



**California Federation of Teachers
American Federation of Teachers, AFL-CIO**

FOR IMMEDIATE RELEASE: Monday, April 18, 2011

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In case you missed it...

San Francisco Chronicle

Raise taxes on the rich to help us all

Joshua Pechthalt

Friday, April 15, 2011

Most of us will pay our fair share of taxes on April 18 - perhaps even more than our fair share. But not everyone is ponying up. General Electric, for instance, paid no federal income tax last year on billions of dollars of profits; worse, its army of tax attorneys convinced the IRS to pay the corporation a refund.

Closer to home, the top 1 percent of California's income earners has doubled its share of all income earned by individuals in the state, but pays a lower tax rate than before.

Yet, when Congress extended Bush's tax cuts for the rich in December, it handed California's wealthiest 1 percent a \$9 billion tax windfall - equal to half this year's state budget deficit.

It's time to rethink taxes. The law that governs how we set taxes in California is not only broken, it's breaking the state.

A couple of weeks ago, Gov. [Jerry Brown](#) announced that his budget negotiations with Republican legislators had failed. Apparently their "no new taxes" pledge has morphed into "no old taxes, either."

It might come as a shock to these legislators to learn that a new public opinion poll shows that their own rank-and-file party members disagree with their rigid stance.

According to a statewide survey last month of likely voters sponsored by the California Federation of Teachers, more than three-quarters of those polled - 78

percent - would support a 1 percent additional tax on the top 1 percent income bracket, people who make more than \$500,000 per year, rather than see further cuts to schools, public safety and other vital services. A 1 percent tax on the top 1 percent of earners would raise \$2.5 billion.

The idea resonates with all geographic areas of the state, age groups, ethnicities and political persuasions. Sixty percent of Republicans support such a tax. Although not tested in this poll, recent polling shows significant support even among the rich for higher taxes.

Here's why.

Without the tax extension election desired by the governor, the billions of dollars in cuts already proposed for next year's budget will be just the beginning. Could you live with a state budget cut by \$25 billion out of \$87 billion when that means slashing your local fire and police services and further reducing funding for health clinics, schools and colleges?

Nearly everyone understands this problem - even people like Bill Gates Sr., a member of Responsible Wealth, an organization devoted to fair taxes on the rich - because they recognize that after they, the top 1 percent of income earners, pay another 1 percent tax, they still will be wealthier than everyone else, with the bonus of living among healthier and better educated Californians.

The long-term solution is to change the two-thirds majority rule to raise taxes to a simple majority so the Legislature can do the work it was democratically elected to do.

In the short term, the Legislature should pass AB1130, authored by Assemblywoman Nancy Skinner (D-Berkeley), which would impose a 1 percent tax on the top 1 percent of income earners.

Most people believe a livable future should include decently funded schools, safe neighborhoods and well-maintained infrastructure.

It's time for the "no new taxes" crowd in Sacramento to stop blocking our path to California's future.

Joshua Pechthalt, who taught school for 21 years in Los Angeles, is the president of the California Federation of Teachers.

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