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An NC tax plan that's an exercise in villainy

Extending the sales tax to some services, but not others, is a particularly useful tool for politicians out to crush those at the bottom

Wealthy people have new cars and warranties – the economically strapped struggle to keep automobiles on the road

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By Gene Nichol

The governor and the General Assembly just lowered, yet again, the state's income tax rate. To help pay for it, they enacted a new sales tax on car and appliance repairs. The move continues an apparently defining project of shifting the tax burden from the wealthiest North Carolinians to the poorest.

It is hard, no doubt, to believe any government would seize that particular aspiration as its mission. Especially when more Tar Heels live in poverty than ever before and the wealthy take a larger share of the state's income than has occurred in a hundred years. But such are the leaders we enjoy.

Sales taxes are famously regressive. Low-income citizens are forced to pay notably larger percentages of their scarce dollars, compared with their better-off colleagues, to meet the necessities of life. And in this trade, their tiny income tax breaks (typically well under \$50) will likely be swamped by hefty increases in unavoidable repair bills. The N.C. Justice Center reports the legislative changes will increase the tax burden for poor Tar Heels and significantly reduce the tab for those at the top. As Ron White puts it, "There's some good news."

Republican leaders explained, oddly, that the new sales tax was not an "increase" because it would be offset by the income tax reduction. So now low-income Tar Heels suffer no tax increase as long as wealthy ones get a tax cut that is larger than the poor folks' penalty. We rarely see such straightforward declaration that poor people don't count. It is the same theory that, a session ago, led the members of the General Assembly to eliminate the earned income tax credit while proclaiming they would never raise taxes. Poor folks aren't part of the polity.

And extending the sales tax to some services, but not others, is a particularly useful tool for politicians out to crush those at the bottom. Wealthy people have new cars and warranties. Economically strapped North Carolinians struggle mightily to keep an automobile on the road. Paying for repairs is not a choice. No attempt was made, of course, to tax fees for the services of lawyers, accountants, architects, psychotherapists and interior designers – benefits reserved for those at the top.

We can expect, perhaps, surcharges on ramen noodles, used clothes and second-hand textbooks in the months to come. There are also soup kitchens and homeless shelters running full bore across North Carolina. Surely there's a way to make them pay up. Where's Anatole France when we need him?

I'll be the first to concede that the governor and the General Assembly mean to do a lot. They want to make it harder for black people to vote. They want to stop women from controlling their bodies. They want to shame and stigmatize lesbians and gay men. They want to disparage and marginalize immigrants. They want to dismantle the public schools. They want to eliminate environmental regulation. They want to foster purchased elections. They want to lay low their political opponents. The list is long. They're ambitious sorts.

But their true sweet spot, their principal *raison d'être*, the campaign to which they return enthusiastically in each succeeding session, is taking money and benefits from the impoverished in order to give more to, and to demand less from, the wealthy. They seemingly believe the main thing wrong with North Carolina is that those at the bottom have too much and those at the top don't have enough. They have converted our government to an exercise in villainy.

Now, once you've kept a half-million vulnerable citizens from the Medicaid rolls, secured the largest unemployment compensation cut in American history, abolished the earned income tax credit, ended legal aid appropriations and made it tougher to afford to go to college so you can pay for a stream of tax cuts for the wealthy, you have to get creative to continue the oppressing crusade. But the income tax/car repair tradeoff shows our leaders are up to the challenge. And should they falter, the American Legislative Exchange Council stands ready to whisper in their ears.

The McCrory era will be adjudged a dark and shameful chapter in North Carolina history – a last gasp effort to cling to legacies of privilege and subordination, to deny the promises of democracy and dignity. That may seem unfair to a governor who appears unable to do much about anything that's happening to his state. But saying: "I didn't know what was going on and I couldn't do anything to stop it" doesn't excuse a chief executive's destructive legacy. Even if you're, otherwise, a nice enough fellow. Just ask George W. Bush.

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