



georgia view

»by Bill Crane

CAREFUL WHAT YOU ASK FOR

MY GRANDMOTHER TAUGHT ME an early lesson: It's okay to ask important people for their time and help, but just be careful not to waste their time.

During the 2010 General Assembly, then House Majority Leader Jerry Keen (R-St. Simons Island) proposed a path to respond to Georgia's seemingly endless decline in monthly tax revenues. A consensus was forming that the solution was going to require broadening Georgia's tax base and perhaps plugging multiple income and corporate tax exemptions that were causing the Georgia Income Tax Code to resemble Swiss cheese.

The GOP legislative leadership then created a very prescribed Special Council on Tax Reform and Fairness for Georgians, with the dual charge of making Georgia's tax code more competitive and creating a broader tax base to improve revenues.

Modeled after the Defense Base Closure and Realignment Commission (BRAC), a bipartisan federal panel that periodically assesses the need for closing or re-purposing our nation's extensive network of military installations, the Special Council would present its report in a series of legislative recommendations, like the BRAC base closure list, which the General Assembly could then vote up or down without amendment or debate.

The Special Council was packed with prominent business leaders and helmed by A.D. Frazier, well known for his business acumen, and for serving as Chief Operating Officer of the Centennial Olympic Games. Also included were a couple of respected economists and chairs of the Georgia Chamber of Commerce and other business associations.

Some critics complained that the handwriting was already on the wall and that the panel was actually given a pre-scripted outcome to move Georgia to a more consumption-based tax code, potentially more regressive for lower income households.

Then a funny thing happened. The Special Council held hearings, listened, did their homework and made a pretty long list of recommendations, including the "sunsetting" or revocation of many a sweetheart tax exemption

for a wide variety of Georgia industries. The resulting report was largely met under the Gold Dome with deafening silence.

"I support elements of the plan," said new Gov. Nathan Deal, without specifying which elements. Not stinging, but hardly a ringing endorsement. House GOP freshman were openly critical of the report, as well as what they felt was their exclusion from the process.

House Speaker David Ralston (R-Blue Ridge), an early supporter of the concept of the special council, pointed out that the enabling legislation did not specify any timeline for moving on the report. The Special Joint Committee, comprising House and Senate conferees appointed to shepherd the recommendations into legislation, met only once.

Suddenly, Special Council members, who thought their mission accomplished, were seen roaming the halls of the Capitol lobbying for their work. While the actual report started gathering dust on the shelf, open revolt started among the newest members of Team Red.

Many House freshmen had campaigned on no new taxes, and they were balking at tax hikes just weeks after being sworn in. Veteran and freshman legislators alike filed bills protecting, or even increasing a variety of tax exemptions for groups ranging from cattlemen to filmmakers and nonprofit hospitals.

It is certainly not unusual to see disagreement between chambers or individual legislators over a proposed bill. It is unusual to see high-profile volunteers in state service openly critical of the folks who appointed them and hear tales of closed-door meetings and red faces. As the session neared an end, the House leadership suddenly re-introduced a streamlined version of tax reform, including GOP-friendly cuts to the income tax and a few new sales tax collection points.

Then, just as suddenly, Ralston announced he was unhappy with the calculations on which the bill was based and that it would not come up for a vote. Nonetheless, criticism from Special Council members dropped in temperature, indicating a few appointments to lofty spots like the Board of Regents may be in the offing.



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