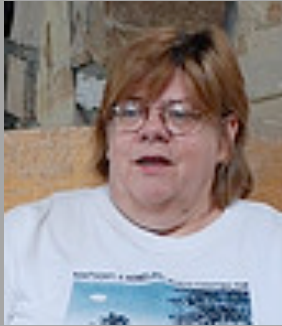


# Move Kentucky Forward


HB13 is a balanced approach to raising state revenue.



**“WHETHER YOU MAKE \$250,000 OR \$20,000, THIS IS A TAX SYSTEM THAT IS FAIR. AND IT LETS US ALL WORK TOGETHER FOR KENTUCKY’S FUTURE.”**

*-Toby Wilcher  
Madison County*

## How should Kentucky address a \$1.5 billion budget deficit?

 We can continue cutting services we all depend on...

- Families’ needs are rising, while the resources Kentucky has to meet those needs are falling. More than ever, people need access to health services, good jobs, and education.
- Kentucky has endured six rounds of budget cuts--\$800 million worth--since 2008, and these are on top of a chronic lack of funding. We can’t afford more cuts.

Or... **...we can pass solutions that help move Kentucky forward!**

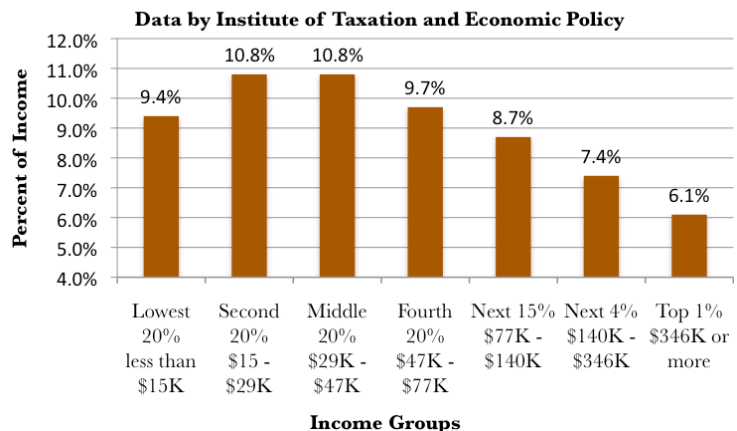
- Fair and balanced tax reforms can help balance our tax structure, bring it up to date, and help move Kentucky forward through this economic crisis.
- The Kentucky Forward solutions will generate around \$350 million a year, and includes a tax credit to families in Kentucky’s working and middle class.

**What does this graph tell us?**

**Kentucky’s working and middle classes are paying more of their income than the state’s richest.**

**We need solutions that will balance out our tax structure, generate revenue, and lower taxes for Kentucky’s working class. The Kentucky Forward plan offers these solutions.**

### Who Pays Kentucky's State and Local Taxes?



To learn more about how Kentucky can raise around \$350 million more in revenue each year visit [www.kftc.org/economicjustice](http://www.kftc.org/economicjustice).

# The Kentucky Forward plan offers common sense solutions

Kentuckians believe in strong communities and taking care of our homeplace. But our state has a tax system that doesn't live up to these values. It disproportionately impacts working and middle class families. The tax breaks to the state's wealthiest are not only unfair and unnecessary, but also damage the state's ability to raise the public dollars we need for important public programs and services. We've had five rounds of budget cuts since the beginning of 2008, forcing \$800 million in cuts to programs like Meals On Wheels and after-school programs. As services and programs become increasingly weakened, Kentuckians are losing faith in our government. We need to turn this around.

We need a forward-looking tax system that lives up to our values by being balanced and stable, and by not overtaxing middle and working class families. Rep. Wayne's Kentucky Forward plan (HB 13) offers such a system.

## RESTORE OUR ESTATE TAX

We want to stop giving tax breaks to those who don't need it by reinstating the state estate tax. This tax excludes farms, and would only apply to those who have more than \$1 million in assets, like trust funds and other inheritances. It's not fair to give the wealthy yet another tax cut and leave everyone else behind.

~ \$22 million a year

## BALANCE OUR INCOME TAX

Modestly raise the income taxes of the state's highest income earners by raising the income tax on income above \$90,000 by 2%, and the income between \$75,000 and \$90,000 by 1%. Most Kentuckians won't notice a difference. For people who earn \$80,000, for example, the difference is only \$50 a year—less than a pair of tennis shoes.

~ \$234 million a year

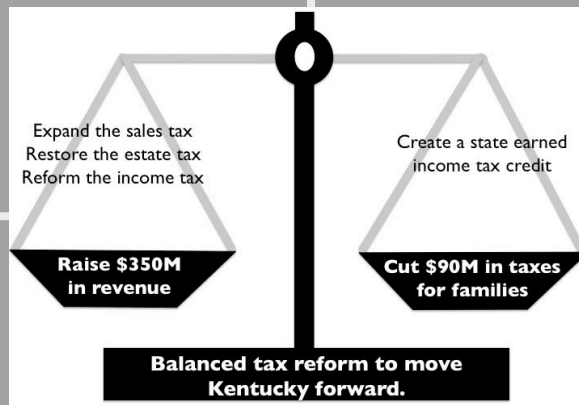
## REFORM OUR SALES TAX

Our sales tax has holes. Currently, luxury services aren't taxed, and we have exemptions for manufacturers that no longer make sense because they are incentives for what is now federal law. We can reform our sales tax. We can close the loopholes that don't make sense, and expand it to luxury services like limo rides, chartered airplane flights, and landscaping.

~ \$122 million a year

## LOWER TAXES FOR WORKING CLASS FAMILIES WITH A STATE EITC.

Establish a state Earned Income Tax Credit for working parents of families earning up to about \$40,000. This would put **more than \$90 million annually back into the pockets of families** who are struggling to make it through these hard times.



To learn more about how Kentucky can raise around \$350 million more in revenue each year visit [www.kftc.org/economicjustice](http://www.kftc.org/economicjustice).