

Coalition Talking Points January 2012

After cutting over \$10 billion in the past 3 years, the legislature is now proposing another \$1.5 billion in cuts to community services like education and health care. We reject the all-cuts approach, because our services have already been cut enough. Budget cuts have caused immediate harm and will have significant consequences for our families and our state's ability to compete in the global economy for years to come. The devastation caused by the Great Recession and years of budget shortfalls is so huge that we need both short-term and long-term tools to solve the problem.

Budget cuts cost our communities more than any tax.

- The proposed budget cuts are devastating to the health care and community services that our most vulnerable families rely on.
- These cuts threaten the promise of opportunity for all Washingtonians, and worsen inequalities along race, gender, national origin and income lines.
- The costs of sending our children to the emergency room, or leaving seniors without access to medication or putting people with mental illness out on the streets are far more harmful to our communities than paying a little bit more in taxes.

Reform the tax break system and end unjustified tax breaks.

- There are over 500 tax breaks in place, and only 17% have ever been reviewed.
- Reform the tax break system to make it accountable and transparent.
- Tax breaks should be regularly reviewed and renewed only if they are creating jobs and delivering public benefits.
- Funding education and healthcare is more important to Washington's future than defending tax breaks for Wall Street banks and out-of-state shoppers.
- The legislature should immediately end all unjustified tax breaks as a first step towards filling the \$1.5 billion hole in the budget.

Raise revenue to address the immediate shortfall.

- Lawmakers should keep all revenue options on the table in order to prevent deeper cuts to education, healthcare, and other essential community services.

For a long-term sustainable budget, tax profits on stocks and other capital gains.

- A tax on capital gains ensures that the very rich are paying their fair share.
- It applies to only the very wealthy—the top 3 percent of Washingtonians—and could raise \$700 million or more each year.
- Washington is one of only seven states that don't tax capital gains.
- Because it will take over a year to implement and collect, a capital gains tax is a long-term solution that does not fix our immediate budget shortfall.