

RESOLUTION 18

TAX AND BUDGET POLICIES SHOULD PUT WORKING PEOPLE FIRST

We stand for budget and tax policies that serve the needs of working people and against proposals to make working people pay the price for tax giveaways to big corporations and the wealthy.

To meet the needs of a growing population and pave the way for long-term economic growth and shared prosperity, the reality is that we need more tax revenues, not less. Tax reform needs to raise enough additional revenue, both now and in the future, to create good jobs and make the public investment we need in education, infrastructure and meeting the needs of children, families, seniors and communities. Under no circumstances should tax reform lose money, nor should we disguise the true long-term cost of tax cuts with budget gimmicks.

Our rigged and broken tax system lets big corporations and the wealthy avoid paying their fair share of taxes, sticking the rest of us with the tab. We are not a high-tax country. Tax revenues in the United States are lower than 30 of 35 other developed countries (as a share of the economy).

Our society is more unequal than ever, yet the wealthy are not paying their fair share of taxes. Corporate profits are the highest they have been since the 1950s, yet corporate tax revenues are at record low levels. Tax loopholes allow global corporations to avoid paying U.S. taxes if they park their profits offshore or move jobs overseas.

Too many politicians and pundits want us to believe our country is broken and we have no choice but to demand sacrifices from working people, yet they have no trouble finding trillions of dollars to waste on tax giveaways for the wealthy and big corporations.

We cannot afford to give huge tax breaks to millionaires and corporations or tax incentives for corporations to send jobs overseas. Nor should we pay for these tax giveaways with cuts to Medicaid, Medicare, education, unemployment insurance, pay and benefits for federal employees, job training, infrastructure, food stamps and other programs that help working people get by and get ahead. This is a bad deal for working people.

We know from experience that trillions of dollars of tax breaks for the wealthy and big corporations do not “trickle down” to the rest of us. We also know that tax incentives for corporations to send jobs overseas do not benefit working people. “Trickle down” has been tried already and it has failed. We need a different approach that puts working people first.

Working people and our unions will mobilize to advance a comprehensive public campaign on the ground, online and over the air to put working people first in the debate over taxes and the budget. This campaign will include the following action points:

- We will advocate for a better approach to budget and taxes that focuses on the needs of working families—by raising significantly more revenues over the long term from big corporations and the wealthy so we can make the investments we need in infrastructure, education and good-paying jobs for working people.
- We will oppose budget deals that cut Medicaid, Medicare, Social Security, education, federal employee benefits, federal programs that enhance public safety or other programs that help working people to pay for tax giveaways for the wealthy and big corporations.
- We will support eliminating all tax incentives for corporations to send jobs overseas and stash profits offshore.

- We will oppose proposals for a “territorial tax system” that eliminates or reduces U.S. taxes on future offshore profits, which would increase the incentive for corporations to shift jobs and profits offshore and put small businesses at a competitive disadvantage.
- We will support parity for increases in nondefense and defense spending.
- We will support proposals that encourage investment in domestic manufacturing, production and employment to ensure a robust manufacturing sector.
- We will support a Wall Street speculation tax to discourage harmful speculation that shortchanges investment in the real economy.
- We will support restoring an effective corporate alternative minimum tax to keep corporations from exploiting loopholes to avoid paying taxes.
- We will support taxing the income of investors as much as the income of working people.
- We will support ending the CEO bonus loophole that encourages short-termism in corporate management that leads to downsizing, outsourcing, offshoring and insecure work.
- We will support legislation to restore taxes on the wealthiest estates.
- We will support dedicating revenue from a one-time-only “transition tax” on the \$2.6 trillion in past profits corporations are holding offshore primarily for smart public investment in infrastructure with labor protections. The higher the tax rate on these earnings, the more funding will be available for public investment in infrastructure.
- We will oppose taxation of health benefits through limiting the tax exclusion for workplace health benefits.
- We will oppose legislation to reduce or eliminate the tax deduction for state and local taxes, which would punish states that make the kind of investments that boost economic growth for the whole country.
- We will oppose proposals to slash tax rates for pass-through businesses, which would primarily benefit the top 1% of taxpayers, such as Wall Street hedge fund managers, corporate lawyers, corporate consultants and Trump businesses.
- We will oppose proposals to eliminate the alternative minimum tax, which helps keep the wealthy from exploiting loopholes to avoid paying taxes.
- We will oppose proposals to eliminate the estate tax, which only applies to the wealthiest 0.2% of estates worth more than \$5.5 million.
- We will oppose legislation that promotes the privatization of K–12 schools, such as incentives to create tax shelters for K–12 private school vouchers.
- We will mobilize our members, community allies and all working people to demand better budget priorities focusing on the needs of working people.
- We will develop and execute joint strategies with allies to focus on the interests of working people in the debate over tax and budget priorities.
- We will utilize all available strategies, including public and social media, to advance our vision of a budget that works for working people.