

Resolution #2
OPPOSITION TO FINANCIAL INCENTIVES AND CORPORATE WELFARE

WHEREAS, it is contrary to the free-enterprise system to recruit or retain businesses with targeted tax and other financial incentives when other businesses bear the full burden of taxation; and

WHEREAS, higher tax rates on the many to provide preferential treatment for the few is fundamentally unfair; and

WHEREAS, it is contrary to the free-enterprise system to take money in the form of taxes or fees from citizens and businesses in order to give money to certain businesses for the purpose of funding said enterprises; and

WHEREAS, corporate welfare arrangements cause market imbalances, resulting in unintended consequences such as short-term government subsidy of products and services and infrequently lead to corporate failures or premature project terminations; and

WHEREAS, Article V of the North Carolina Constitution prescribes a system of uniform statewide taxation and explicitly prohibits jurisdictions other than the General Assembly from making exceptions in classifying property for taxation or granting tax relief; and

WHEREAS, the use of financial incentives is an intrusion of government in the exercise of free enterprise, resulting in reduced freedom, efficiency, and innovation in state commerce; and

WHEREAS, the governor and some legislators have advocated funding corporate welfare arrangements through state appropriations—for example, the expansion of the Job Development Investment Grant program (JDIG), a corporate welfare fund which moves taxpayer money to select corporations meeting specific criteria; and new targeted tax credits for investments redeveloping structures deemed historic; and

WHEREAS, the best way to promote economic growth is to reduce the overall corporate tax burden and unnecessary regulations; and

WHEREAS, buyers and sellers in a free marketplace, not government, make the best decisions about creating and sustaining jobs and businesses; and

WHEREAS, the free market, rather than so-called “investment” by government, is the best way to produce a strong and vibrant state economy; and

WHEREAS, Republican candidates are elected to office to reduce the scope and reach of government, and this conservative mandate does not include financing certain businesses with grants, loans, tax credits, or other means on the backs of other businesses and individuals;

THEREFORE BE IT RESOLVED, we, the Second Congressional District Republican Party of North Carolina, oppose targeted financial incentives and corporate welfare; and

BE IT FINALLY RESOLVED, we, the Second Congressional District Republican Party, call upon the governor, legislature, and local governments to cease developing and/or maintaining all forms of targeted financial incentives and corporate welfare, and, instead, work to build a stronger North Carolina economy by reducing the heavy burden of taxes and regulations on all businesses and individuals.

Submitted by: Resolutions Committee to the North Carolina Republican Party Second Congressional District Convention, April 25, 2015