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THE EDITORIAL PAGE; Today's debate is on TAXING ENERGY and whether it's a valid way to attack the deficit;

OPPOSING VIEW: Taxing energy will have a negative effect on the economy. It's a bad idea; Norman B. Ture is president of the Institute for Research on the Economics of Taxation and former Treasury undersecretary; Stephen J. Entin is a resident scholar at the institute Ture heads.

Tax Will Hurt Economy

by Norman B. Ture and Stephen J. Entin

President Clinton wants to impose higher income taxes on the "rich" and levy a broad-based energy tax on the country, presumably to reduce the federal budget deficit. But tax increases will hurt the economy; they won't reduce the deficit.

A broad-based energy tax will soak the entire nation by increasing the cost of operation of every business and household in the country. By what twisted reasoning can any such tax be thought to revitalize the economy? A broad-based energy tax will be particularly costly for energy-intensive industries, like manufacturing.

Clinton bemoans the lack of manufacturing job growth and then proposes a tax that will hit that sector the hardest.

History shows that higher taxes always lead to more government spending and higher deficits. Deficit reduction should come from cutting spending to reduce government's burden on the economy.

Nor are higher income taxes on the "rich" fair. According to Clinton, anyone with an income of \$100,000 or more is rich. These "rich" already pay more than their fair share. In 1990 (latest Internal

Revenue Service data available), these "rich" made up only 2.8% of the income-tax-paying population, but they paid 36.2% of all income taxes. Soaking them, the most productive people in the economy, with higher taxes will cost the country jobs and economic vitality. It is bad economic policy.

Maybe the president hasn't thought about how his tax hikes will hit producers, employees and customers. Let's hope enough members of Congress will think through the Clinton tax plans and send them back to the drawing board.