

Our Values: Tax Justice

Catholic teaching promotes the dignity of work and the rights of all workers, whether Black, Brown, or white. Together, we will create an inclusive economy that places people over profit and ensures that we all have what we need to thrive.

Ensure the wealthy pay their fair share to promote the common good

Current Reality

- The Trump administration used the tax system to grow the pockets of the wealthy and corporate executives, at the expense of the rest of us, with a 2017 bill that:
 - Gave handouts to big business by slashing corporate tax rates from 35% to 21%.
 - Adjusted tax rates to reward the richest taxpayers, so that individuals with incomes over \$4 million per year get an annual tax cut of \$175,000—more than 2.5 times the average family's annual income!
 - Further reduced the capital gains tax rate, so that wealthy investors pay a much lower rate than ordinary workers whose income comes from hard-earned wages.
 - Increased the federal deficit by \$2.7 trillion.
- The wealthy pay far less on their unearned income than the average worker pays for their earned wages. Salaries for big corporate CEOs have skyrocketed to over 300 times the average worker's salary.

Wins

- After the 2017 Trump tax cuts, designed to benefit the rich, the Biden administration's Inflation Reduction Act (IRA) made some progress in holding the wealthy and corporations accountable with:
 - Establishment of a 15% minimum corporate tax.
 - Curbs on the carried interest loophole, to fairly tax private equity and hedge fund profits as income.
 - A 1% excise tax on stock buybacks.
- The Inflation Reduction Act also included long-overdue funding increases to the IRS to:
 - Step up enforcement on wealthy tax evaders.
 - Improve services for ordinary taxpayers.

Vision

spread these words!

- **Together, we will ensure that our country's resources serve the common good**—our health care, education, food, housing, and more—with a wealth tax on the inherited and accumulated assets of the super-rich.
- We will ensure our elected officials hold the line against leaders in Congress who seek to defund the IRS to protect wealthy tax evaders and to repeal the free-file tax filing system.
- We will elect representatives who will pass provisions called for by the Biden administration, such as:
 - A minimum 25% tax rate on the richest individuals whose wealth exceeds \$100 billion, so that their tax rates look more like those of middle-class working families.
 - Eliminating loopholes that allow the very rich to avoid paying what they owe in inheritance taxes.
 - Raising the corporate tax rate and eliminating loopholes, to ensure corporations pay their fair share.
 - Discouraging lavish pay packages for big corporate executives by ending deductions for annual compensation over \$1 million.

Expand tax credits for working individuals and families

Current Reality

- The U.S. may be the richest nation in the world, but the dismal truth is that our nation's wealth is concentrated among a small, wealthy few. This is largely thanks to unjust tax policies that let a tiny group of ultra-wealthy people hoard our country's resources.
- U.S. income inequality is the highest of all G7 countries, with the top 10% of households holding nearly 70% of total household wealth and the bottom 50% holding just 2.5%.
- The wealthiest 1% alone owns one-third of our nation's wealth!

Wins

- With the Biden administration-led American Rescue Plan Act, Congress passed a one-year, fully refundable Child Tax Credit (CTC) that temporarily cut child poverty in half, to the lowest rate in our nation's history.
- The Biden administration launched a free-file tax return filing system to streamline tax filing for nearly all taxpayers and help low-income individuals access the tax credits and other benefits they deserve.
- Tax reforms since 2020 ensure that no one with an income less than \$400,000/year will pay new taxes.

Vision

spread these words!

- **Together, we will support families in accessing food, housing, education, and more by:**
 - Passing a permanent, universal, fully refundable Child Tax Credit (CTC) to end child poverty.
 - Permanently expanding the Earned Income Tax Credit (EITC) to ensure its availability to all low-wage workers, including young adults, workers over age 65, and workers without children.
- Together, we will make sure our elected officials ensure that no changes to the tax code raise taxes for low- and middle-income individuals and families, so that we can all have the resources we need to not just get by, but to flourish.