

TALKING ABOUT TAXES

GOOD AND BAD RESPONSES TO DIFFICULT QUESTIONS

When talking about the need for revenue, stay away from jargon and from talking about budget shortfalls. People assume shortfalls are caused by overspending. Focus instead of the actual cause of our funding problem, the national recession. Emphasize what is really at stake in the budget debate – our values and our quality of life. Below are “good” and “bad” responses to difficult questions likely to be raised during the debate around revenue.

QUESTION: *The reason we are in this situation is because government has been overspending and over-promising. Isn't this shortfall merely an indication that it's past time for the state to be living within its means?*

Bad answer

“Well, the state’s not overspending. Government spending is only up about x% over the last year, and over the course of the last decade it’s barely kept up with the increase in inflation. So there’s no way you can conclude the state is overspending.”

Good answer

“This is all about a *national recession* driving down state revenues by historic proportions. This is what is affecting our state budget most. And there’s a cruel irony here. Just as people’s needs are going up dramatically, the resources the state has to meet those needs are falling. And more than ever today, people need access to quality health care, good jobs, and education. So we have to fill that gap between people’s growing needs and what it takes to meet them.”

QUESTION: *Aren't tax increases risky and bad for the economy?*

Bad answer

“You know, taxes are the price we pay for a civilized society. Statistics show that in real terms, taxes haven’t gone up very much in recent years in this state, and we have a \$2 billion budget gap to fill. The only fair way to do that is to raise taxes.”

Good answer

“What is at stake today is the very foundation of our state’s prosperity. The public systems and structures that are essential to our quality of life are being seriously threatened right when we need them most. And cutting them more would hurt our economic recovery. Washington spends most of its resources on health and education – areas essential not only to day-to-day well-being of our people but also to essential for a skilled, healthy workforce and a strong economy down the road.”

QUESTION: *Shouldn't we look at making government more efficient before we raise taxes?*

Bad answer

“Well we can’t continue to cut spending. We started the last budget with cuts of \$900 million and then halfway through the year another \$350 million was cut. We have to raise taxes. That’s the only way

we're going to solve this problem. If there's one message that needs to ring out loud and clear, it's 'no more cuts.'"

Good answer

"The cuts we've already made have included a number of efficiency efforts and consolidations but they also have carved into the muscle and bone of our state. Those who argue that we should continue with a cuts-only approach ignore this reality. We are now dismantling our core public functions; we've dropped tens of thousands of people from health insurance and we've forced major reductions in nursing home care and mental health services. And, 3,000 teachers and education employees face layoffs."

QUESTION: How about government workers? Other people are seeing their wages and benefits decrease because of the economy. Shouldn't government workers share in the pain?

Bad answer

"Government workers have been taking it on the chin for years. They've seen their contracts delayed, benefits and pensions undermined and too many good people laid off. The state budget should not be balanced on the backs of its public servants. We need to raise taxes because we can't afford more public sector lay-offs."

Good answer

"It is ironic that right when the state faces more demands we are being forced to cut public workers. What private business would be laying-off staff when more people are lining up at the door for their product or service? We need to be careful about public layoffs that could undermine the very systems we most need in a downturn."

QUESTION: State spending went up significantly during the good times. So wouldn't cuts just mean going back to the same situation we were in before Gregoire and the Democrats spent beyond their means?

Bad answer

"That's not true. Since the mid-1990's government as share of our state economy has dropped dramatically."

Good answer

"Running a modern state requires that we keep pace with our growing population, increased demands and the investments needed to create a prosperous future. If we want to keep our state growing and prosperous we need to protect the public systems and structures that are the foundation of the economy."

QUESTION: Won't any tax increases, especially sales taxes or sin taxes – be regressive and hurt lower-income people?

Bad answer

“Yes, that’s a good point. But we still need a tax increase to protect government programs. We will all need to suffer a little.”

Good answer

“What would hurt lower-income people most, and all Washingtonians, would be relying on spending cuts alone. When we cut back on education we are undermining the very foundation of our economy and our future prosperity. When we cut access to health care people don’t stop being sick they will simply be forced to turn to already overwhelmed emergency rooms and clinics. If we reduce child care assistance we make it even harder for families to stay employed, further undermining our economy. There are also ways to offset the impact of some tax choices; for instance we could include a rebate for working families.

QUESTION: *Aren't tax hikes politically unfeasible in an election year anyway?*

Bad answer

“Well politicians will always be politicians but we need to give this a try anyway. It’s about time they got some spine and raised taxes, cutting programs and services is the easy part.”

Good answer

“The challenge we face today is bigger than politics. The question before our lawmakers is about preserving our quality of life now and into the future. We all want a state that is a great place to live, work and raise a family. The current budget shortfall places at risk Washington’s quality of life and economic prosperity. Protecting our core public systems and structures is essential to keeping our state moving forward. We believe our elected officials can live up to this challenge and we stand ready to help them do it.”

QUESTION: *Families all over Washington are having to cut back and live on less, shouldn't our government be doing the same?*

Bad answer

“Government isn’t like a family or business. It has to collect taxes and spend money on all the things people need and want. Think of all the families that actually rely on government: public workers get their paychecks from government and poor families get assistance. We can’t cut back on those things, we need to raise taxes.”

Good answer

“A lot of families in this state are sitting around the kitchen table discussing ways to cut back, but they also try to think of ways to find more income. And when a family is facing a tough time relatives and neighbors often pitch in. This is where our state is today. We’ve already cut \$3.6 billion out of the state budget. It’s time for all of us to pitch in and protect the public systems and structures that we have built together over many decades.”