



The Nevada Policy Research Institute

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NPRI analyst: As tax-study scheme crumbles, lawmakers should consider ‘One Sound State’

LAS VEGAS — A fiscal policy analyst with the Nevada Policy Research Institute said today that the Interim Finance Committee’s partial cancellation of its contract with Moody’s Analytics, which the IFC hired to study the state’s tax structure, means that the legislature is now essentially paying for a spending wish list from the Nevada Vision Stakeholder Group with no plan for determining how to pay for it.

“From the beginning, the legislature’s agenda has been clear: spend tax dollars to create a wish list of government spending and use that wish list to justify massive tax increases during the 2011 Legislative Session,” said Geoffrey Lawrence, the NPRI analyst. “Now the Interim Finance Committee has decided just to let the Nevada Vision Stakeholder Group develop five-, 10- and 20-year spending goals without any concern for how to pay for them.”

The Nevada Vision Stakeholder Group is comprised mainly of government officials, union members and others who profit from government largesse. The group is scheduled to complete its “quality of life” report by September 15, 2010.

“This new scenario must be a dream-come-true for leftist politicians,” said Lawrence. “Just in time for the 2010 elections, it allows them to make grand promises about achieving ‘quality-of-life’ goals without requiring any actual proposals for how to fund them. Just as they did in 2009, those politicians, once in office, will likely propose massive new tax increases that will only exacerbate Nevada’s boom-and-bust spending cycle.”

Lawrence noted that Senate Majority Leader Steven Horsford has already signaled his support for a corporate income tax, which is not only the most volatile of all major tax instruments available to state governments, but would also transfer wealth from Nevada’s successful job creators to a group that failed even to complete a study about how to raise taxes.

“If the legislature and the IFC can’t even complete a tax study, then why should citizens trust them with more tax dollars?” said Lawrence.

“Fortunately, there is a tax study that has been completed, and it didn’t cost Nevada taxpayers a dime,” continued Lawrence, in reference to the “[One Sound State, Once Again](#)” tax study he authored for NPRI earlier this year. “The NPRI study offers a series of revenue-neutral recommendations that would broaden, stabilize and simplify Nevada’s tax structure and smooth out Nevada’s boom-and-bust spending cycles.”

Lawrence said that since the legislature has failed in its attempt to examine the state’s revenue structure, citizens, candidates and lawmakers would do well to read and debate the recommendations in “One Sound State.”

More information:

NPRI’s tax study: “[One Sound State, Once Again](#)”

Tax Foundation: "[Nevada Panel Considering Tax Reform Options, Including New Business Taxes](#)"

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