

A Strategy for Destroying Jobs and Turning Us Against Each Other

By Donald L. Beezley

The Colorado legislature is officially in loony land. One bill in particular marks the kind of upside down thinking that will take our state down.

HB 1263 (<http://www.statebillinfo.com/sbi/index.cfm?fuseaction=Bills.View&billnum=HB10-1263>) is effectively a penalty on any company paying someone over \$250,000 per year. How it works is this: Although the compensation over \$250,000 per year will be expensed out as a business expense on a company's federal tax return, that amount will NOT be deductible on the state tax return, so a 5% tax, which is the corporate income tax rate in Colorado, will be assessed on that portion over \$250,000.

Which CEO do you think will be jumping up now to move his company with high paying jobs, including those under \$250,000, to Colorado? Exactly zero.

There are so many things wrong with this concept; it could fill entire books on philosophy and economics—and probably psychology.

Bad ideas come from bad principles. This is a classic case.

First, it is clearly based on some sort of divisive, class envy basis—you've achieved something, so we want to tear you down. The moral repugnance of that should be obvious on the face of it.

Second, when you penalize something, you get less of it. Do we really want fewer companies offering quality jobs in Colorado? Is that the message you send to the business community in the midst of a severe recession?

When you add this kind of measure to the list of extraordinary fee and tax increases the past 18 months, the targeted penalties on specific kinds of companies such as software companies, and the taxes layered into the process, like the tax on that napkin you get with your sub sandwich, you see a pattern.

It's a pattern of complete disregard for the people of Colorado. People are struggling to find work, pay their mortgages and provide for their families. And yet measure after measure is targeting our ability to earn a living. Whether you're CEO of a company that might want to consider Colorado home, or a Mary Kay cosmetics sales person (see HB 1248 for *that* one), the legislature is placing penalties on, and barriers to, success.

The inevitable result is less success and more struggles.

This must stop.

Is it November yet?

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