

Virginia Is for Higher Taxes

Virginia's new Gov. Abigail Spanberger has finished her first legislative session, and state residents will be paying for it for a long time. The new progressive Legislature raised taxes immediately and set in motion more increases for the future.

President Trump slammed Ms. Spanberger on social media last weekend for "adding so many Taxes." She called his post "fake news about fake taxes." She's right that the taxes Mr. Trump named didn't pass the Legislature. But taxes are still going up.

This includes a new payroll tax to fund a state-run paid family leave program. The tax is estimated to start at 0.72% on wages up to \$184,500. It will invariably increase over time, which is what has happened in other states with paid leave programs as politicians raise benefits. California has a 1.2% payroll tax on wages with no income cap.

Ms. Spanberger also added a stealth tax increase by fulfilling her campaign promise to rejoin the Northeast's Regional Greenhouse Gas Initiative. This cap-and-tax program requires fossil-fuel power plants to buy permits from the government to offset CO2 emissions. The state can use revenue from permit sales to finance the left's climate obsessions.

Virginia raised \$800 million in revenue from permit sales in the three years before former Republican Gov. Glenn Youngkin withdrew from the program in 2023. These costs are passed along to consumers. Rejoining the program is expected to raise \$500 million a year, or some \$150 per Virginia household.

Much bigger tax increases lie ahead as Ms. Spanberger also blew open the door to collective bargaining for state and local workers and home-healthcare aides paid by Medicaid. This is the road to fiscal perdition taken by California and New York. Virginia had previously restricted the ability of government workers to

unionize and collectively bargain.

Unlike in private industry, collective bargaining in government isn't adversarial. Public unions sit on both sides of the table since they fund the campaigns of the politicians with whom they "negotiate." The incentive is to give away the store to union allies and stick future taxpayers with the bill.

Unions return the favor by using member dues to fund Democratic campaigns and leftwing causes. The result is a tax-and-spend ratchet that never ends.

Wisconsin Republicans in 2011 ended this cycle by limiting government collective bargaining, which has saved taxpayers some \$35.6 billion, according to the MacIver Institute. Studies have also found that the law improved student test scores, in part by allowing schools to pay teachers more for performance.

Virginia currently ranks 30th on the Tax Foundation's tax competitive index—not great, but better than Maryland (46) and other states ruled by government unions like Minnesota (44), California (48), New Jersey (49) and New York (50). As union power digs in, Virginia is likely to follow those states down.

The Governor made modest amendments to the paid family leave and collective-bargaining bills that the Democratic Legislature will have to approve, but don't read this as a sign of her political moderation. Ms. Spanberger also moved left by blessing a new gerrymander of Congressional election districts in the state that could yield four more Democratic seats. Voters will get their say on the redistricting coup in an April 21 referendum.

The polls show the Governor's sprint left isn't helping her with swing voters. A Washington Post/Schar School survey found only 47% of likely voters approve of her performance, which is historically low for a new Governor. This is what happens when Democrats campaign as centrists but govern like progressives.

Gov. Spanberger's popularity takes a hit as she abandons the center.