

Taxes—relief or burden—fuel Kasich, FitzGerald face off; Facial recognition info (Video)

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For Ohio shoppers who want to save on spending, the slogan for this Labor Day weekend is 'Buy Before Sunday,' the day anything subject to the [sales tax will cost more](#).

Thanks can be directed at the tax package Ohio Gov. John R. Kasich and a Republican-led legislature designed that included a sales tax increase. The sales tax increase amounts to .25 percent from 5.5 to 5.75 percent overall, which equates to 25 cents for every \$100 purchase.

Based on the decades old Ronald Reagan-Jack Kemp belief that lowering income tax rates for individuals and small businesses alike will create jobs and grow prosperity, the main revenue source chosen to subsidize across the board tax cuts, which has been shown to only really benefit the wealthiest, was an increase in the sales tax and an expansion of it to sectors of the economy previously exempted from it.

Now that Ohio's new two-year \$62 billion budget, the largest in state history, has been law for nearly three months, Gov. Kasich and state Republican leaders are out pushing it hard on Labor Day weekend, before it starts.

[Watch Gov. Kasich's comments \[24.29 minutes\]](#)

Ohio Republican Party Chairman [ORP] Matt Borges praised the \$2.7 billion tax relief plan, put into place by Governor Kasich and legislative Republican leaders, which takes effect this Labor Day weekend.

"Thanks to the efforts of Governor [John Kasich](#) and legislative leaders like Senate President Keith Faber and House Speaker Bill Batchelder, Ohio's workers are getting a pay raise for Labor Day," Borges said Friday in remarks prepared for media.

In his executive budget, Kasich had proposed larger tax cuts, but he couldn't control a GOP legislature that went rogue on him when removed or altered portions of his budget in response to concerns voiced by Tea Party activists that lawmakers should not expand Medicaid coverage as the Affordable Health Care law [Obamacare] allows. But as part of the tax plan that did pass, Buckeye workers will see income tax rates cut by almost 9 percent this year, and small businesses can expect a 50 percent cut in tax rates on their first \$250,000 dollars of income.

Under Republican and Gov. Kasich's leadership, the ORP said more than 170,000 new jobs have been created, hourly wages are rising and its exports are up 17 percent.

But so are Democrats, including Kasich's all-but nominated Democratic opponent next year [Ed FitzGerald](#), who the nationally respected [Public Policy Polling](#) has beating Kasich by three percentage points in it's latest state poll. FitzGerald, who trails [Kasich in campaign cash](#) and recognition but who appears more in tune with issues relating to demographic and culturally changes, has his own views of Kasich's cuts.

Kasich, his rich friends and their special interests are targets Democrats will use in offense against a governor who won by a thread last time, who's lost favor his Tea Party activists who back him in 2010 and who is alienating independents and women by approving pregnancy and women's health issues that are causing more boos than cheers from his income tax reduction salesmanship.

Cuyahoga County Executive Ed FitzGerald, the little known candidate for governor who actually leads Gov. Kasich in the latest poll performed by Public Policy Polling, issued this statement on taxes going forward.

"John Kasich's values are on full display here as he continues to shift the tax burden onto the backs of seniors and middle-class families in order to pay for tax breaks for the wealthy and well-connected, the former FBI special prosecutor and mayor said in an email to reporters. "The fact is that regular Ohioans will have any income tax savings negated by higher sales and property taxes, while the wealthiest Ohioans get a \$6,000 tax break. That's nothing to brag about, and it's yet another reminder of this governor's misplaced priorities."

Gov. Kasich never misses a chance to tout what he still believes are the curative powers of lower income tax rates. It's an economic theory some say has yet to prove itself in reality despite having been tried multiple times. During the Reagan presidency, when tax rates were reduced, and as recently as the George W. Bush presidency, when \$2.3 trillion in income tax cuts were doled out with little effect since the Bush years produced the fewest jobs created in modern presidential history. Not only did the trillions in borrowed money not produce jobs as advertised, but when the housing bubble burst and the national economy imploded to near Depression parameters in 2007-2008, the ensuing results at recovery have been moderately successful but continue at low and slow levels that argue for more stimulant, not more austerity as Republicans like Kasich believe is the right course.

Gov. Kasich's pick to run the ORP after toppling its former leader after he became governor, Matt Borges, who confessed in legal proceedings to influence peddling while he worked as chief of staff for former disgraced state treasurer Joe Deters, fired on Democrats' opposition to tax relief, saying FitzGerald "would have vetoed the tax relief and spent the money instead."

"While Republicans work to let Ohioans keep more of their hard-earned money to help grow the economy, Democrats want to tax, spend and grow [government](#)," Borges said in a coordinated campaign to ballyhoo Kasich's income and business tax reduction plans. Republicans continue to portray the Great Recession as a minor economic set back, which allows them to claim Democrats sat on their hands as Ohio lost hundreds of thousands of jobs. The implication is that Kasich would not have let it happen in Ohio had he been governor during the same years that even like-minded Republican governors and lawmakers saw jobs evaporate on their watch.

Borges aid the contrast between Republicans and Democrats is that Republicans "work to put more money back in the hands of hard-working Ohio families and businesses. Democrats believe that money belongs to politicians to spend as they see fit."

A long-time Democratic operative argued the opposite is true. Dale Butland of Innovation Ohio, a progressive advocacy group, said income taxes cuts and the sales tax increase are advantageous to the richest 1 percent of Ohioans.

"The rich will gain \$6,000 in tax savings, while the middle class will gain only \$9 and the working poor will have their taxes go up," Butland said, according to nbc4i.com. "When you take the income tax cut and pair it with the sales tax increase the net effect is that you shift the tax burden away from the wealthy and on to the backs of the middle class and the poor, and that is exactly what happened in this latest state budget," Rick Reitzel of Channel 4 in Columbus wrote.

Butland has backup for his statement. Policy Matters Ohio, an economic think tank in Cleveland, looked at the tax budget numbers and found the income tax breaks would not be enough for the working poor to save after paying the increase in sales tax.

Republicans maintain the tax changes streamlines the state's complicated tax code.

As an example of the sales tax increase, by purchasing an automobile for \$10,000 before Sunday's tax increase the purchaser could save \$25.

Several things are exempted by sales tax, including groceries, prescriptions, education and newspapers.

Facial recognition update:

A report in the [Cincinnati Enquirer](#) broke the news that Ohio AG Mike DeWine's office had been secretly using a new facial recognition system for weeks. At a recent media event, Mike DeWine said he probably should have announced the system earlier. "I never thought there would be a big concern about it," he said, a Columbus newspaper reported. "It's a natural extension of what's been done in the past. No new pictures were taken."

In a follow-up to a media event Friday at which Gov. Kasich was asked a question related to the recent kerfuffle over the use of facial recognition technology by the Ohio Attorney General, a spokesman for Kasich issued the following statement to reporters who were present Friday.

"The BMV doesn't analyze new driver's license photos using the Attorney General's facial recognition technology because that's not a step we wanted to take at this time. If Ohio were to ever consider using the technology in issuing driver's licenses, or in other more expanded ways, then I think the General Assembly should be consulted. I believe we should always move cautiously when constitutional rights are at issue.

"Current law allows law enforcement officers to use driver's license photos to help identify and catch criminals, and we understand that many of them use the Attorney General's facial recognition technology to help them analyze those photos. The Attorney General and I have discussed his procedures and he has indicated to me that he is conducting a review to help ensure that citizens' rights are safeguarded. I completely agree with that and commend him for it."

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