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## 'Walling in' state revenue

ANTHONY DAVIES & JAMES R. HARRIGAN | Saturday, Jan. 21, 2017, 9:00 p.m.

Some governments build walls to keep people out. Others build them to keep people in. Some might argue about the wisdom of keeping people out, but nearly everyone agrees that keeping them in is nothing short of imprisonment.

*Just ask people from the former Soviet Union, Cuba, North Korea — and now Connecticut?*

*Connecticut is considering building a legal wall to keep its citizens from fleeing from the second-highest (<http://taxfoundation.org/article/state-local-tax-burden-rankings-fy-2012>) tax burden among the 50 states. Not surprisingly, the people of the Nutmeg State are not happy forking over almost 13 percent of their incomes to their state and local governments. People are fleeing only four other states at faster rates (<http://www.courant.com/data-desk/hc-connecticuts-population-drops-again-20160204-htmlstory.html>) — and two of those are Connecticut's high-tax neighbors, New York and New Jersey. But as taxes drive people and businesses away, the state's tax revenue dwindles.*

*Dwindling revenues are an especially pressing problem because, with \$34 billion (<http://www.truthinaccounting.org/library/doclib/CT-2015-2pager.pdf>) in assets but \$74 billion in liabilities, Connecticut is bankrupt. The state collects tax revenues each year, but as is the case with irresponsible governments everywhere, it manages to spend more than it collects.*

*In 2016, Connecticut collected \$15 billion in operating revenue but spent all of that plus two-thirds of a billion (<http://openbudget.ct.gov/#!/year/default>) dollars more. Connecticut's debt is five times its annual income.*

*Over 70 percent (<http://ctmirror.org/2016/05/31/pew-report-ct-deep-in-debt-even-considering-its-high-income/>) of the debt is state employee and teacher pensions and retiree health care benefits. This is money politicians promised to today's state workers that will have to be paid by tomorrow's taxpayers. And, in Connecticut, tomorrow is dawning.*

Republican Rep. Sam Belsito proposed a bill ([https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill\\_num=HB05200&which\\_year=2017](https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB05200&which_year=2017)) that would confiscate 30 percent of state workers' pensions as a penalty for moving out of the state. Sadly, Connecticut's politicians are so fiscally irresponsible that they actually find it easier to steal people's pensions than to balance the state budget.

Which brings us to Pennsylvania.

For years, Pennsylvania has been accumulating unsustainable debt. As in Connecticut, past politicians promised ever more generous state worker and teacher pensions. Rarely did those politicians ask how we might afford them.

Now, Pennsylvania's government has \$93 billion (<http://www.truthinaccounting.org/library/doclib/PA-2015-2pager.pdf>) in assets but \$106 billion in debts, including unfunded pension obligations (<http://watchdog.org/239297/pennsylvania-hidden-debt-penions/>).

Pennsylvania is bankrupt. The commonwealth's political leaders are just hoping to serve out their terms before anyone notices.

While our politicians haven't yet proposed stealing people's savings, they are clearly running out of places to raise money. They have raised the gasoline tax more than 50 percent (<http://taxfoundation.org/blog/state-gasoline-tax-rates-2016>) over the past three years. Pennsylvania's state and local taxes are now 15th ([http://taxfoundation.org/sites/taxfoundation.org/files/docs/State-Local\\_Tax\\_Burden\\_FY2012.pdf](http://taxfoundation.org/sites/taxfoundation.org/files/docs/State-Local_Tax_Burden_FY2012.pdf)) highest among the 50 states. Our politicians tax our persons, our businesses, our entertainment and our purchases. They tax our cigarettes, and when we stop smoking, they tax our vaping. They tax our cable TV, and when we switch to Netflix, they tax that.

But still, our politicians can't afford what they spend. When Harrisburg finally has taxed everything it can and those promised pension payments start coming due in force, watch out for your savings, because our politicians will tax them too.

Let Connecticut be a warning: If Pennsylvania does not get its fiscal house in order now, our politicians may start looking for ways to wall us in as well.

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