



Why Cutting or Eliminating North Carolina's Personal and Corporate Income Taxes is Bad for Women

Governor McCrory and legislative leaders are seeking to further reduce and eliminate North Carolina's personal and corporate income taxes. Doing so would make our tax system much more regressive and would likely cause sales taxes to increase dramatically. The next few months are crucial in this debate and will have huge implications for North Carolina's women.

- 1. Personal and corporate income taxes are essential to investments such as child care, health services, and education that disproportionately benefit women.** The revenue from the personal and corporate income taxes pays for more than half (more than \$11 billion) of the state budget. The state will be hard-pressed to provide essential services that benefit women without the personal and corporate income taxes unless the sales tax other taxes are dramatically increased.
- 2. Services benefiting women have already absorbed major cuts and they can't take more.** Years of a cuts-only approach to balancing the budget have led to public sector layoffs, which hit women harder than men because women are overrepresented in these professions. Many women have also been impacted by severe Medicaid cuts and long waiting lists for early childhood programs—making it more challenging for mothers to stay attached to the labor market. Further substantial cuts to programs that benefit women and their families would jeopardize their economic security, that of their families, and North Carolina's future prosperity.
- 3. North Carolina is already failing its women.** Nearly 1 in 5 women in North Carolina live in poverty and more than 1 in 5 women aged 18 to 64 lack health insurance. And, over 40 percent of working women in the state are their family's primary bread winner. Unfortunately, women in the state still only earn 83 percent of men's earnings. Without adequate funding for services such as healthcare and quality child care, many women will continue to struggle to achieve economic security.
- 4. Many women with children would lose income tax credits and pay more in the state's sale tax.** Tax preferences that benefit many women and female-headed households—such as the state child tax credit, child care credit, and earned income tax credit—would be eliminated alongside the elimination of the state personal income tax. Low- and moderate-income families would face the largest tax increases under a reform proposal that requires an increased reliance on the sales tax.

WHAT YOU CAN DO TODAY

- 1. Get Informed.** Resources to learn more about revenue reform in North Carolina are available at www.ncbudgetandtaxcenter.org
- 2. Contact Elected Officials.** Identify your elected representatives and top officials who are making decisions on taxes and the budget, and tell them where you stand on eliminating the personal and corporate income taxes. Your voice can make a difference.

Follow us on Twitter
[@ncbudgetandtax](https://twitter.com/ncbudgetandtax)