



April 2, 2023

RE: Testimony in **Opposition to ACR7** of the 2023 Nevada Legislature

Members of the Assembly Committee on Revenue:

On behalf of Republicans in the great State of Nevada, I would like to communicate our opposition to Assembly Concurrent Resolution 7.



This photo is from 1949, but there's no reason it can't become a reality today. Instead of trying to reduce the tax burden on working class Nevadans, Democrats in this body are once again trying to push through an income tax. This resolution cites the continuous population growth of Nevada - a significant part of that population growth comes from California residents fleeing the high tax policies of California. California has, in fact, lost population every year since 2020, and enough Californians have fled to cause the loss of a Congressional seat for the first time in their history.

How many of these fleeing Californians would Nevada attract with an income tax? Perhaps those high-income future Nevadans would instead choose Texas or Florida, both of whom have the attraction of top 10 education systems to complement their lack of an income tax. Does Nevada really want to put ourselves in the same position of encouraging people to live somewhere else?

ACR7 recycles the misleading and dishonest assertion that wealthy individuals don't "share equitably in the responsibility of funding governmental services". IRS data proves that wealthy individuals, on the contrary, pay far more than their fair share. While the top 1% wealthiest



taxpayers receive about 20% of income, they pay about 40% of all taxes.¹ It is fundamentally unfair to further tax these individuals a second time on wealth after they have paid 40% of their income in taxes to begin with.

This resolution seeks to look at the potential revenue that could be generated by targeting a minority of voters. Why does it not study how many high income Nevadans would permanently leave our state if this is passed? Democrats in this body, who consistently advocate for the 'greater good', seem to forget that the smallest minority in the world is the individual. The tax on a millionaire today, is a tax on the tipped worker tomorrow.

It is telling that Democrats seek to punish the successful rather than incentivize good behavior to reduce the regressive tax burden on low-income Nevadans. Republicans have consistently advocated for sales tax holidays on school supplies to help working families, a reduction on sales tax for Nevadans who register their car and have proof of insurance, and stopping the army of IRS agents targeting tipped workers. The Democrats are silent on all of these fronts that would stand up for hard-working, law-abiding Nevadans.

Let's return Nevada to the picture above - and throw any hint of an income tax into the shredder where it belongs.

Finally, we would respectfully request that the members under litigation for a Constitutional violation of the separation of powers clause, **including the sponsor of this resolution** (Article 3, Section 1, Nevada Constitution), for their concurrent employment with government agencies while being state legislators—recuse themselves until the litigation is settled or they have fully resolved their violation of the Nevada Constitution. As this body is well aware:

The powers of the Government of the State of Nevada shall be divided into three separate departments, the Legislature, the Executive and the Judicial; and no person charged with the exercise of powers properly belonging to one of these departments shall exercise any functions, appertaining to either of the others, except in the cases expressly directed or permitted in this constitution. Nevada Const. Art. 3, §1, ¶1.

For these reasons, the Nevada Republican Party strongly opposes ACR7.

Sincerely,

Jim DeGraffenreid
Republican National Committeeman, Nevada

¹ [Federal Income Tax Data, 2021 Update | Tax Foundation](https://taxfoundation.org/federal-income-tax-data-2021/), <<https://taxfoundation.org/federal-income-tax-data-2021/>>