

# TALKING POINTS



WDTTC

## Issue: State Budget: *Crisis of Spending or Revenue?*

### Re: Spending... Did you know that MA...

- Ranked 45<sup>th</sup> in terms of total state and local spending?
- Ranked 49<sup>th</sup> in terms of spending on education overall?
- Ranked 36<sup>th</sup> in terms of special services spending or 31<sup>st</sup> in terms of public welfare spending?
- Ranked 37<sup>th</sup> in public safety spending and 34<sup>th</sup> in terms of spending on housing/environment?
- No state cut state and local spending more than MA between 1979 and 2000?

*Information above based on FY 2000 Census Bureau data.*

### Re: Revenues... Did you know that...

- Closing the loopholes that allow corporations to avoid paying their fair share could yield several hundred million dollars per year?
- In 1968, corporate income tax = 15% of state revenue? In FY03, corporate income tax = 5% of state revenue.
- Personal Income Tax (PIT) was 6.25 % in 1990 vs. 5.3% in 2004 and that a PIT rate of 5.6% would bring in \$468 million?
- Or that a PIT of 5.95% would produce slightly more than \$1 billion?
- MA gov't would have \$2 billion more today if taxes as share of income were the same proportion as 1990's average?
- As share of personal income, MA state and local taxes is lower than most states?

### What you can do...

- Contact **MA Budget and Policy Center** for additional printed or online information. Being informed and accurate in analyzing state budget issues results in good decisions.
- Consider inviting a spokesperson from the center to address an organization in town in which you are involved. Jeff McLynch spoke to a group in Wakefield last year, along with Wakefield Town Manager and State Reps. A very informative meeting that generated valuable discussion.
- Share **Talking Points** with others.
- Work on local campaigns. The next Governor's race will be key. Support Democrat Katherine Clark of Melrose for State Senate. See Clark's website at [www.clarkforsenate.com](http://www.clarkforsenate.com).

#### *For more information:*

The information for this issue came from The Massachusetts Budget and Policy Center 37 Temple Place, Boston, MA 02111 617-426-1228. [www.massbudget.org](http://www.massbudget.org).



Talking Points is presented by the Wakefield Democratic Town Committee to educate its members and the local community on key issues of the day.

Talking Points Issue Five 03/20/04

Wakefield Democratic Town Committee [wakefield.democrats@rcn.com](mailto:wakefield.democrats@rcn.com)