

News

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State taxes not so high, report says

By **Kellen Henry**
Staff writer

West Virginians may feel the blow of high taxes at the gas pump, but their overall tax burden per person ranks near the bottom of the states, according to a new report.

The West Virginia Center on Budget and Policy has created a guide called "Your Map to the State's Budget" to help citizens navigate the tax system.

"I think it's really important for a person to know what taxes they pay and see that they do benefit," said Ted Boettner, the center's executive director.

The report says the average West Virginian pays less in taxes than residents of 34 other states.

West Virginia ranks 44th in property taxes, 42nd in general sales tax and 33rd in personal income tax.

But the state ranks high - fourth in the nation - for so-called "selective sales" on cigarettes, alcohol and gasoline. This means residents pay almost \$200 more for those items than taxpayers elsewhere.

The state's relatively low taxes still hurt low- and middle-income residents, he said.

"Overall, we're paying more as a percent of our income, but that's because we're a low-income state," Boettner said.

On the spending side, West Virginia ranks 33rd in local and state government spending per capita, according to the report.

And state spending has remained at about the same level for the last 10 years. In 1996, general revenue spending was 6.3 percent of the state's gross domestic product. In 2006, it was 6.4 percent.

The state spends more than three-quarters of the budget on programs and services like education, transportation and health that can contribute to a better quality of life and help grow the economy, the report said.

"About 86 percent of our taxes go to pretty good things, like health care for children," Boettner said.

"Taxes are tools. You can use a hammer to hurt somebody or you can use it to build a house. Nobody likes taxes, but we're getting a lot of good things, like investments in higher education and research and health care," he said.

West Virginia has long-term trouble maintaining the funds for social programs and government services, which contradicts the idea that the government has a bloated budget and out-of-control spending, he said.

With a growing elderly population, shrinking work force and federal tax changes, the state cannot grow revenues quickly enough to meet the demands. Closing the corporate tax loopholes and investing in business infrastructure are a step toward fixing the problem, he said.

The 40-page document breaks down West Virginia's budget, explaining where the state gets and spends money and analyzing how it funds priorities like

schools, safety and constitutional rights.

The statewide nonprofit organization wants to publicize the effects of West Virginia's economic and tax policies on the lives of vulnerable populations, like low-income families, to help them make better fiscal decisions.

"I just hope it sparks an interest into looking at the budget. It affects our lives every day, directly or indirectly, through courts and transportation, keeping our food safe and making sure businesses have the infrastructure to compete and thrive," Boettner said.

The free publication is available from the West Virginia Center on Budget and Policy Web site at www.wvpolicy.org or by calling the organization at 720-8692.

To contact staff writer Kellen Henry, use e-mail or call 348-5179.

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Posted By: **WVState** (34 minutes ago)

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Businesses left because of lack of jobs? Businesses create jobs. As for "those with greater ability to pay should pay more," that sounds more like Warren Buffett than Karl Marx. Buffett is a fan of inheritance taxes (it prevents entrenched wealth and encourages people to make wealth), and commented that he is pleased to pay taxes because it means he is making money! A couple of years ago, in his annual report, he pointed out that Berkshire Hathaway paid 1% of the US budget in taxes; "100 companies like ours, and citizens wouldn't have to pay taxes."

Of course, Warren Buffett doesn't know anything about business or making money. :P

Posted By: **To "WVState"** (11 hours ago)

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They all left because of the high taxes and lack of jobs. Private businesses create wealth while governments confiscate wealth. On page 34 of this report we find "there should be vertical equity, meaning that those with greater ability to pay should pay more" which seems should be cited to Mr. Marx himself. Anyone wanting to read how WV should be taxed even more, how the corporations live off the proletariat, or how people in other states just aren't transferring enough of their wages via Senator Byrd would find this a brilliant masterpiece.

Posted By: **WVState** (12 hours ago)

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Where are all the folks who claim West Virginia's taxes create a bad business climate, or who claim that state employees are overpaid, or that state government is wasteful? They only read the reports created by organizations that favor private business.

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