

TALKING POINTS



WDTTC

Issue: How *common* is the Commonwealth's *wealth*? Did you know that...

- Adjusted for inflation, public higher education has been cut by \$266 million since FY 2001, which is a cut of 22%.
- The Massachusetts Senate's own task force on Public Higher Education identified higher education as critical to the future of the state economy and found "that (a) Massachusetts is in urgent need of a world class system of public higher education, and that (b) inadequate and unpredictable financial support has thwarted our efforts to build such a system."
- Public health spending has been cut by \$151 million since fiscal year 2001, which is a cut of 26%.
- Adjusting for inflation, funding for environmental affairs has been cut by \$64 million since FY 2001, which is a cut of 24%.
- During the 1990s Mass cut corporate taxes, capital gains taxes, taxes on dividends, taxes on income, taxes on banks and insurance companies, estate taxes, etc. As a result of these cuts, state and local taxes, as a share of income, declined from 10.78% in 1990's to 9.59% in 2002, which translates into a tax cut of about \$3 billion a year.
- The six states (incl. Mass) that cut taxes deeply in the 1990's when compared to those that did not witnessed larger job losses, slower growth in personal income and a larger increase in unemployment than the other 44 states. Source: Center on Budget and Policy Priorities (Wash DC) Jan 12, 2005
- The total tax burden on businesses is lower in Mass than in the overwhelming majority of states and Mass businesses are paying over \$2 billion less in taxes than they would be paying if the Commonwealth taxed businesses at same rate as national average.

What you can do...

- When you hear folks repeat Governor Romney's statement (made in early 2005) that "Lowering the personal income tax rate from 5.3 percent to 5.0 percent will make Massachusetts more attractive to both employers and employees," speak about the facts as presented above. See 6th bullet.
- Invite **Mass Budget and Policy Center** to speak to the groups you belong to, so that people become better informed as we prepare for the Governor's Race in 2006.

Source for content of this newsletter and a great source for additional information:

Massachusetts Budget and Policy Center, 15 Court Square, Suite 700, Boston 02108
Tel: 617.426.1228. 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 Three for 2005-2006 November 2005

Wakefield Democratic Town Committee wakefield.democrats@rcn.com