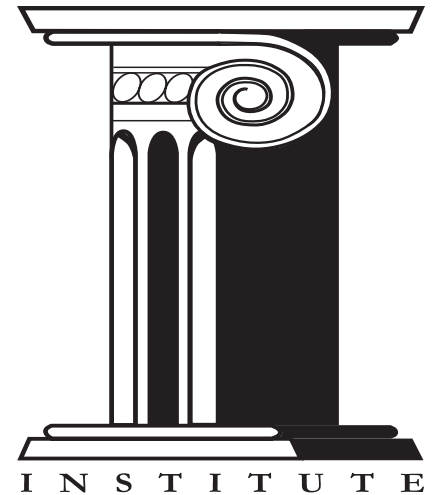


LIMITS



On Power and the Use of Coercion

A Taxpayer Friendly Election

by John Hendrickson

The 2016 election is already an historic election because of the victory of Republican Donald Trump and the Republican Party remaining in control of both houses of Congress. The Republican Party also did well on the state level, which means that conservative and free-market policies will continue to be advanced at the state Legislative level. *The Wall Street Journal* in response to the election stated that “reform-minded Republicans continued their march in the states, and the party controls a record 69 of 99 legislative majorities across the country.”¹ *The Wall Street Journal* reported:

Republicans flipped three state legislative chambers, including the Iowa senate and Kentucky house, which turned for the GOP for the first time in almost 100 years...Republicans

defended majorities in states such as West Virginia, Michigan, and Maine... Republicans also picked up three governorships: Missouri, New Hampshire, and Vermont. This brings the tally to 33 GOP governors... The GOP also can claim more state attorneys general than ever 29...All of this is only part of the GOP’s success, which includes 31 lieutenant governors and 31 secretaries of state.²

This means that free-market policies, including tax reform, will have significant priority in many state legislatures. The upcoming Iowa Legislature will also provide an opportunity for Republican Governor Terry Branstad to work with the new Legislature on meaningful tax reform, spending reform, and advancing more opportunities for school choice in Iowa. As

The Wall Street Journal noted “Congressional leaders Paul Ryan and Mitch McConnell may work with Mr. Trump to pass legislation that devolves school funding to the states or block grants Medicaid.”³ If this occurs and President Trump and the Republican Congress shift more power back to the states we will need Legislators who will be prepared to mold policies in a conservative direction.

Pete Sepp, President of the National Taxpayers Union, stated in regard to the election:

While stunned pundits chatter on about the winners and losers of the 2016 elections, it's important to recognize a simple fact: time and again, the most important people in so many of these contests were the nation's taxpayers. Their

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Dr. Don Racheter, President

John Hendrickson, Editor

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E-Mail: Public.Interest.Institute@LimitedGovernment.org

Phone: 319-385-3462

Fax: 319-385-3799

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voices, which echoed across demographic, geographic, and partisan lines, resulted in remarkable victories on behalf of limited government.⁴

"Ballot measures proposing steep tax hikes in places ranging from Oregon to Colorado, right to the suburbs of the nation's capital, went down to resounding defeat," stated Sepp.⁵

The American Legislative Exchange Council (ALEC) described the election results as advancing "free market and limited government principles."⁶ Among other notable measures was Alabama's decision to include right to work within their state constitution, while the same issue failed in Virginia.⁷

This election was also a victory for gun owners and the Second Amendment. A gun control measure went down to defeat in Maine and the National Rifle Association described the election outcome as "a strong Second Amendment firewall remains intact throughout the country."⁸

The 2016 election was a victory for taxpayers, but as always with politics caution must rule the day as Pete Sepp stated that "none of these developments guarantee that tax reform, spending restraint, or regulatory relief will suddenly become a reality."⁹ Taxpayers will have to be vigilant in holding their elected officials accountable at all levels of government.

Endnotes:

¹Editorial, "The GOP's Down Ballot Sweep," *The Wall Street Journal*, November 10, 2016, <<http://www.wsj.com/articles/the-gops-down-ballot-sweep-1478825081>> accessed on November 11, 2016.

²Ibid.

³Ibid.

⁴Pete Sepp, "Taxpayers Spoke on November 9," National Taxpayers Union, November 9, 2016, <<http://www.ntu.org/governmentbytes/detail/taxpayers-spoke-on-november-9>> accessed on November 11, 2016.

⁵Ibid.

⁶American Legislative Exchange Council, "Free Market and Limited Government Principles Prevail Across the Nation," *Press Release*, November 9, 2016, <<https://www.alec.org/press-release/free-market-and-limited-government-principles-prevail-across-the-nation/>> accessed on November 11, 2016.

⁷Ibid.

⁸National Rifle Association-Institute for Legislative Action, "A Historic Election Night for the Second Amendment," *NRA-ILA Press Release*, November 10, 2016, <<https://www.nra.org/articles/20161110/a-historic-election-night-for-the-second-amendment>> accessed on November 11, 2016.

⁹Sepp.

John Hendrickson is a Research Analyst with Public Interest Institute.

2016 Ballot Initiatives: Largely Positive Results for Taxpayers

by

National Taxpayers Union

While the presidential contest between Hillary Clinton and Donald Trump garnered much of the media's attention, taxpayers scored some significant victories on consequential ballot measures decided at the state and local level, with some notable exceptions.

Earlier this fall, National Taxpayers Union issued its *2016 Ballot Guide*, which detailed 74 consequential state and local fiscal policy ballot questions. Below you will find a brief recap of how some of the major initiatives fared on Tuesday.

Income Taxes

In California, by a 62 percent to 38 percent margin, voters approved Proposition 55, which extended by 12 years, temporary income tax increases for their top tax bracket.

In Maine, a bare majority supported Question 2 – increasing the top marginal tax

rate by three percent – from 7.15 to 10.15 percent – on income above \$200,000.

Tobacco and Soda Taxes

In California, by a 63 percent to 37 percent margin, voters supported Proposition 56, which will raise cigarette taxes \$2 per pack – from \$0.87 per pack to \$2.87.

In Colorado, voters rejected Amendment 72 by a 12 percent margin, which would have raised cigarette taxes from \$0.84 per pack to \$2.59 per pack.

Voters in Missouri rejected two cigarette tax increases (Proposition A and Amendment 3) by a 45-55 margin and 40-60 margin, respectively.

North Dakota voters soundly defeated Measure 4 by a 38-62 margin. If enacted, Measure 4 would have drastically increased cigarette taxes from \$0.44 per pack to \$2.20 per pack.

By a 62 to 38 percent margin, voters in Oakland supported Measure HH, which will institute a one cent per ounce excise tax on soda and other sugar-sweetened beverages.

Across the bay, by a similar margin, voters in San Francisco backed a one cent per ounce excise tax on sugar-sweetened drinks.

Voters in Boulder, Colorado, supported Measure 2H by a 54

percent to 46 percent margin. Measure 2H will institute a two cents per ounce excise tax on sugar-sweetened beverages.

Other Tax Issues

By an 18 point margin, voters in Oregon rejected Measure 97, which would have imposed a very high gross receipts tax on business earnings over \$25 million.

In Oklahoma, voters rejected Question 779 by nearly 20 points. If enacted, Question 779 would have increased the state's sales tax from 4.5 percent to 5.5 percent.

By a 16 point margin, voters in Washington rejected Initiative 732, which would have implemented a carbon tax offset by a reduction in other taxes, including sales and business taxes.

Health Care

In a stunning defeat, voters in California rejected Proposition 61 by an 8 point margin. If enacted, Proposition 61 would have essentially implemented price controls on pharmaceuticals by prohibiting the state from paying more for any prescription drug than the highest price paid by the U.S. Department of Veterans Affairs.

Voters in Colorado wisely rejected Amendment 69 by a 60

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**Public Interest Institute
at Iowa Wesleyan University
600 North Jackson Street
Mount Pleasant, IA 52641-1328**

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point margin. Amendment 69 would have doubled the size of the state budget and drastically raised taxes on virtually all forms of income in order to create essentially a single-payer healthcare system in the state.

National Taxpayers Union (NTU) is the Voice of America's Taxpayers. NTU mobilizes elected officials and the general public on behalf of tax relief and reform, lower and less wasteful spending, individual liberty, and free enterprise. Founded in 1969, we work at all levels for the day when every taxpaying citizen's right to a limited government is among our nation's highest democratic principles.

This article originally appeared on the National Taxpayers Union website, <http://www.ntu.org>, on November 10, 2016 and is reprinted with permission from the National Taxpayers Union.

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about conservative and
free-market ideas.

**Merry Christmas and
Happy New Year
from all of us at
Public Interest Institute**

Thank you for your generous support in 2016 and we look forward to your continual support in 2017 to help us advance the principles of free markets and limited government.

Dr. Donald Racheter
Amy Frantz
Jennifer Crull
Madeline Swailes
John Hendrickson