

## Shaping an Equitable Economy through Taxes

Our unjust tax code directly relates to economic insecurity and inequality experienced by individuals and families, and the continuation of the racial wealth gap. In addition to shaping individual households' and communities' economic circumstances, our tax system affects the wellbeing of our country overall. Without reasonable federal revenues, we cannot afford to pay for the investments in people and communities that are needed for our country to grow and thrive. If we want good schools, healthy communities with affordable housing, clean water and fresh air, safe and efficient transportation infrastructure, we must have the federal funding to pay for them.

After decades of tax cuts for the wealthiest people and corporations, our federal revenues are insufficient for meeting the challenges we face today. Moreover, our tax code continues contributing to economic inequality and the racial wealth gap — some of the most pressing problems in the United States — instead of reducing them. Most recently, the 2017 Republican Tax Law substantially lowered effective corporate tax rates, generating a flood of stock buybacks and dividends for corporate shareholders. A 2019 [Congressional Research Service report](#) calculated that the law reduced federal revenue by about \$170 billion in Fiscal Year 2018, with corporations benefiting most from the tax cuts.

Building a new tax system isn't about punishing wealthy people and corporations. It's about having them pay a fair share so we can invest in the future of our country, break down racial disparities in generational wealth, and help all people and families get ahead. It hurts everyone in our country when we do not have enough federal assistance for families experiencing homelessness, hunger, or other issues. We are one national community and our wellbeing is tied together.

### Building an Economy that Creates Collective Prosperity

Tax justice is a critical piece of an equitable economy, building public power, and funding vital resources to the communities that need it most. Our current tax code fails to address growing concentrations of wealth and racial inequalities while undermining our democracy. We must reimagine our current system and build one that benefits everyone. When everyone — especially people of color, women, immigrants, and other historically marginalized groups — can fully participate in our economy, it will be stronger and more stable and the whole country will be more prosperous.

The way the current tax code is written, administered, and enforced is racialized. Many provisions in the tax code disadvantage women and people of color while enabling predominantly white and male capital holders to increase their wealth. Raising taxes on the wealthy and corporations, with strong enforcement mechanisms, is a sure way to fight inequality. It is one critical step to correct for decades of tax policy that favored the rich and corporations, shifting the costs of our public services and investments to workers, families, and communities while profits were funneled to the top. Progressive taxes are imperative to addressing and reducing inequalities and building a more equitable economy.

President Trump's Tax Cuts and Jobs Act (TCJA) is a recent example of why we need tax justice. This law cut the corporate tax rate under the false pretense that these investments would trickle down to workers and families. Instead, the TCJA prioritized tax cuts to those at the top and widened the

structural inequality that has been building for decades. Trump's tax plan failed to deliver meaningful benefits and investments to people of color, immigrants, and low-income people that need it the most. Every dollar in tax giveaways for the rich undermines our revenue, and drives harmful and unnecessary cuts to our children's education, our loved ones' health care, and our families' financial security.

When everyone can fully participate in the economy, it creates collective prosperity. A just federal tax code would collect the revenue we need to reinvest in our communities, lessen the wealth gap, and build freedom, prosperity, and power for everyone. Tax justice is imperative to addressing inequalities and building a more equitable economy!

*Written by Thomas Cox. Thomas is the Program Manager at Groundwork Collaborative in Washington, D.C, which is dedicated to developing and advancing a progressive economic worldview to build a thriving economy.*

## We Pray

Dear Lord,

We thank you for this day and the opportunity to open our eyes in the morning and the countless blessings that you continue to provide for us. We come to you Lord asking for your help on behalf of your people, in your word a core commandment challenges us to treat our neighbor as ourselves.

That commandment has been lost in this neoliberal world where the richer get richer and the poor get poorer. We have let our tax code become a monument to wealth and power, and need to envision a system that builds more justice for all of your people.

During this time, Lord, as we build broad coalitions to imagine a new tax structure that invests in your people, we seek your support and guidance. We need a worldview that declares shared economic prosperity, security, inclusivity, and abundance can be for all. Through you, we know that all things are possible.

Amen

*Written by Thomas Cox, Program Manager at Groundwork Collaborative in Washington, D.C.*

## Take Action

Take action to raise revenue for needed investments in our future. Several bills to raise federal revenue and make the tax code more just have been introduced in Congress recently. NETWORK supports the following legislation in Congress right now. It's important to show our support for:

- The Wealth Tax Bill (H.R.1459)
- The No Tax Breaks for Outsourcing Act (H.R.1785)
- The IRS Enhancement and Tax Gap Reduction Act (H.R.1116)

Help us begin to build a new tax system by calling your Representative in support of these bills. Call your Representative and ask them to support a just tax code!

When you call, here's what you might say:

"Hi, my name is [NAME] and I am a constituent from [TOWN]. I am calling to encourage the Representative to support H.R.1459 (the Wealth Tax Bill), H.R.1785 (No Tax Breaks for Outsourcing Act), and H.R.1116 (the IRS Enhancement and Tax Gap Reduction Act) in order to make our tax code more just and equitable. Will you please ask the Representative to support these bills? Thank you."

### Reflect

- During the pandemic many individuals, especially people of color, have suffered financially, struggling to pay bills and feed their families. However, the wealth of millionaires and billionaires grew exponentially. How would a new, just tax system change this reality?
- What types of programs would benefit from a redistribution of wealth and resources? Think public education, for example.