

Hot Air Is Taxing

☒ Those of you paying attention—the more perspicacious in the audience—picked up on the recent charades by your local governments to levy taxes on soda pop in efforts to raise revenue...all in the name of health.

Peeved from the realization of what this brand of problem solving yields, many raised concerns over where this all was headed; your questions converging on “If Soda Pop Now, What’s Next Then?”

Well here’s a glimpse...

In the past month, the State Of Illinois took a bold step to trim its bloated budget by approving measures to reduce Medicaid, a move surely to impact many. And although I feel compelled to question the real motives behind their choosing of this particular target, I instead want to focus on a familiar tone which continues to resonate from within their discourse.

For what really caught my attention was hearing that this type of cutting is “only part of the equation to fix Medicaid.” The hidden meaning being that the solution to the costs from healthcare MUST include taxation.

Seriously, where in that statement, or in the philosophy behind it, is the true desire to get to the root of the problem and fix it?

I mean, isn’t getting a budget under control actually about reducing costs and limiting spending? But you wouldn’t know that talking with many of these people. As one Republican lawmaker put it, this “continued approach of more revenue, more revenue ...” is really more about “trying to look for revenue in every way possible, rather than looking for other ways to contract the budget or in this case, maybe reallocate

from other places in the budget to get some money.”

But guess what? It didn't take long before their modus operandi was exposed. Just one day after passing those deep health care cuts, another piece of legislation made its way through the Illinois General Assembly.

What did they do? Once again, the Governor and his Democrat allies reached into their old bag of tricks and pulled out their magic wand. Yet this time they took aim at a familiar scapegoat—cigarette smokers.

What are their intentions? The feature of their proposal is a \$1-a-pack Cigarette Tax (something the Governor has desired since day one). It also included increased taxes on other tobacco products, such as cigars and loose tobacco.

What is their rationale for doing so? They feel that this tax, along with other measures of course, will help fill an overall \$2.7 billion gap in Medicaid funding. According to the Senate sponsor of the bill, a Democrat, it would “bring in about \$700 million, including federal Medicaid matching funds...” among other things.

Man, that's a lot of smokes!

To bolster their defense of this bill, the Senate President, another Democrat, said he would vote for this tax even “if it didn't bring in a penny.” His thinking is based on the idea that tens of thousands of adults and children either won't start smoking, will quit, or will be saved from premature death because he pushed the proverbial “green button.”

I am sure he means well. However, even if his wildest dreams somehow came true, none of what he is hoping to accomplish would happen overnight. Furthermore, his figures don't even address the eventual impact from the hundreds of thousands of smokers in Illinois whose health already has been affected by their decades-long habits. But more importantly, isn't the

purpose of their grand idea to raise revenue in order to cover costs and fill a gaping budget hole?!

Honestly, what irks me about the thought processes involved in "creative taxation" is that, aside from any genuine creativity, there really doesn't appear to be much thought involved at all. More likely, it seems as though a few good ol' boys sit around a room spitballing seemingly endless ways to procure revenue rather than truly delving into real matters that would ma