



Analytics

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RE: What if Delaware government was TABORed?

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As governments in Delaware and throughout the Northeast and Midwest struggles with writing checks that they now are unable to cash, perhaps it is time to consider a Taxpayer's Bill of Rights (TABOR).

Colorado was the first state to introduce a TABOR in 1992. The provision, approved by voters, capped state government spending at the growth rate of population and inflation. While other amendments have been made to the reform, the basic cap remains in place.

How would government spending in Delaware been changed if a TABOR had been in place? The Tax Foundation provides the answer with its new TABOR calculator. The calculator shows the difference between actual government spending in Delaware and what the TABOR capped spending would have been, adjusted for inflation. The results are inspiring!

According to the Tax Foundation, over the past 30 years state and local government in Delaware would have spent \$48.1 billion less if constrained by the growth rate in population and inflation. The savings at the state level alone would have been \$39.3 billion.

The savings over 20 years would have been \$27.5 billion and \$21.7 billion, respectively. And over the last decade would have been \$14 billion and \$9 billion.

If productivity (output per worker) in government is rising, a TABOR cap based on population growth and inflation is no serious constraint. If government is not continually drifting into new areas of services and activities, a TABOR cap is no problem either.

Certainly the Tax Foundation estimates provide food for thought.

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