Craig Huey lives in Rolling Hills Estates, and is president of the 2005ElectionForum.com. His e-mail address is craig@cdmginc.com.