# OPINION

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### The LEADER

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.. Assistant Editor

OTHER VIEW | KANSAS CITY STAR

# Wrong budget discussions

t must be terribly frustrating to work for the Congressional Budget

Every year around this time, the group issues a report about just how grim the nation's long-term financial health is. A few lawmakers wring their hands and say they will get serious about fixing the problem, but then they don't. We, as a nation, rush toward a debt-induced disaster if no one heeds the warning.

The nonpartisan budget office issued its new forecast this month. It offered one glimmer of hope. Short-term, the federal budget is in better shape today than in recent years.

Thank a slowly recovering economy, sequestration spending cuts and a few tax changes. Annual deficits that topped \$1 trillion in recent years have shrunk to their smallest level since 2008. They will continue to decline until about 2018.

Then, if nothing changes, everything starts going haywire again.

Budget deficits will increase each year, driving up the national debt. By the budget office's calculations, the federal debt will equal the entire gross domestic product of the nation by 2038 and will increase from there. That would approach levels not seen since the years after World War II.

The Congressional Budget Office calls that "ultimately unsustainable," which is the polite way to say America is doomed unless it makes fundamental changes.

Budget officials and economists have sounded this alarm for decades, at least back to the Reagan years. Entitlement programs, particularly health

care and Social Security, will demand an increasing share of total spending. Interest on the debt, too, will become a greater expense, weighing ever more heavily on future generations.

Washington just isn't listening. Lawmakers, activists and lobbyists get twisted up over discretionary spending programs that the budget group forecasts will remain basically flat over the next 25 years. The Farm Bill, for all its other problems, stalled over the minor (in the grand scheme of things) expense of food stamps.

Even now, partisans are bickering over what should be a routine increase to the debt ceiling so that the government can spend money Congress already authorized.

Default and a government shutdown loom while Republicans insist on fighting over the Affordable Care Act again, a battle they cannot win given that President Barack Obama holds a veto pen and the Senate has a Democratic majority. Members of both parties worry more about short-term political gains than long-term solvency.

Those and other hurdles prevent the serious conversation about revenue and entitlement reform that the nation needs. The longer we wait, the deeper the hole becomes. The current national debt is \$16.7 trillion. That's about \$53,000 for every man, woman and child in America.

The Congressional Budget Office once again has given America a peek at its future. If it comes to pass, in 2038, Americans will hold few fond memories for those who were warned that fiscal disaster was coming and did nothing.

### LETTER TO THE EDITOR

#### Challenge to discuss issue

TO THE EDITOR | This is in response to Jeff Heller whose letter of Sept. 13 shows clearly that he is quite comfortable with raping the land for shortterm (and personal) gain. His arguments are poor and self-serving, but nothing I can say here is likely to make him see those weaknesses.

Instead, I challenge Mr. Heller to a discussion

on the alliterative topic: "A Cost Benefit Analysis of Continued Carbon Consumption".

Perhaps someone would be prepared to mediate such a debate, which I am more than willing to set up, and sponsor.

My position can be summed up in four words: We can't afford it. I challenge Mr. Heller to prove me wrong.

**Elizabeth Whitehouse** Corning

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**POLITICS | SEN. TOM O'MARA** 

## Tax, regulatory reform on the way?

**▼** he state Senate committees on Finance and Investigations are in the midst of a series of public hearings statewide on how New York's tax and regulatory policies can be reformed to reduce the state's overall tax burden and encourage private-sector job growth. The statements we're hearing – or hearing again, in many cases - remain startling:

- At a hearing in Albany, the head of the Washington D.C.-based Tax Foundation noted that New Yorkers pay more per capita in taxes than taxpayers in any other state in the nation.
- One long-time observer of the state's fiscal practices stressed that New York's tax code is "cluttered with credits, deductions and other loopholes driven more by short term policy goals and political considerations than by the basic principles of tax fairness, efficiency, simplicity, visibility and competitiveness".
- According to the Business Council of New York, the tax burden and other business costs are the primary culprits for slow economic growth, especially upstate.
- Over the past 15 years, the state's property tax burden has increased more than 73 percent, two times as much as the rate of inflation, and well beyond the national average.

Overall, two critical points are coming out of these hearings. One consistent drumbeat is that it's high time for New York state to focus more on



TOM O'MARA

broad-based tax cuts for all New Yorkers, and for all businesses and industries. A better, more balanced mix of targeted and broad-based tax relief is overdue.

Secondly is that despite all of the recent efforts to move New York state to a better and stronger economic place, New Yorkers generally may not be feeling it. A recent Siena College survey found that consumer confidence in New York is at a 20-month low. According to the poll's authors, "Nearly twice as many New Yorkers have a pessimistic view of our five-year economic conditions compared to those with optimistic projections. Today, nearly as many consumers expect their personal finances to deteriorate as improve over the next twelve months. Early 2013 hopes have now faded."

So heading into 2014, we've clearly got our work cut out for us on the tax burden front. As we look toward the next legislative session, we must keep setting the stage for bipartisan legislative action on tax reform.

There's been some precedent for this bipartisan action since 2011. The 2% property tax cap, for example. It finally took

direct aim at what's been one of the greatest of all of New York's downsides: high property taxes. The cap's been working to keep property taxes under control in many places. Where it hasn't been feasible, localities have the ability to override it. The problem is that we haven't taken the next (and promised) step: mandate relief.

Governor Cuomo gave his word that the tax cap would be followed by mandate relief. But it hasn't happened, and it's wrong now to simply ignore the need and the obligation. The state's response to the cries of local leaders for relief can't be "tough luck."

Likewise with the Cuomo administration's prominent "Open for Business" campaign. Unemployment figures over the past year have appeared to lay waste to the slogan. It's fair to wonder if, on some level, New York's mistaking slogans for solutions. There's no magic pill for an economy recovery, especially from government. But there's a worthwhile school of thought – one that I adhere to in fundamental ways -- that government policies can help create a business climate that works.

So New York should be open to new ideas, too. That's the goal of the Senate's current hearings, including one in Corning on Oct. 9 that will focus on the manufacturing sector. We're after the best, most effective ideas for job-creating tax policies and regulatory reforms. We know that state taxes are too

high and stifle any hope for sustained economic growth. Our tax code and regulatory policies have to better reflect the realities of the modern economy and encourage any and all businesses and industries to come to and stay in New York. We're going to put forth a comprehensive tax reform agenda for 2014 that we believe can and should gain bipartisan support and action in the Legislature.

There are optimistic signs. The fact that these Senate hearings are getting the attention they are is encouraging. Add to this mix recent reports that the governor has told supporters that he plans to push a tax-cut plan next year and reiterated that "we have no future as the tax capital of the nation." Many of us agree, and many of us are more than ready to go well beyond what's already been achieved.

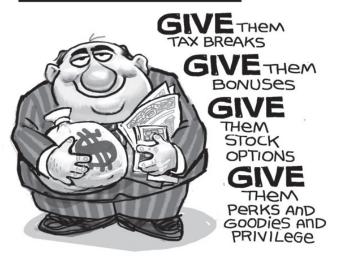
Let's hope we can, but let's not get too far ahead of ourselves. New York government has a long and sometimes not so proud track record of talking a good game, then not delivering. Think mandate relief. Think the upstate economy. Think regulatory reform.

But at the moment, it's looking like we may just have a puncher's chance to win this next round on tax and regulatory reform.

State Sen. Tom O'Mara, R-Big Flats, represents New York's 58th Senate District, which includes Steuben, Chemung, Schuyler and Yates counties, and part of Tompkins County.

### **ANOTHER VIEW**

### HOW "INCENTIVES" WORK







### **OTHER VIEW | SEATTLE TIMES**

### Chaos among House Republicans

**▼** he behavior of the Republican-led U.S. House of Representatives is simply bizarre. An institution with the power and authority to manage government finances and scrutinize the budget instead chooses to play dangerous fiscal

Friday's vote to continue the lazy sequestration funding bill if the U.S. Senate and President Obama agree to shut down the Affordable Care Act was just weird.

Scarier still, the federal government faces a mid-October deadline to adjust the borrowing limit so

the country can continue to cover its debts and pay its bills.

The House appears intent on extending this game of budgetary chicken to risk a default by the United States.

Extensions of the debt limit have been routine for nearly a century as the central government maintains its responsibilities to its citizens, federal duties and domestic and foreign commitments.

"It is not in the best interest of the U.S. business community or American people to risk even a brief government shutdown that might trigger

disruptive consequences or raise new policy uncertainties washing over the U.S. economy." A predictable Democratic outcry? No, that is the executive vice president of the U.S. Chamber of Commerce, R. Bruce Josten.

**Last March Congress** adopted across-the-board spending cuts with no priorities or rankings. Every budget trimmed the same amount regardless of the role or function performed. That was a compromise to avoid another disaster. The pattern repeats itself.

This approach is a fraud, and it is cowardly and lazy.

Let the GOP articulate a coherent list of budget priorities and hold the hearings to expose what needs to be done. Members of the Congress should perform the role the U.S. Constitution empowers them to do - and that they were elected - to carry out.

Can the government be a better steward of taxpayer dollars? Always. Do the work to make it happen, or step aside. Elect genuinely fiscally conservative Re-

publicans to do the work. What the country is witnessing is shameful. The economic dangers that lurk ahead are real and po-

tentially devastating.