



Opinion: Millionaires tax revisited

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LESS THAN a year ago, Governor Christie convened a public ceremony in his office and, with a flourish, vetoed Democratic legislation to reinstate an income tax surcharge on the state's high-income families — the so-called millionaires tax.

It goes against all economic thought, he said, to increase taxes in the midst of a recession and, besides, it was symptomatic of the kind of response that had plagued government for so long — raise taxes and increase the revenue flow rather than look for ways to reduce spending.

A year later, Christie may find himself in the same position.

When the governor cut some \$800 million in aid to local school districts in his fiscal 2010-11 budget, it brought a court challenge contending that the reduction was



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unconstitutional because it failed to comply with the funding formula that had been approved by the state Supreme Court in one of its many rulings involving state aid.

The special master appointed by the court to hear testimony in the case ruled last week that the spending cuts violated the Constitution and that the reductions fell disproportionately on districts with a preponderance of low-income students.

His finding was confined to the narrow question of whether the cuts were unconstitutional, and he did not recommend their restoration or order a new and higher funding level.

In fact, he took note of the state's fiscal distress and the difficulty of balancing the competing interests seeking public funds.

The case is now back in the hands of the Supreme Court and if it orders restoring the funding cut last year and maintaining it this year — some \$1.6 billion — the budget unveiled by the governor just a few weeks

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ago would be in shambles.

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opinion on the policies and actions of a new administration.

His response to the Supreme Court ruling in the school funding case will loom equally as large in the legislative campaigns, particularly if he finds a copy of the millionaires tax on his desk when he arrives for work some morning.



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