

The Six Most Important Ballot Initiatives of 2020

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Body

Oct 20, 2020(International Liberty: <http://danieljmitchell.wordpress.com/> Delivered by Newstex) Since Americans are not as sensible as the Swiss[1], I'm generally not a fan of direct democracy in the United States. Simply stated, I don't like untrammelled majoritarianism[2], which occurs when 51 percent of voters can pillage 49 percent of voters. But I'll admit that the level of my angst fluctuates depending on whether voters make wise choices. With that in mind, here are the six ballot initiatives that I'll be closely watching on election day. 1. Proposed Amendment to the 1970 Illinois Constitution The most important ballot initiative is the proposal by the hypocritical governor of Illinois[3] to undo the state's flat tax. I've already dedicated an entire column[4] to this issue, so I'll simply add some additional analysis from a Wall Street Journal editorial[5]. Illinois voters will decide next month whether to enact a progressive income tax, paving the way for a new top rate of 7.99%. The Prairie State currently ranks 36th worst in overall tax burden because its flat individual rate of 4.95% offsets very high property and other taxes.

<http://freedomandprosperity.org/wp-content/uploads/2020/10/Oct-20-20-WSJ-Illinois.jpg> its proposed slate of new individual income tax rates, along with a corporate tax hike tied to the same ballot measure, would drop the state's rank overall to 47th. That would move Illinois into Dante's ninth ring of tax hell, ahead of only New Jersey, New York and California. Iowa and Missouri have slashed their top rates in recent years rather than jacking them up as Illinois Democrats intend. Kentucky lawmakers in 2018 replaced their progressive income tax with a flat rate of 5%. Heading in the opposite direction of neighboring states could push many of Illinois's overburdened families and businesses across the border. 2. Arizona Proposition 208 There's a class-warfare[6] proposal to dramatically increase the top income tax rate in Arizona. Once again, the editors at the Wall Street Journal have spot-on analysis[7]. Arizona has long been a refuge for Americans seeking relief from high-tax California and states in the Northeast. But a tax referendum on the ballot Nov. 3 would whack job creators and make people rethink retirement in Scottsdale or a business move to Tucson. The current top rate of 4.5% would rise to 8%, <http://freedomandprosperity.org/wp-content/uploads/2020/10/Oct-20-20-WSJ-Arizona.jpg> which would move the state to the 10th highest income-tax rate in the country, from 11th lowest today Arizona would move closer to California (13.3% top rate) than Nevada (no income tax). about half of the targets would be small businesses that pay taxes at the individual rate They employ a huge chunk of Arizona workers, and the added tax costs would trickle down in lower pay and fewer jobs. One definition of fiscal insanity would be to raise state taxes when the Biden Democrats may soon raise federal tax rates to heights not seen since the 1970s. 3. California Proposition 16 In California, politicians want the state to have to power to engage in racial and sexual discrimination. In pursuit of that goal, they are asking voters to repeal Proposition 209, adopted by voters in 1996. Gail Heriot, a law professor who also serves on the U.S. Civil Rights Commission, explains why this is a bad idea in a column[8] for Real Clear

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Politics. California's deep-blue legislature has been itching to repeal Proposition 209 for years. Proposition 209 amended California's constitution to prohibit the state from engaging in preferential treatment based on race or sex. It was a rebuke to the identity politics obsessions of state and local governments.<http://freedomandprosperity.org/wp-content/uploads/2020/10/Oct-20-20-Heriot-RCP.jpg> By approving Proposition 209 by a wide margin, they aimed to end the race and sex spoils system. The best reason for retaining Proposition 209 is that the initiative has been good for Californians — of all races the number of under-represented minority students in academic jeopardy collapsed. In the years immediately following Proposition 209, it had three effects on under-represented minorities in the UC system. It increased (1) graduation rates, (2) GPAs, and (3) the number of science or engineering majors. 4. California Proposition 15 Since we just discussed one bad California proposition, we may as well mention another. There's also a scheme to (again[9]) raise taxes. The Wall Street Journal opines[10] on this misguided initiative. Sooner or later California's public unions had to hit up the hoi polloi to pay for their pensions after soaking what's left of the state's millionaire class, and here they come. On Nov. 3, Californians will vote on a 'split roll' ballot initiative (Prop. 15) that seeks to enact the biggest tax hike in state history. Under current law, tax rates on residential and commercial property are capped at 1% of their assessed value—i.e., the purchase price—and can increase by no more than 2% annually.<http://freedomandprosperity.org/wp-content/uploads/2020/10/Oct-20-20-WSJ-Cal-Tax-Hike.jpg> This is the only balm in California's oppressive tax climate and acts as a modest restraint on the government spending ratchet. Unions know that attempting to repeal this entirely would spur a homeowner revolt, so they are targeting businesses. Facebook CEO Mark Zuckerberg is Prop. 15's second biggest donor. Perhaps he's trying to atone for his wealth, but as the NAACP and minority business groups explained in a letter to him in August: 'Unlike Facebook, restaurants, dry cleaners, nail salons and other small businesses can't operate right now and many may never open again. The last thing they need is a billionaire pushing higher taxes on them under the false flag of social justice.' Prop. 15 would raise property taxes by \$8.5 billion to \$12.5 billion a year by 2025. 5. Colorado Proposition 117 Proponents of fiscal responsibility in Colorado want to strengthen TABOR[11] (or, to be more accurate, stop the erosion of TABOR) by requiring a public vote for non-trivial efforts to increase government revenue. Here's a summary[12] from CPR. Proposition 117..would add a new TABOR-like provision to state law, requiring the state government to get voter permission before it creates major new 'enterprises,' which are partially funded by fees. Colorado voters already have authority over tax increases and rarely approve them. The state Supreme Court has held that a fee is different from a tax because it is reasonably connected to a specific purpose. And in the years that TABOR has been in effect, lawmakers have used them as a way to raise money without raising taxes. Critics see fees as an end-run around TABOR's spending limits. 6. Colorado Proposition 116 Sticking with Colorado, there's also a proposal to lower the state's flat tax. Once again, let's use CPR as a source[13]. This initiative would cut the state's income tax rate from 4.63 percent to 4.55 percent. This change would reduce the state government's revenue by an estimated \$170 million in the next fiscal year. Supporters argue it would boost businesses and consumer spending, while opponents say it would weaken government services and social supports already severely cut by the downturn. The measure was originally intended to counter a progressive tax measure that failed to make the ballot. Honorable Mention There are many other ballot initiatives. Here are some that I care about, even if they were not important enough to be featured. Proposition 21[14] for rent control in California. Bad idea[15]. Proposition 22[16] to penalize the gig economy in California. Also a bad idea. [Oops, got this backwards. Prop 22 would undo the legislation that penalizes the gig economy.] <https://danieljmitchell.wordpress.com/2015/11/18/if-you-want-less-corruption-control-government-rather-than-political-speech/> Initiatives to legalize marijuana[17] in Arizona, Montana, New Jersey, and South Dakota. The libertarian side of me is very supportive[18], but the fiscal side of me doesn't like the fact that one of the motives is a desire[19] to collect more tax revenue. Ranked-choice voting[20] in Alaska and Massachusetts. This is a system that requires voters rank all candidates and awards victory to whoever has the strongest support across all ballots. It is assumed that the impact will be more centrist candidates and more civil elections. I don't have strong views, but it's worth noting that Australia uses this approach and it's one of my favorite nations[21]. 13 initiatives[22] in San Francisco. Lot of tax increases, as you might expect from that poorly governed city[23]. P.S. Voting for politicians who make bad decisions is unfortunate. Directly voting for bad propositions isn't any better. [1]: <https://danieljmitchell.wordpress.com/2016/06/05/the-sensible-swiss-strike-again-rejecting-universal-handouts-by-landslide-margin/> [2]: <https://danieljmitchell.wordpress.com/2019/03/15/majoritarianism-vs-liberty-and-the-constitution/> [3]: <https://danieljmitchell.wordpress.com/2020/02/14/j-b-pritzkers-dishonest-and-hypocritical-campaign-against-the-illinois-flat-tax/> [4]:

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[https://ballotpedia.org/California_Proposition_22,_App-Based_Drivers_as_Contractors_and_Labor_Policies_Initiative_\(2020\)](https://ballotpedia.org/California_Proposition_22,_App-Based_Drivers_as_Contractors_and_Labor_Policies_Initiative_(2020)) [17]: <https://taxfoundation.org/2020-state-tax-ballot-measures/> [18]: <https://danieljmitchell.wordpress.com/2016/06/07/the-silly-and-harmful-drug-war/> [19]:
<https://danieljmitchell.wordpress.com/2018/05/17/california-hopefully-learns-a-lesson-about-marijuana-taxes-and-the-laffer-curve/> [20]: https://www.washingtonpost.com/opinions/vote-for-president-and-the-senate-but-pay-attention-to-these-reforms-on-state-ballots-too/2020/10/14/b8e016cc-0e51-11eb-8074-0e943a91bf08_story.html [21]: <https://danieljmitchell.wordpress.com/2017/10/13/is-australia-still-the-best-country-for-american-refugees/> [22]:
<https://sfist.com/2020/10/01/meet-your-13-sf-ballot-measures-nearly-half-of-which-are-more-taxes-on-rich-people/> [23]:
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