BY SHEILA LESLIE

# Another portrait of ripped-off Nevadans

**Wealthy corporations have been taking** Nevada for a ride, promising—but not delivering—high-paying jobs and related business growth in return for avoiding taxes with the blessing of the state.

Reporter James DeHaven analyzed the results of a state audit of the billions of dollars in tax abatements awarded by the Governor's Office of Economic Development since 2011, which "generated at most, 80 percent of the jobs—and less than 30 percent of the capital investment—promised on their initial tax break application."

Of the incentive applications that were awarded tax breaks, DeHaven reported the audit showed 37 percent did not offer employees the average statewide wage, while at least 22 companies didn't meet the capital investment requirements, and 51 companies did not meet their minimum job creation requirements. DeHaven's analysis shows that since 2009, corporations have promised Nevadans "19,900 high-paying jobs and at least $7.1 billion in new capital investment. Auditors found they actually delivered 15,732 jobs and $1.9 billion in investment."

No worries, though. Gov. Sisolak has promised to do a "closer review" of the state's tax giveaways, and legislative leaders also want to "review and revise" our corporate welfare plan. Maybe they'll get around to it in 2021.

But wait, there's more bad news for Nevada. The New York Times editorialized last Sunday on the growing trend toward inequality caused by how state and local taxes are assessed. According to a 2018 study by the Institute on Taxation and Economic Policy, (ITEP) "the poor pay taxes at higher rates in 45 of the 50 states." California, which Republicans love to vilify, is actually the state with the most progressive tax system, taxing the wealthy at higher rates than the poor.

Ready to guess where Nevada falls on the list? We are the fifth most unfair state in taxation, burdening our poorer residents with paying a larger percentage of income in taxes than anyone else. According to the ITEP inequality index, Nevada's poorest 20 percent of families pay 10.2 percent of their income in taxes, while our middle 60 percent of families pay 7.4 percent, and our one percenters fork out just 1.9 percent.

ITEP found that the six most regressive tax systems "rely heavily on regressive sales and excise taxes. These states derive roughly half to two-thirds of their tax revenue from these taxes, compared to the national average of 35 percent in fiscal year 2014-2015."

Nevada's sales tax data shows the inequality so clearly. Our lowest 20 percent of earners (averaging $13,700 in annual income) pay 7.1 percent of their income in sales tax while the top one percent (averaging $1,698,500 annually) pay 0.7 percent.

This, again, is hardly news. And yet our elected officials continually look to the sales tax for revenue to fix our crumbling, low-ranking schools. In 2019, as legislators were confronted with cutting their wish list of spending or foregoing teacher raises, they decided to pass a last-minute bill to allow county commissioners to raise the sales tax for education. Clark County may do it, directing the funds towards pre-school, a laudable goal as Nevada always ranks near the bottom in preschool attendance. But that will increase our income inequality, and we're already in the bottom five.

Our state policy-makers have so many better alternatives to raise money for preschool, mental health, class size reduction, and all the other areas where Nevada has an abysmal ranking. How about making the mining industry pay its fair share, or raising the casino tax? Or we could cancel all those billions in corporate welfare and force these underperforming companies who use our roads, our schools and our public services to pay the taxes they should have been paying all along for the privilege of living and working in Nevada. □

To read the Institute on Taxation and Economic Policy report referenced here, go to https://bit.ly/2Ps3vRy