



The Washington State Catholic Conference (WSCC) represents the Catholic Bishops of Washington State: Archbishop J. Peter Sartain of the Archdiocese of Seattle; Bishop Thomas A. Daly of the Diocese of Spokane; Bishop Joseph J. Tyson of the Diocese of Yakima and Bishop Eusebio Elizondo, Auxiliary Bishop of the Archdiocese of Seattle.

Seeking the Common Good

The Challenge

These reflections are offered to help frame discussions on how to meet the needs of our state's most vulnerable citizens. As pastors, we offer our partnership and the resources of our faith community to address these needs. We also encourage citizens and policymakers to work to reform Washington's tax system to better serve the common good. We submit that creating state budgets and establishing an equitable tax structure are not merely matters of economics, but have an important moral component. Our aim is to bring the light of Catholic Social Teaching and our tradition to these discussions. As pastors, we want Washington State residents and public officials to inform their consciences so that they may establish public policies that work for the good of all, especially the most vulnerable people.

A Pastoral Response

Catholic Social Teaching holds that paying taxes is one way that citizens meet their responsibility to promote the common good, especially when their taxes help address the essential needs of people living in poverty. However, not all taxes or tax systems are fair and just.

Taxes and budget matters must be approached with clarity of thought, balanced inquiry and attention to key moral principles. Only in this way can we ask and answer essential questions: *Who is responsible for the care of the most vulnerable members of society? What are the roles of individuals, churches and charitable organizations? What is the role of government in ensuring the common good?* By addressing these questions we can begin to answer the question of what constitutes a fair and equitable way to share these responsibilities through a just distribution of income and wealth.

There are no easy answers to these questions, but our response to them will determine the character of our society and the kind of state we will be. We owe it to ourselves and to future generations to use sound moral principles as the foundation for responsibly promoting the common good.

The Common Good

Human justice can be realized and protected only in community. Indeed, we are our brothers' and sisters' keepers — a truth that reminds us that the good of one is connected to the good of all. Because our lives are lived with others, we all must work together for the sake of the common good, which is the sum total of social conditions that allow people to fulfill their potential as members of a community. Key principles of Catholic Social Teaching offer valuable insight to inform our discussion and to guide decision making for the common good of society:



- **Distributive Justice:** Some residents lack the basic necessities of life — a condition of inequality which harms the common good and cannot be morally justified (*Tax Reform and the Poor*; Pastoral Letter of the U.S. Catholic Bishops, 1989). Distributive justice is not about arbitrarily “spreading the wealth.” Rather, it focuses on instances of extreme inequities in income and wealth and seeks to ensure that both resources and responsibilities are distributed justly to bring balance and fairness to civil society.

- **Progressivity:** The principle of progressivity holds that tax assessments should consider the income level of individuals and families so that individuals' tax burdens are proportionate to their resources.

- **Subsidiarity:** Some social problems can and should be addressed at the individual or community level, while other issues can be addressed only at a higher level, such as the government acting on behalf of all. Individuals, churches and charitable organizations make essential contributions to the common good, but government should undertake those initiatives which exceed the capacity of individuals or private groups.

Some Observations and Reflections

These basic principles provide a framework for considering tax and spending issues in light of moral dimensions. We offer the following observations to prompt further discussion on state economic issues and to encourage reform of Washington's tax system.





- In evaluating our current response to poor and vulnerable people in our midst, careful attention should be given to the appropriate roles of individuals, churches, charitable organizations and government. Charities and volunteer groups have a responsibility to meet basic human needs in society, but we believe government also shares in this role as many needs cannot be met by individuals and groups.

- The starting point in establishing truly moral fiscal policies is the promotion of the common good. Therefore, we must identify the basic needs of people, particularly vulnerable people, in order to determine if the state, in cooperation with churches and charitable organizations, is adequately providing for essential human services. Only after the essential needs of our brothers and sisters have been determined can the state and its citizens conduct a fruitful discussion on just and equitable revenue reform to meet these and other basic needs.



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- The foundation of our state's tax structure is built primarily on three revenue sources: sales tax, property tax and business and occupation tax:

- ✦ **The sales and use tax** currently accounts for 50 percent of the revenues paid into the state's general fund. Sales taxes are regressive in nature. Moderate- and low-income individuals and families pay a higher proportion of their income than higher-income individuals and families.

- ✦ **Property taxes**, assessed on both real and some personal property, currently account for about 12 percent of state taxes in the general fund. Property taxes impact poor and middle-class families more heavily than wealthier households. Poor and middle-income renters also pay proportionately more in property taxes through rent payments than higher-income renters.

- ✦ **The Business & Occupation (B&O) tax** accounts for more than 20 percent of state general-fund. The B&O is a gross receipts tax, so there are no deductions for labor, materials, taxes, and other business costs. Because the B&O tax is based on gross receipts it has an especially negative impact on small and start-up businesses that provide employment for many entry-level and lower-wage workers.

- In order to truly serve the common good, Washington State revenue policies must consider the impact of the current tax

structure on individuals, families, small businesses and corporations in order to create an economic environment that promotes and supports the creation of jobs, living wages and state revenues sufficient to support essential services for poor and vulnerable people. Any reform of the tax system should apply the principle of progressivity, and redress disproportionate tax burdens placed on lower- and middle-income individuals, families and small businesses. In addition, the tax burden for both individuals and businesses within the state must be equitably distributed. Therefore, all available revenue options must receive careful consideration.

The Task Ahead

In the past decade we have experienced many different economic challenges. High unemployment has given way to relative prosperity and the creation of more jobs. We note, however, that in economic downturns, the unemployed- and working-poor people in our state have disproportionately borne the economic burden through job losses and the reduction of safety net services. We are especially aware of this reality because of our work to assist those who have fallen through the safety net of human services.



As pastors, we have special concern for poor and marginalized people. Our faith community is committed to helping meet their essential needs. However, the needs are great. We seek, therefore, to engage the state's citizens and public officials in a fruitful dialogue on how we may best provide adequate housing, mental health services, drug and alcohol counseling, care for children and seniors in need and the many other unmet needs in our communities. We further commit ourselves to work in cooperation with individuals, other churches, charitable organizations and the officials of state government to answer the complex questions that will determine what kind of a state and community we will be. Furthermore, we believe that addressing the needs of our poorest brothers and sisters will require a reform of the state's tax system to support services that can only be delivered by government.

Although the task is great, we place our faith and hope in God, who created all things for the common good; and we pledge ourselves to pray and work with all people of good will to assure that everyone shares in the bounty we have received from God's goodness.

