

SUPPORT PUBLIC EDUCATION AND OTHER VITAL SERVICES!

PASS AN ACT TO INVEST IN OUR COMMUNITIES

Massachusetts House Bill 2553 | Massachusetts Senate Bill 1416

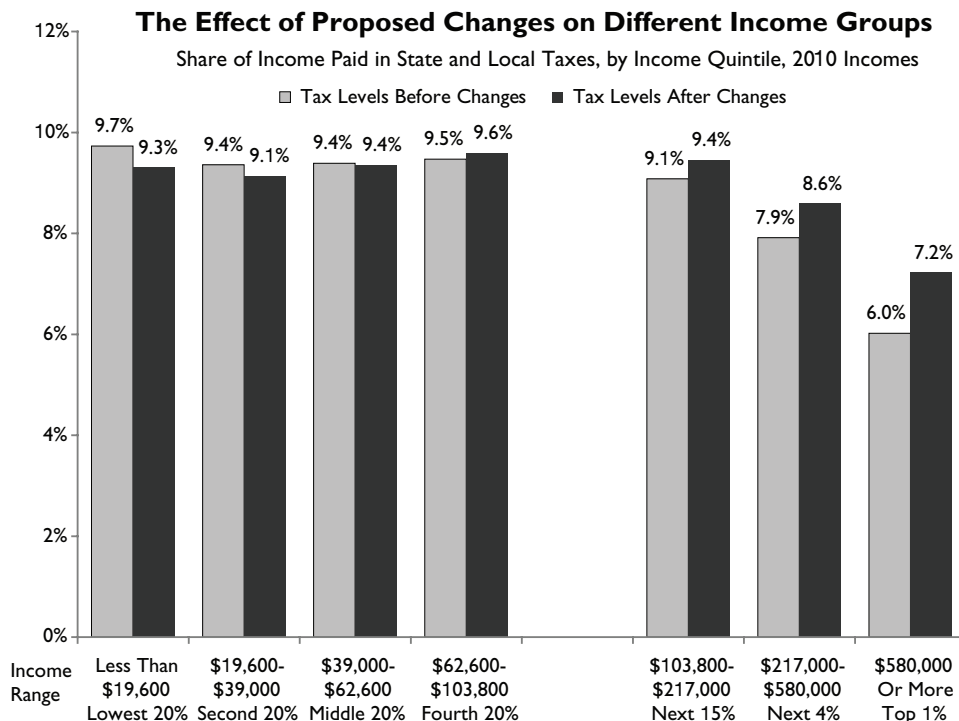
House Lead: Representative Jim O'Day ♦ Senate Lead: Senator Sonia Chang-Diaz

THE PROBLEM: We are just emerging from a recession of historic proportions. With the end of federal stimulus funding, we have a nearly \$2 billion state budget deficit. That means our schools, colleges, local aid and emergency and health care services are facing deep cuts. Meanwhile, wealthy investors and high-income households have had their Bush-era tax cuts extended, worsening deficits and economic inequality.

THE SOLUTION: We need to invest in our communities and keep middle-class families working and earning! *An Act to Invest in Our Communities* – HB 2553 / SB 1416 – does just that. This bill takes a balanced approach to the fiscal crisis by raising revenue to maintain the services we need and value. By asking more from high-income households and investors who received large windfalls from the federal tax cuts while raising the personal exemption as a way to hold down the increase for middle-class families, the legislation raises needed revenue primarily from those who can best afford to pay. With that revenue, we can keep the high-quality schools and services that make our state a good place to live, raise a family and do business.

WHAT THE BILL DOES:

- 1) Restores the income tax rate from 5.3 percent to 5.95 percent while raising the personal exemption enough to hold down increases for middle-class families.
- 2) Raises the tax rate on wealthy investors, but provides a targeted exemption for middle-class seniors.
- 3) **Raises \$1.37 billion in net additional revenue to maintain funding for our communities, schools, health care needs and public safety services.**



SOURCE: Institute on Taxation and Economic Policy, February 2011

For more information: www.OurCommunities.org

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