

Support Public Education, Transportation, and Other Vital Services! *Pass “An Act to Invest in Our Communities”*

We need to invest in our communities and keep middle-class families working and earning! “An Act to Invest in Our Communities” (HD 1359, Rep. Jim

O’Day/SD 555, Sen. Sonia Chang-Diaz) does just that. By allowing us to invest in education, innovation and infrastructure, this proposal builds on our state's strengths, making life better for our families today and into the future. By asking more from high income households and investors who received large windfalls from the Bush tax cuts, while raising the personal exemption as a way to hold down the tax increase for middle-class families, the bill raises needed revenue primarily from those who can best afford to pay. With that revenue, we can keep the quality schools and services that make our state a good place to live and do business.



WHAT THE BILL DOES:

1. Restores the income tax rate from 5.25% to 5.95%, but raises the personal exemption enough to hold down increases for middle-class families.
2. Raises the tax rate on investors, but provides a targeted exemption for the middle-class and seniors.
3. **Raises \$2 Billion in net additional revenue to maintain funding for our communities, schools, and health care.**

Total state and local taxes as share of income, before and after changes:

Figure 1: The Effect of Proposed Changes on Different Income Groups

