

**BLOG** *Published April 15, 2026 · 5 minute read*

# The Political Tax

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# Taxes are due. You may owe more than you think.

As the filing deadline approaches, business owners and households alike are gathering receipts and reconciling accounts. Whether you're writing a big check or anticipating a refund, few are calculating perhaps the most consequential tax this administration has raised on all of us: the "political tax."

This isn't a tax passed by Congress or debated in committee. It is the compounding cost imposed when government becomes erratic, improvisational, and unreliable. It is paid incrementally and under the table through an inability to plan, delayed hiring, frozen investment, and the "volatility premium" businesses must now price into ordinary decisions.

## The Cost of Dysfunction

On the campaign trail, President Trump promised to rapidly reduce the cost of living and supercharge the economy "like nothing you've ever seen." The reality of the last 15 months has been the opposite. Instead, business is operating in a high-retribution environment in which policy signals are inconsistent, executive decision-making is politicized, and enforcement appears contingent on loyalty, mood, or political usefulness rather than rules.

The political tax isn't one bad policy, it's a reckless governing *style* — announce first, improvise, delay, or retreat later, and let businesses, workers, and families bear the cost. The mechanism is familiar by now: ad hoc tariffs that reshape supply chains overnight, frozen infrastructure funds that strand approved projects, personalized executive action making every business wonder if it's next. Each episode is distinct. The pattern is not.

As a result, uncertainty is now structural. It's the number one economic concern for U.S. CEOs and a leading material risk for CFOs, alongside tariffs, labor quality, and demand. When government acts like an unreliable counterparty, boards and stakeholders grow more cautious. Investors demand a higher premium for risk, long-horizon public-private partnerships become harder to finance, and expansion plans get deferred.

Regardless of size or output, businesses need predictability, legal clarity, and confidence that contracts, permits, and public commitments will still mean tomorrow what they mean today. These are not partisan issues or abstract governance concerns; they are foundational conditions for growth.

# Competence as a Market Signal

After more than a year of chaos and avoidable disruption, a growing number of executives and voters are looking for an off-ramp. Moderate Democrats offer a clear and compelling choice: competent governance that lowers friction and restores trust.

Moderate, center-left governance is not about “splitting the difference”—it’s about execution. By prioritizing institutional durability and the rule of law, moderates offer a hedge against volatility that contributes real economic value. It’s a market signal that tells businesses they can invest with more confidence, it tells families they can plan, and it tells voters that someone is finally serious about making their lives work again.

The proof of concept is visible in states where Democratic governors have prioritized “getting stuff done” over spectacle:

- **Pennsylvania:** Governor Josh Shapiro’s permitting reforms introduced predictable approval timelines, helping attract nearly \$35 billion in private investment and created 18,000 jobs.
- **Kentucky:** Governor Andy Beshear’s disciplined growth-oriented agenda has driven more than \$10.5 billion in private investment and earned record credit-rating upgrades.
- **Michigan:** Governor Gretchen Whitmer’s permitting reforms have accelerated major projects and supported 14,000+ jobs in advanced manufacturing.
- **Colorado:** Governor Jared Polis is addressing labor-supply constraints by removing barriers to affordable housing development and expanding supply to meet demand.

This isn’t just politics; it is functional governance. It is what competent, “low-risk, high-return” leadership looks like, providing the stable operating environment that businesses need to thrive.

## The Fiduciary Case for the Middle

A likely response from business leaders is straightforward: fiduciary duty comes first. Boards do not reward cleaner rhetoric or better civics for their own sake; they protect margins, manage risk, and create long-term value. If moderate governance still means higher taxes and more mandates, “competence” can sound like a political virtue rather than an economic argument.

However, fiduciary duty is not limited to taxes and regulation, it’s about safeguarding the enterprise against *total risk*. A critical assessment of risk must account for the full cost of

policy volatility, including tariff shock on imported inputs, instability in federal contracting, retaliatory actions that target firms by name, workforce disruption caused by immigration restrictions, and the erosion of government credibility as a reliable partner in long-term investment. Those are not soft civic concerns; they are hard operating costs.

Ultimately, the question isn't which governing model looks cheaper in theory. It's which one lowers the total cost of building, hiring, financing, and planning.

## **The Un-Amendable Return**

Unlike mistakes on a tax return, the costs of a highly volatile political economy cannot be easily amended. Lost investment timelines do not come back on command. Frayed public-private trust does not repair itself overnight. A degraded reputation for reliability carries consequences long after the news cycle moves on.

By positioning competence and the rule of law as stabilizing forces, moderate Democrats offer a return to a functional political economy where growth is the objective, not collateral damage in a social media feud.

This tax season, as you tally what you owe the IRS, take a moment to calculate what the "political tax" is costing your bottom line. You might find it's the one expense you can no longer afford to pay, and it's more than you think.

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