

# Resolution #2: Support Increased Investment in Massachusetts

*Recommended by the SEIU Local 888 Executive Board for adoption by delegates to the SEIU Local 888 Membership Convention on September 24, 2016*

*Whereas:* Massachusetts has one of the largest income inequality problems in the country, and it's getting worse; yet our highest income residents, who have been the biggest winners in the economy, pay the smallest share of their income in state taxes, and<sup>1</sup>

*Whereas:* Massachusetts loses \$2.2 billion every year because the top 1% pays a smaller share of their income in taxes than the other 99%, and<sup>2</sup>

*Whereas:* If we fix the state's tax system, we could make investments that increase opportunity for everyone, such as expanding access to early education and care for three and four year old children, improving our K-12 schools, making public higher education affordable for everyone, and fixing our public transportation systems and roads in every part of the state, and

*Whereas:* These new investments in our communities could be financed if we were to create a tax rate of 9% for incomes over \$1,000,000 making the overall taxes paid by our highest income people much closer to the share of income paid by everyone else, and

*Whereas:* Creating a tax rate of 9% on incomes over \$1,000,000 would raise about \$1.8 billion each year that could be invested in things that help families across the Commonwealth and strengthen our economy, and

*Whereas:* Enacting a higher rate would require changing our State Constitution, which currently, unlike most state constitutions, only allows one rate on each type of income, and<sup>3</sup>

***Therefore be it resolved:*** That SEIU Local 888 supports changing our state constitution by supporting the campaign to win the approval by voters of an initiative petition on the statewide ballot in the fall of 2018 for the constitutional amendment to allow taxing incomes over \$1,000,000 at a higher rate.<sup>4</sup>

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<sup>1</sup> **Examining Tax Fairness**, by Kurt Wise, February 24, 2015, Massachusetts Budget and Policy Center, [www.massbudget.org/report\\_window.php?loc=FactsAtAGlance\\_Tax\\_Fairness.html](http://www.massbudget.org/report_window.php?loc=FactsAtAGlance_Tax_Fairness.html)

<sup>2</sup> "The current regressivity of the system would be eliminated if all income groups paid the same share of their household income in taxes – in other words, if the system was “flattened.” The highest income one percent of taxpayers currently are paying, on average, approximately \$85,000 a year less per household than they would pay if they were taxed at the average rate paid by all taxpayers (about 9.7 percent). The loss of these tax dollars from these top income households costs the Commonwealth over \$2.2 billion a year."

Examining Tax Fairness, by Kurt Wise, February 24, 2015, Massachusetts Budget and Policy Center, [www.massbudget.org/report\\_window.php?loc=FactsAtAGlance\\_Tax\\_Fairness.html](http://www.massbudget.org/report_window.php?loc=FactsAtAGlance_Tax_Fairness.html)

<sup>3</sup> States like New York, New Jersey, and California already tax most of their highest income taxpayers at about 9% (that higher rate in those states applies only to income over the threshold. In Massachusetts the first \$500,000 of income would still be taxed at 5.15% even for those paying a higher rate on income above that level).

<sup>4</sup> **Initiative Petition Process, 2015-2016**, An Overview for Interested Members of the Public [www.mass.gov/ago/government-resources/initiatives-and-other-ballot-questions/initiative-petition-process.html](http://www.mass.gov/ago/government-resources/initiatives-and-other-ballot-questions/initiative-petition-process.html)