

## Notes

1. *Proposed 2011-13 Budget & Policy Highlights: Transforming Washington's Budget*, www.governor.wa.gov/priorities/budget/press\_packet.pdf, page 4.
2. Economic Opportunity Institute publications, [http://www.eoionline.org/tax\\_reform/reinvest\\_windfall\\_oil\\_profits.htm](http://www.eoionline.org/tax_reform/reinvest_windfall_oil_profits.htm) and [http://www.eoionline.org/tax\\_reform/reports/EnvironmentEconomyEnergy-Oct06.pdf](http://www.eoionline.org/tax_reform/reports/EnvironmentEconomyEnergy-Oct06.pdf)
3. *Tax Exemptions - 2008*, [http://dor.wa.gov/content/aboutus/statisticsandreports/2008/tax\\_exemptions\\_2008/default.aspx](http://dor.wa.gov/content/aboutus/statisticsandreports/2008/tax_exemptions_2008/default.aspx)
4. Ibid.
5. 2009-11 Biennium-to-Date, Military Department, <http://www.ofm.wa.gov/budget/fiscalstatus/245.pdf>
6. A few examples: Washington Dental Services has 19 trustees and key employees whose pay ranges from \$202,000 to \$865,054 (9 of these trustees put in only 0-3 hours a week!). Its land and buildings are valued at \$5.8 million. Benaroya Research Institute at Virginia Mason has 11 trustees and key employees whose pay and other compensation ranges from \$208,010 to \$2 million. Its land and buildings (not including equipment) are valued at \$30 million. World Vision, a religious-based aid organization that hires only devout Christians, has three officers/key employees whose pay and other compensation ranges from \$275,218 to \$433,260. It reports owning land and buildings valued at \$46 million. If these and other wealthy non-profits were not exempt from property tax, it would lower everyone else's property tax. Nonprofit information is accessible at Guidestar, <http://www2.guidestar.org/>
7. *The cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, Congressional Research Service, [www.fas.org/sgp/crs/natsec/RL33110.pdf](http://www.fas.org/sgp/crs/natsec/RL33110.pdf)



### Join Sisters Organize for Survival,

a campaign of Radical Women,

**in the fight to defend women and other poor and working people against cuts to health care, social services, jobs, and education!**

Contact SOS, c/o Radical Women, for meeting dates, more information, or to donate.

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# FLIP the FUNDING: The state should help people survive, NOT boost profits

*In times of crisis, what is the state's role?* To support **business**, as usual, or to support **people**? The governor and legislature have given their answer: their budgets sacrifice the most vulnerable and never touch massive business subsidies. Sisters Organize for Survival says it's time to reverse that equation!

Handouts that prop up high rates of private profit are criminal at a time when mere subsistence is at stake for thousands. If the sick and hungry have to "tighten their belts," why shouldn't Boeing, Microsoft and the rest?

*And helping the poor creates jobs!* While businesses and the wealthy salt away their bail-outs and tax breaks, workers' wages and aid to the needy are recycled directly back into the groceries, trans-mortgages, clothing, health care. A state the poor and retains jobs raises condi-



When the state instead of need, suffer. We are losing that provide food, care to mothers and disabled. The workers who provide services are being laid off and joining the ranks of those who need help but can't get it. Women's burdens become even heavier as they try to fill the gaps. Public education is undermined and only the children of the rich can afford college. Labor standards that were won through years of struggle are being destroyed.

*Endless taxation of poor and working people isn't the answer.* We're already paying more than our share. We need tax relief that doesn't throw our sisters and brothers under the bus.

And then there's the biggest tax vampire of all — the **Iraq and Afghanistan wars** that are destroying lives and ravaging the environment. We call on state lawmakers to demand an end to this ever-expanding quagmire.

economy to pay for portation, rents and entertainment and budget that helps living-wage union tions for all.

subsidizes greed our communities basic programs shelter, and health children, elders, the

## Modest proposals to solve the Washington State budget crisis without sacrificing workers & the most vulnerable

2011-13  
biennium  
savings (in billions)

### Increase state revenue

Cancel interest payments on the state's debt for one biennium.	
Bankers and investment companies caused the crisis and then got a bail-out – why are we paying them one more penny?	\$1.95 <sup>1</sup>
Institute a windfall profits tax on oil companies. (A windfall tax places a higher tax rate on profits that ensue from a sudden, above-average gain to a particular company or industry.)	\$1.2 <sup>2</sup>

### Business & Occupation Tax revisions

Disallow all “Business Incentive” exemptions (also known as loopholes) for one biennium. Includes tax exclusions for Safeco Field and Seahawks Stadium (\$2.5 million) and reduced tax rates to support development of the Boeing 787 (\$208 million).	\$1.09 <sup>3</sup>
Disallow all “Other Business” exemptions (loopholes), except for small business credit and preferential rate for childcare businesses for one biennium. Includes exemption from sales tax of sales of precious metals, coins, and bullion (\$12.7 million) and exemption from B&O tax of wholesale auto auctions (\$2 million).	\$.944 <sup>4</sup>
Defund all military-related functions of the Washington National Guard	\$.033 <sup>5</sup>

**Total additional income for this biennium** **\$5.22**

### Reduce the tax burden on workers, the poor & small business

Eliminate sales tax on retail sales under \$100	
End property tax exemptions for non-profits/churches that compensate any officer or employee more than \$200,000 per year. 862 state non-profits (1% of total) have revenue between \$1.6 million and \$2.4 billion. Such large non-profits are the most likely to pay the highest salaries—with a regional median of \$267,048. Having them pay property tax would <i>not</i> bring more money into state coffers, but would reduce the amount paid by other property owners. <sup>6</sup>	

### End the wars & redirect funds to the states

End the wars in Iraq and Afghanistan (\$340 billion estimated for Fiscal Year 2011-2012 <sup>7</sup> ) and reallocate the money to U.S. states and territories on the basis of population.	<b>\$7.34</b>
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### That's just scratching the surface

There's lots of other ways to bring more money into the state: Increase the rate of the estate tax. Release people in prison for victimless crimes — and provide less expensive, more effective rehabilitation. End the death penalty, which costs tens of thousands more per year for each prisoner. Make Boeing pay back the \$4.3 billion it received to reduce traffic congestion around its facilities. Prevent Microsoft's exclusion from royalty taxes. What about keeping state funds in a non-profit state bank rather than commercial institutions? While we're at it, let's re-examine the question of income tax on the super-rich and the possibility of a corporate income tax.

When you flip the funding question, there's plenty of ways to bring more revenue into the state! What are your ideas?

### Where will the increased funds go?

All programs assisting the poor must not only be restored to former budget levels but expanded to help the thousands being hard hit by the economic crisis. For starters: Increased aid to poor families. Fully fund the state food stamp program, childcare assistance, and dental care. Open the Basic Health Plan to all low-income people, including the unemployed. Children's health must be top priority, including help for those without documents. Public works programs at union wages would get things done and provide on-the-job training.

Reinstate money for parks and libraries. Tie the level of unemployment benefits to the number of dependents being supported. Fund mediation programs to help people fight foreclosure. Lower tuition rates so students don't start their lives shackled by enormous debt. How's that for a start?

### Answering the naysayers

*Won't every business leave the state if these tax measures are passed?* Not likely. In 45 other states, they'd have to pay a tax on corporate profits.

*But it will take a constitutional amendment to make some of these changes!* Ok — do it!

*These ideas may not even be legal!* That doesn't stop the government on the things it cares about. How about the two voter-passed initiatives on teacher pay raises and class sizes that were never implemented? Was *that* legal?

*What about the state's contractual obligations?* Tell your concerns to state employees whose ratified contract was overridden in the budget process.

*Business will just pass the charges on to consumers.* They can't charge us more than we can pay. Consumers — let's organize to get the greedy off our backs!

### Fight for a budget that supports people

Working and poor people pay taxes — we just want the rich to start paying theirs! We do the work — they can't survive without us. But **we** can live much better if we don't have to support **them** through our taxes!