



What's With the South Carolina Budget?

FY07-08 General Fund Appropriation - \$6,723,274,385

FY09-10 General Fund Appropriation after cuts - \$ 5,075,930,269

THAT'S \$1.6 BILLION IN BUDGET CUTS

SO WHAT DOES THE GENERAL ASSEMBLY DO?

CUT • CUT • CUT

**Education • Public Safety • Health Care • Environment
• Local Government Services**

WHAT COULD THE GENERAL ASSEMBLY DO?

- **Take a balanced approach that combines cuts with fair increases in revenues**
 - Raise Cigarette Tax to the National Average to fund Medicaid
 - Impose a higher tax rate on the 5,000 South Carolina taxpayers with more than half-million dollars in taxable income
 - Repeal exclusion of 44 % of capital gains income from taxation
 - Repeal \$300 cap on sales taxes on cars, planes and boats
 - Expand sales taxes to more services
 - Raise gasoline taxes to fund road and bridge construction
- **Stop the Stupid**
 - Don't cut taxes every time the State has a spare nickel
 - Limit corporate economic development tax breaks by requiring demonstrated creation of *new*, good-paying jobs
 - Stop locking up so many nonviolent offenders
- **Repeal Act 388**
 - The 2006 property tax swap transferred tax burden from well-off South Carolinians to low and middle income citizens while carving a \$100 million hole in the General Fund to make up for sales tax shortfalls. Millage and reassessment caps make funding schools and local government increasingly difficult.
- **Create a real Rainy Day Fund**

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What steps should I take?

1. Find out who your Representative and Senator are –

If you know your ZIP+4 9 digit ZIP code, go to <http://www.scstatehouse.gov/cgi-bin/zipcodesearch.exe>

or

Look on your Voter Registration card to find your House and Senate District numbers.

Then, for the Senate, go to: <http://www.scstatehouse.gov/html-pages/senatemembersd.html>

For the House, go to: <http://www.scstatehouse.gov/html-pages/housemembersd.html>.

2. Call or visit your Representative and Senator and tell him or her:

“This economy has been very hard on South Carolina families. Cutting the budget means cutting critical supports for our children and families at a time when they are needed more – not less.

It is important that we take a balanced approach to budget shortfalls. We have to cut, but we also have to increase income. Increasing the income tax rate for those with taxable income in excess of half a million dollars is a fair way to do that. Those taxpayers already pay a smaller share of their income in state and local taxes. And the supports we can buy with those added taxes contribute more to sustaining the economy than raising taxes on that group hurts the economy.¹

Please introduce and support an increase in the tax rate for those who are doing best in these hard times – a half-millionaire’s tax rate.”

Let South Carolina Fair Share know how your conversation went by calling us at 803-252-9813 or email at Info@SCFairShare.org.

For more information on tax policy during a recession, see: Nicholas Johnson, Andrew Nicholas and Steven Pennington, “Tax Measures Help Balance State Budgets A Common and Reasonable Response to Shortfalls,” Center on Budget & Policy Priorities (updated July 9, 2009) at http://www.cbpp.org/cms/index.cfm?fa=view&id=2815#_ftn6.

¹ For support on that proposition see Peter Orszag and Joseph Stiglitz, “Budget Cuts vs. Tax Increases at the State Level: Is One More Counter-Productive than the Other during a Recession?” Center on Budget and Policy Priorities, revised November 6, 2008, <http://www.cbpp.org/archiveSite/10-30-01sfp.pdf>.