

August 12, 2002

HOUSE OF TWELVE...A NEW BRANCH OF GOVERNMENT

By EDWIN H. MOORE

Anything as important as the tax policy of the state needs to be decided by the full body, not by a House of Twelve.

Just when we thought this current legislative term was as strange as it could get, there are new surprises. We now see liberal Democrats criticizing the changes in the major tax overhaul because it will surely raise taxes. This was a tax proposal pushed and passed by the Republican Senate leadership under the rubric of "reform." The stated intent was to spread the tax burden across a wider range of taxable items in order to insulate the state from economic downturns.

Just a few short weeks ago, it was common wisdom that this "reform" was DOA. However, the policy proposal had many lives this session. So before the legislature could adjourn, a compromise version of tax reform was passed. This one gives the voters the option in November of essentially creating a new arm of government with the focused power to review and suggest changes in tax policy requiring an override by the very members we sent to Tallahassee to represent us. The legislature was tempted by a beckoning prize that was too rich to pass up, possible new sources of revenue. But the danger to the fiscal stability of Florida is real, notwithstanding claims that this new policy will not threaten taxpayers.

I am reminded of the journey of Ulysses in Greek mythology. He was a great leader; brave, fearless, and wise. Possibly his wisest moment was when he asked his trusted men to bind him to the mast, blindfold him, and to not respond when he cried in anguish to release him so he could respond to the Siren's calls. He knew that the temptation would be too great to turn toward the rocks in hopes of gaining something that appeared to be of beauty but in reality was something destructive. Ulysses placed his trust

in his team to do the right thing because he knew that he could not, and they did. It was more than his personal welfare at stake; it was the welfare of the Ship. Succumb to temptation and much more can be lost than is at first apparent. Such is the status of tax reform in Florida's capital.

And yet the legislature has succumbed to the Siren's call of compromise and accommodation, and in the end created a new tax policy that will have broad impact on the future of government in Florida. Noted economist James Buchanan warned that in "[P]olitics those who make the ultimate resource-using decisions share almost none of the costs of the sacrifice of opportunities that are foregone." His reference was to the taxpayers but in this tax situation, he could well have been referring to the burdens placed on future legislatures by current leaders who will not be around to pick up the pieces left from a destabilized system. Buchanan contended that we citizens indirectly impose taxes on ourselves by the decisions of those whom we elect to represent us. The new tax structure has to be the most indirect machinery imaginable for the people to have imposed taxes on themselves. We will have a new branch of government, a unicameral House of Twelve. A simple majority of these appointees will have the greatest say about whose pocket government will pick. Should the Twelve choose new pockets, the rest of their colleagues in the other body in which they serve (the legislature) will have two years to override their penchant for picking pockets. Should this not occur, you will be advised to hide your money, as target after target will begin to be identified and govern-

ment tax collectors will be set loose upon the land.

The compromise plan is worse than McKay I, II, III, or whatever generation you choose to compare. At least in those iterations, the original concept was to reduce the sales tax to 4.5 percent so the payers (us) were offered a bonus for allowing new taxes to be imposed. This plan provides none of this. Should the House of Twelve choose to select new targets for taxation, it will likely result in new revenue for the state. More money to feed Leviathan.

This Senate-pushed proposal will allow for greater government manipulation of tax policy and market decisions. Most likely, it will result in businesses choosing to go someone else where the risk of being chosen as a target due to success and the potential revenue they might bring is lessened. Florida tax policy needs to remain stable and reassuring. Florida has been a leader in policy innovations that have been emulated by many other states. But this is one you can bet a bundle will not be on any state's top list of policies to copy. Other states will gain, Florida will lose, and the people of Florida will be left holding the money bag.

Ulysses knew he would not be able to constrain his own behavior, so he relied on the moral and ethical constraints of his crew. Sometimes it is the crew that steps forward to lead and stay the course, flowing guiding principles, ethics, and norms that the group uses to bind them together in order for the collective ship to sail to calm waters. Government leaders are also often tempted to stray off course and on these occasions, the crew must demand an adherence to firm principles in order to stay the course, even when the Sirens call.

If this major change in Florida government passes (likely) court challenges and goes before the voters, there is a chance the people can serve as the crew to influence legislative behavior. We will have a chance to directly influence how many taxes will be imposed upon us by our response to this initiative. One can hope the voters have a deaf eye to the Siren's calls. The legislative institution should be revered more than that. Anything as important as the tax policy of the state needs to be decided by the full body, not by a House of Twelve.

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