



The Washington State Catholic Conference (WSCC) represents the Catholic Bishops of Washington State: Archbishop Alex J. Brunett, Apostolic Administrator of the Archdiocese of Seattle; Bishop Blase J. Cupich of the Diocese of Spokane; Bishop Carlos A. Sevilla, S.J., of the Diocese of Yakima; Bishops Eusebio Elizondo and Joseph J. Tyson, Auxiliary Bishops of the Archdiocese of Seattle.

These reflections are offered to help frame the debate we hope will take place throughout our state as voters consider a number of ballot issues this Fall. We do not endorse any specific initiative nor indicate how people should vote. Our aim is simply to bring the light of Catholic social teaching and our tradition to this debate, so that the laws enacted will respond equitably to the needs of the people of Washington. We only desire to help society work for the good of all.

Seeking the Common Good Election 2010

Three of the initiatives that are to be voted on in November could change or restructure Washington State's present system of taxation:

I-1053: Restates existing law that legislative actions raising taxes or fees must be approved by two-thirds legislative majorities or receive voter approval.

I-1098: Taxes "adjusted gross income" above \$200,000 (individuals) and \$400,000 (joint-filers), reduces state property tax levies, reduces certain business and occupation taxes, and directs any increased revenues to education and health.

I-1107: Ends sales tax on candy; ends temporary sales tax on some bottled water; ends temporary excise taxes on carbonated beverages; and reduces tax rates for certain food processors.



Two of the other initiatives on the November ballot would privatize a state business, which is a source of revenue for Washington State:

I-1100: Closes state liquor stores; authorizes sale, distribution, and importation of spirits by private parties; and repeals certain requirements that govern the business operations of beer and wine distributors and producers.

I-1105: Closes all state liquor stores and licenses private parties to sell or distribute spirits, and revises laws concerning regulation, taxation and government revenues from distribution and sale of spirits.

The Challenge We and Our Leaders Face

For some time we have been in the midst of a difficult economic situation. Over the last two budget years, Washington State has been forced to cut more than \$3 billion - an 11 percent reduction - with the result that many services have been reduced or eliminated.

Unemployment remains high and caseloads for government programs and health care costs have significantly increased. With a projected deficit of \$4 billion for the state's 2011-2013 budget, our leaders are once again faced with the complicated task of determining the appropriate level of government services.

More Than an Issue of Economics

The situation is serious and the factors which have given rise to the proposed modifications and reforms of the current tax structure cannot be ignored. Yet, the challenges before us are about more than economics. There is also an important moral component to them, which now more than ever cannot be overlooked. As changes to the state's system of taxation are being considered, we need to approach our decision-making with clarity of thought, balance and an eye to key moral principles

which raise significant questions: *Who is responsible for the most vulnerable members of society? What is the role of government in ensuring the common good? What is the role of individuals and charitable organizations? What is 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 to carefully apply a moral compass in charting the direction we take.

The Light of Catholic Social teaching

Key principles of Catholic social teaching offer valuable insight to inform our discussion and decisions on these initiatives and their effect on the common good of society.

The Common Good: In their 1986 Pastoral Letter *Economic Justice for All*, the Bishops of the United States wrote that “human justice can be realized and protected only in community.” Human beings need the bonds of community to truly flourish. Indeed, we are “our brother’s keeper” - a truth that reminds us that the good of one is connected to the good of all.

Subsidiarity: Social problems can be addressed at the individual or community level, while some issues can be addressed only at a higher level such as the government acting on behalf of all. Charitable and volunteer groups make important contributions to the common good, but some challenges need government resources.

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 around”. Rather, it focuses on instances of extreme inequities in the availability of income and wealth and seeks to ensure that both resources and tax responsibilities are distributed justly and fairly to bring balance to the system.



Progressivity: The principle of progressivity holds that tax assessments should consider the level of pay earned by individuals and families, so that a disproportionate amount of their income does not go to meeting tax obligations.

Some Observations and Reflections

Using these principles as our framework, the WSCC proposes the following points for your consideration:

- The starting point in making decisions in this critical moment is the promotion of the common good. The first step is to identify the basic needs of people, particularly the most vulnerable, and determine if the state’s current budgeting process is adequately providing essential social services to address them. Only then can the discussion turn to the issue of how

to justly and equitably raise the revenues necessary to fund these basic needs and services.

- In evaluating the situation, careful attention should be given to what charities and volunteer groups can and cannot do to meet basic human needs in society. There are some services that these organizations cannot address and which will require the resources of the government.
- 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, as moderate and low-income working individuals and families pay a higher proportion of their income than higher-income individuals and families. Any change in the tax system should keep in mind the principle of progressivity and redress any unfair tax burden placed on lower-income individuals and families, especially the poorest among us.
- Likewise, the tax burden for individuals and businesses within the state must be equitably distributed. All taxing options available to the state should be considered in determining the fairness of the state’s sales and property tax as well as the taxes borne by corporations and small businesses operating in the state.



A Pastoral Response

Catholic social teaching holds that paying taxes is one way that citizens meet their responsibility to promote the common good, especially addressing the basic needs of the poor. However, not all taxes, or tax systems are fair and just. In fact, many people feel overburdened by the myriad of state and local taxes they pay. We urge our Catholic community and all citizens to become involved in the process of developing a fair and equitable system of taxation. The initiatives on the November ballot deserve everyone’s attention. They highlight the widely-shared belief that the existing tax system in Washington State needs reform.

The lives of all individuals and families in our state will be affected positively or negatively by the decisions voters make. We encourage you to consider the ballot measures, form your conscience in light of our Catholic teachings, and vote, so that every person may flourish as God intended.