

# Viewpoints: GOP still relevant to California's fiscal future

**Special to The Bee**

**Published Sunday, Jan. 06, 2013**

Many political pundits would have us now believe that Republicans are as relevant to California politics as fantasy football is to the NFL. To the contrary, there is an important role for the GOP in Sacramento and throughout the state this next legislative session.

California voters, notwithstanding historic reluctance to approve higher taxes, passed Proposition 30 in November. They did so believing the promise that the projected additional revenue would help plug the budget gap and save public education from dramatic cuts.

There is an important role for fiscal oversight that Republicans will continue to play to ensure that these monies are not only spent consistent with voter intent but that every taxpayer dollar is spent as efficiently and effectively as possible. The consequence of fiscal prudence has never been more important to restore confidence around the state, nation and world that California has refloated, not foundered.

California is a notorious high-tax state, with some of the steepest sales tax, personal income tax and corporate tax rates in the nation. The passage of Proposition 30 added three percentage points to the marginal state income tax rate for California's highest-income taxpayers, bringing it to 13.3 percent. We now impose the highest statewide sales tax rate in the nation at 7.5 percent through the end of 2016.

The nonpartisan Legislative Analyst's Office reports that if "the Legislature and governor keep a tight rein on state spending in the next couple of years, there is a strong likelihood that the state will have a budgetary surplus." If this is true, then it will be important for Republicans to help not only impose the contemplated tight spending rein, but also raise the question on the wisdom and capacity for other taxes and fees while the state battles back from recession.

Despite California's reputation as a high-tax state, there is still talk in the Capitol about raising taxes in new areas, including local tax thresholds, oil and natural gas extraction tax, vehicle license fees, carbon emission fees, cigarette taxes, property taxes and so on.

Republicans will raise the important questions about these proposals. Tax policy – and in our case, higher-than-average taxes – has consequences. It affects everything from prices we pay for food to decisions made by entrepreneurs about whether to hire the next new employees. We must ensure that families, students and small businesses understand and appreciate the real-world impacts of Sacramento's tax ideas.

In light of the passage of Proposition 30 and the projections by the legislative analyst, Republicans introduced Assembly Bill 54 that would allow voters to decide on the "rainy day fund" sooner than the 2014 general election. Originally negotiated in the 2009 budget compromise and slated to appear before voters last November, this ballot measure, if passed by voters, would direct the Legislature to set aside surplus revenue in the good years to prevent drastic cuts to programs and services in the lean years.

Voters have not been given the chance to weigh in on this prudent policy because it was postponed another two years by the majority party to avoid its possible consequences to spending. If indeed the state is headed for a budget surplus, voters should be able to decide in June 2014, if not before, how the state will forever handle surplus revenue to avoid the dramatic swings from overspending to drastic cuts that mark the highs and lows of state financing.

Lastly, Republicans must embrace the trusty axiom that one can accomplish great things if one is willing to allow others to take the credit for success. Republicans can work with moderate Democrats who represent districts with high unemployment on ideas to capture middle-class manufacturing and new technology jobs. Also, it is likely that Republicans will find an ally in Gov. Jerry Brown on some issues related to streamlining regulations, holding down spending, and rejecting some new fees and taxes. Republicans can play an important role in attracting key Democrats to our job-growth ideas and by supporting the majority party agenda where it overlaps with our own.

Indeed, Republicans continue to have an important role in the Capitol. I would rally my newly elected Republican colleagues with the words used by Fyodor of "The Brothers Karamazov" to his students: "Even if we go on to more important things, if we attain to high honor or fall into deep misfortune, let us remember how good it was once here when we were all together united by a good and kind feeling that made us better than we are."

*State Assemblyman Jeff Gorell, vice chairman of the Assembly Budget Committee, represents portions of Los Angeles and Ventura counties.*