

Nickel-and-Diming Democrats

From coast to coast, they're taxing anything that moves.

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And is he ever expanding it. His budget extends the state 6.35% sales tax to nearly all services—hair salons, veterinarians, parking, boat storage, campground rentals—digital downloads and non-prescription drugs. It doesn't make sense "to tax the materials you need to repair or renovate a home, but not on the architect, engineer, or contractor who do the work," Mr. Lamont says.

The Governor has a point that tax exemptions can create economic distortions, and it would be worth broadening the base as part of a reform that lowers tax rates. But Mr. Lamont's sole aim is to grab more revenue. Hence, he also wants to tax newspapers, textbooks and magazines.

A Puritan at heart, Mr. Lamont also calls for "sin taxes" on wine bottles, liquor containers, e-cigarettes, plastic bags and sugar-sweetened beverages. "These are the sins of the 21st century," the Governor says. Since driving too is apparently a sin, he wants to toll all cars and trucks that traverse state highways.

Why not raise the gas tax? Perhaps because Connecticut already has the second highest gas tax in the Northeast (43.8 cents a gallon) after New York (45.8 cents), and commuters could avoid it by filling up in other states. Though Mr. Lamont last fall proposed tolling only trucks, that won't raise nearly enough revenue to fix roads and bridges that have deteriorated as the state shovels out ever more for pensions.

Speaking of disrepair: New York Gov. Andrew Cuomo is pushing a "congestion tax" to fix the city's broken subways—an \$11.52 surcharge for cars, \$25.35 on trucks and \$5 on for-hire vehicles on every trip into Manhattan's central business district. This is on top of a dozen or so other subway taxes and a \$2.50 to \$2.75 surcharge that Democrats imposed last year on taxi and Uber rides that is raising only enough revenue to offset declining subway and bus ridership.

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Mr. Lamont drew his toll inspiration from Rhode Island Gov. Gina Raimondo, who has lately been scrounging for cash to finance "free college," universal preschool and Medicaid. Last month she proposed extending the state 7% sales tax to Netflix, e-books, iTunes, interior decorating, landscaping, shooting ranges, beach parking and more.

She also wants to reimpose the ObamaCare penalty for individuals without health insurance. And she'd create a new \$1,500 penalty on large "for-profit" employers for each employee who enrolls in Medicaid. This new tax is loosely based on legislation proposed by Bernie Sanders and would essentially punish businesses for hiring low-income workers.

Ms. Raimondo did yeoman work eight years ago fixing the state's public pensions, so it's a shame she's now driving off businesses like Democrats in Connecticut and Illinois. Speaking of the Land of Public Unions, retirement costs consume a quarter of Illinois's budget and would eat up half if the state were paying as much as it should. The state is still running a \$3.2 billion deficit this year.

New Gov. J.B. Pritzker's plan? Refinance the pension debt and tax plastic bags, marijuana and sports betting, which will supposedly cover the shortfall until voters approve a referendum next year replacing the state's flat 4.95% income tax with a progressive tax. Mr. Pritzker says a progressive tax will spare the middle class, though there may be a reason he hasn't proposed a specific higher rate.

Research outfit Wirepoints calculates that the top rate would have to rise to 11.2% on millionaires and at least 8.5% on everyone earning more than \$50,000 to finance Mr. Pritzker's spending proposals. The progressive model is California, where individuals earning more than \$56,000 pay a top marginal rate of 9.3%.

Tax the rich? Right. The problem with progressive governance is that eventually Democrats run out of everyone's money.