

# **Campaign for the Fair Share Amendment: A Constitutional Amendment to Enable Raising Over \$1 Billion for Education and Transportation; by raising taxes on Millionaires...organized by the Raise UP Massachusetts Coalition**

## **What is proposed?**

1. A Constitutional Amendment to raise over \$1 billion in new state tax revenue
2. And the funds to be targeted to Education (public schools, college affordability, etc.) and Transportation (repair of roads, bridges, transit systems)
3. Financed by increasing the state tax on millionaires by 4% on any earnings after their first million

## **Process to do this**

1. Collect 120,000 signatures between Labor Day and November 15 to qualify this for the ballot
2. 50 out of the 200 state legislators must vote yes for it in 2016 and 2017 in special joint sessions of the Legislature called a Constitutional Convention
3. Voters decide in November 2018.

## **Why do this?**

1. We have had a decade of structural deficits every year that lead to annual budget cut or small increases
2. Just as one example, Local Aid to cities and towns has fallen by 40%, factoring in inflation
3. Massachusetts was "Taxachusetts" in 1977 with the 3<sup>rd</sup> highest state and local tax rate for states. BUT we are no more because since then we made more tax cuts than 48 of 49 other states so now we are 24<sup>th</sup> among states on state and local tax rates so we're not Taxachusetts any more. Most of these \$3 billion in tax cuts went to large corporations or more well of individuals

## **Who makes up the Raise UP Massachusetts Coalition?**

1. Community groups
2. Faith/Religious based community improvement groups
3. Labor unions

## **What has the Raise UP MA Coalition accomplished previously**

1. We led the successful campaigns that passed in 2014 the highest state level minimum wage and the strongest law for earned sick days; this benefited over 1 million people in Massachusetts.
2. A key strategy in doing this was collecting by an all volunteer effort over 360,000 signatures of voters to qualify Raising the Minimum Wage and Earned Sick Time for the ballot.

# Expanding Opportunity for Our Children and Fixing Our Transportation Systems by Asking Our Highest Income Residents - Who Now Pay the Smallest Share of Income in Taxes - to Pay Their Fair Share

## I. What Raise UP Massachusetts is Proposing

Raise Up is proposing a plan to expand opportunity and improve the quality of life in our communities by making investments in education and transportation. This includes K-12 schools, college affordability, pre-school, and job training and ESL for adults. This includes maintenance of roads, bridges, and public transit (including both the MBTA and regional transit authorities in other cities across the state).

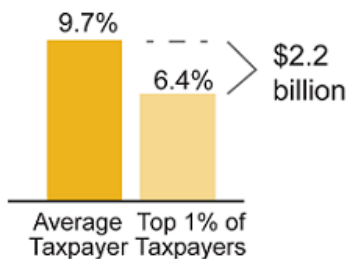
The plan would pay for these investments in our people and communities by asking our highest income residents to pay their fair share of taxes. It would raise the taxes of millionaires by 4% on any income after their first million in income and this would raise \$1.27 billion for these needed programs. The highest income people in the state now pay the smallest share of their income in state and local taxes (for a discussion of why and how, see:

[http://www.massbudget.org/report\\_window.php?loc=FactsAtAGlance\\_Tax\\_Fairness.html](http://www.massbudget.org/report_window.php?loc=FactsAtAGlance_Tax_Fairness.html)).

### Fix our tax system

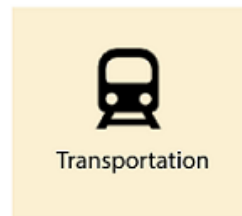
Massachusetts loses \$2.2 billion every year because the top 1% pays a smaller share of their income in taxes than the other 99%.

MA taxes as % of income



### Invest in Massachusetts

If we fix our tax system, we could make investments that expand opportunity for everyone.



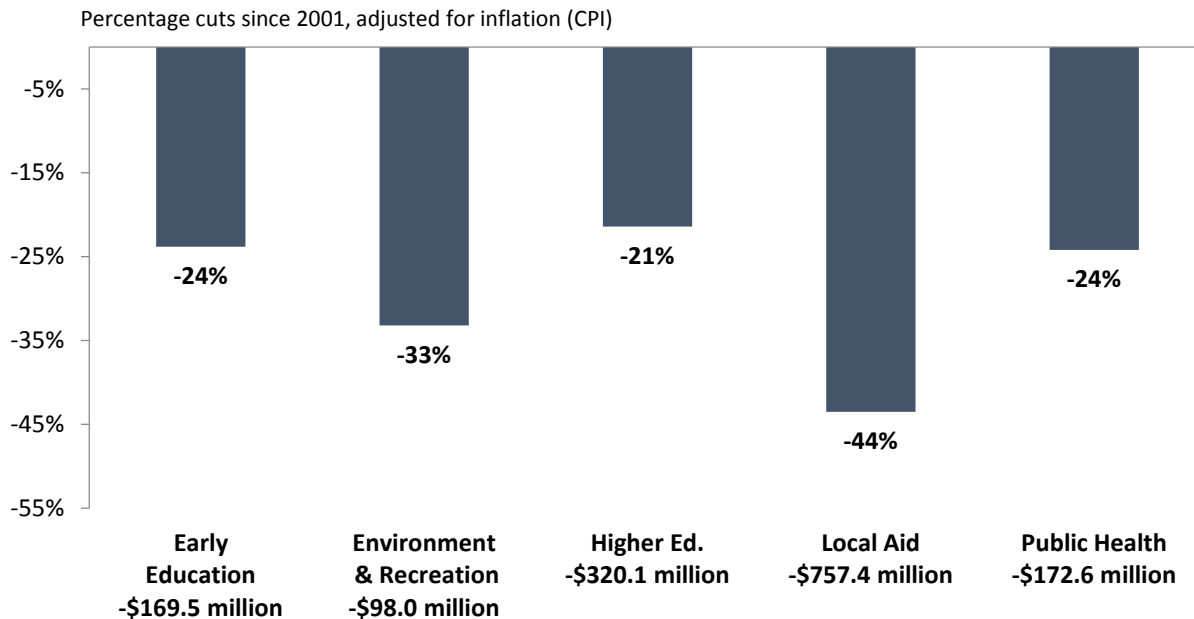
## II. How Could We Finance These Investments in Our People and Communities

Most states tax higher incomes at higher rates. If we were to create a tax rate of 9% for incomes over \$1 million then the overall taxes paid by our highest income people would be much closer to the share of income paid by everyone else. This would raise about \$1.27 billion each year that could be invested in things that help families across the Commonwealth and strengthen our economy -- like public education and high quality transportation systems in all of our communities. Enacting this higher rate would require changing our State Constitution, which currently, unlike most state constitutions, only allows one rate on each type of income. States like New York, New Jersey, and California already tax most of their highest income taxpayers at about 9% or higher (that higher rate in those states, and in the Raise Up proposal, applies only to income over the threshold – in Massachusetts the first \$1 million of income would still be taxed at 5.15% even for those paying a higher rate on income above that level).

## III. How do we get this done?

1. Gather 120,000 signatures of voters this fall.
2. It needs to get the votes of 50 out of 200 state legislators in both 2016 and 2017.
3. It goes to the ballot for the voters to decide in 2018.

## Select cuts across the state budget (FY2001 - FY15)



### **An Initiative Petition for An Amendment to the Constitution of the Commonwealth to Provide Resources for Education and Transportation through an additional tax on Incomes in excess of One Million Dollars**

*Amendment Article XLIV of the Massachusetts Constitution is hereby amended by adding the following paragraph at the end thereof:*

To provide the resources for quality public education and affordable public colleges and universities, and for the repair and maintenance of roads, bridges and public transportation, all revenues received in accordance with this paragraph shall be expended, subject to appropriation, only for these purposes. In addition to the taxes on income otherwise authorized under this Article, there shall be an additional tax of 4 percent on that portion of annual taxable income in excess of \$1,000,000 (one million dollars) reported on any return related to those taxes. To ensure that this additional tax continues to apply only to the commonwealth's highest income residents, this \$1,000,000 (one million dollar) income level shall be adjusted annually to reflect any increases in the cost of living by the same method used for federal income tax brackets. This paragraph shall apply to all tax years beginning on or after January 1, 2019.