

“Too Big to Fail” or “Too Easily Forgotten?”

By Minnesota State Senator Julianne Ortman

It is the people of the State that need relief; to provide it we should focus on allowing more Minnesota taxpayers to keep more of their hard-earned income.

The future of our State's economy does not rest in the hands of our 401(k) managers, our commissioners of finance and revenue, or even in the hands of our very capable Governor. Our future recovery depends upon the initiative, hard work, and strength of the people of the State of Minnesota. We rebuild this State anew every day when we go to work, support our families, volunteer in our communities, and when we pay our taxes. Most of the economic stimulus talk I hear at the Capitol focuses on new infrastructure projects, special interest tax credits, and corporate tax cuts. Yet none of these proposals is designed to create economic relief where and when it is needed most. It is the people of the State that need relief; to provide it we should focus on allowing more Minnesota taxpayers to keep more of their hard-earned income.

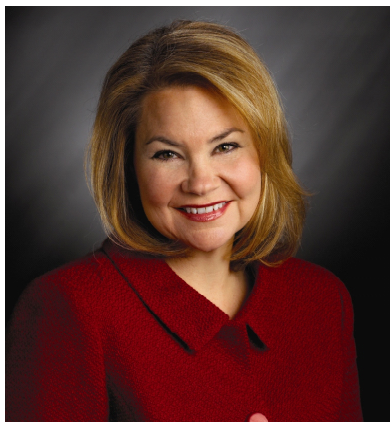
First the State of Minnesota absolutely should solicit and accept federal funds available to States through T.A.R.P. or any other program that will help in balancing the budget. Minnesotans are net losers when it comes to our federal contribution of taxes – we receive back just \$0.72 per tax dollar collected. We are stakeholders in those funds, and they are needed now for managing our current circumstances with the least amount of financial pain.

Second, the proposal to cut the corporate tax rate should be rejected in favor of individual income tax cuts. Cutting corporate tax rates is a good idea, and cutting business' tax and regulatory burden is critical for developing and maintaining a more competitive business climate. But it will take years for the proposed tax cut for 2009 to translate into new jobs.

The corporate tax cut proposal will do nothing for the family of four I know now living in a simple motel room, struggling to get by on three part-time jobs among them and hoping to improve their credit enough to qualify for an apartment lease. It will do little more for small businesses and new Minnesota enterprises that file as partnerships or limited liability companies – the kinds of Minnesota companies that employ the most people, and the businesses most likely to hire new

people quickly. This proposal will take more money out of the pockets of hardworking taxpayers and put them at further financial risk, while granting immediate financial gains (and likely profits) to the biggest corporations in our state like Northwest/Delta, the Twins, and Wells Fargo.

Cutting individual income tax rates at the lower and middle income levels is the better choice because it will empower the smallest economic units in our State – people. It will stimulate the economy when more people keep more of their hard-earned income; and when people have more disposable income they can pay for education, pay down debt, save for a car, pay for refinancing their mortgage, or start a new business. They might even be able to afford tickets to a Twins game or a vacation flight on Delta!



Julianne Ortman is in her second term as a member of the Minnesota State Senate (R-Chanhassen). She served previously as Carver County Commissioner. In the Senate, she has served on the Tax Committee for 8 years. This is her third year as the Minority Lead on the Tax Committee.

Minnesotans know best what steps to take to improve their individual financial circumstances, and businesses and corporations will benefit when taxpayers have funds to buy, save or to invest. This will stimulate the economy immediately, and if it could be passed retroactive to 2008 income taxes paid, then all the sooner our recovery—this is a perfect use for the federal funds now available to states for one-time use.

We can make these income tax cuts permanent by repealing instead of expanding special interest tax credits, keeping only those that apply to individuals or encourage research and development. Gov-

ernment has gotten in the way of business in this State by picking winners and losers, giving credits for certain types of businesses or in special geographic areas. These credits are well-intentioned but are only anecdotally successful. Level the playing field and empower every business in every sector and in every area to succeed in Minnesota. This is no time to cater to special interest groups.

Our government in Washington failed us in the bail out – by refusing to see that economic recovery will come from the people, and instead bargaining the financial future of our families for the benefit of the biggest banks in the world.

We should not make the same mistake in Minnesota that they made in Washington: It is the people who pay the taxes who are too big to fail, but who are too easily forgotten.

Senator Julianne Ortman

Capitol Office:

100 Rev. Dr. Martin Luther King Jr. Blvd.
State Office Building, Room 125
St. Paul, MN 55155-1206
651.296.4837

Email Address:

sen.julianne.ortman@senate.mn