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# Raising taxes amid high inflation is a bad idea for Cincinnati | Opinion

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Does inflation hurt government operations? No, not really. At the end of the day, we will see that the inflationary costs incurred by the city of Cincinnati are ultimately paid for by the taxpayer. That is the nature of the beast.

For example, the city gave itself a seven percent budget increase from 2023-2024, costing us \$84 million. Meanwhile, most Cincinnati households have been required to operate with a reduced budget. They have been forced by inflation to cut costs, prioritize spending and do without. It would have been refreshing had the city manager presented a budget that cut costs and "did without things," i.e., made sacrifices and tough decisions. Perhaps some costs were cut to some extent during the budget process, but the fact remains that the budget represents an increase of \$84 million, primarily for eight different funds maintained by the city for various operations.

The budget increase further burdens the taxpayer. It is no different than the way corporations deal with inflation, i.e., they pass the costs along to the consumer. It should come as no surprise that at the first opportunity after their summer break, City Council, with Councilman Jeff Cramerding leading the charge, intends to approve a ballot measure that will increase the earnings tax. It is said that if Cramerding is successful, we will be voting on [a tax increase this November](#).

If you are wondering whether raising taxes is a good idea during such a significant inflationary period, it depends on your perspective. Some people, including perhaps some on City Council, believe that raising taxes helps to fight inflation because it results in less consumer spending. For example, it reduces the amount of money that households have to spend on a night out, or weekend away, or just the basic necessities of life.

It is likely that a tax increase will be a pretty tough sell to the everyday Cincinnati, made even more difficult by the promise of Mayor Aftab Pureval and council via the record-breaking, \$6 million, Norfolk Southern-financed campaign to sell the Cincinnati Southern Railway. Just about every piece of campaign literature distributed by the "Build Cincinnati's Future," political action committee, emphatically said, "No New Taxes." Most people believe that "No New Taxes" means no new taxes, and that a promise is a promise.

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Then, more recently, the mayor and a majority of City Council, approved "Connected Communities." The myriad of concerns held by the public cannot be chronicled here, but there is a substantial citywide coalition organizing with the objective of compelling corrective action. The poor handling of Connected Communities by the mayor and City Council will make it even more difficult to sell a tax increase.

Perhaps before initiating a ballot issue to increase taxes, City Council should consult with independent economists about the potential impact of the proposed tax increase on the local economy, especially with respect to jobs and housing. In this case, "independent" means not the usual suspects among the city's "professional stakeholders." Perhaps that way, the voters will have at least some objective information rather than the usual hollow assurances and promises.

If the city has already obtained such an independent economic impact analysis, the city should make it public right away. A proposed tax increase will require a vigorous debate and, importantly, the highest standard of transparency.

*(Editor's note: According to Enquirer reporting, Councilman Jeff Cramerding publicly said he likes the idea of raising the earning tax possibly as soon as this year. Mayor Aftab Pureval also said he supports an earnings tax, but with the deadline to put the idea on the ballot a week away, there has been no indication voters would be asked to improve an increase this year.)*

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