

Fair Share for MA – Top 5 Responses to Opposition

#1: “The money won’t really be spent on transportation and education.”

“Dedicating the funding from the Fair Share Amendment in the text of the constitution is the strongest possible way to ensure that it goes to transportation and public education. The state constitution is binding on the legislature, and the Fair Share Amendment creates an ironclad dedication that the funds raised by the amendment must be spent on those two areas.”

Pivot: Talk about your many priorities for investment in transportation and education

#2: “We don’t need this money, the state has a historic budget surplus.”

“The Fair Share Amendment isn’t about one budget, or one economic cycle. State revenues are doing well this year, but there have been economic upturns and downturns before, and there will be again. Massachusetts can’t hire more teachers and counselors, reduce college tuition, or commit to the major investments we need in our transportation system with one-time budget surpluses and short-term windfalls. We need sustainable, long-term revenue that doesn't require low- and middle-income families to pay more.”

Pivot: Talk about local priorities that aren’t funded in this year’s budget

#3: “The tax will hit farmers, small business owners, and homeowners when they have a one-time windfall, even when they don’t usually make anywhere near a million dollars.”

“That’s a scare tactic, but it’s not true. When an asset like a home or a business is sold, tax is due only on the “capital gain,” minus deductions, not on the sale price of the asset. Someone who makes a large financial gain from selling their ownership in a large or small business could pay some Fair Share tax, but only on the portion of their total taxable personal income over \$1 million. The bottom line is, if someone is selling a large enough business to have more than a million dollars in annual income, they can afford to pay an extra four percent on their 2nd million.”

Pivot: Talk about the people who are really struggling in Massachusetts, like students who need extra help in the classroom, or working families who can’t afford the cost of car repairs if they hit a pothole.

#4: “Millionaires and the businesses they run will just leave the state.”

“Only a very small number of millionaires move to avoid paying more taxes. That’s because very high income people tend to be older, married, with children, and embedded in their communities and the local business networks that have created their wealth. An additional 4% tax on just a portion of their income represents a relatively small increase in their overall taxes. Overwhelmingly, millionaires choose not to uproot their families in order to avoid a small tax

increase that has little or no effect on their spending and quality of life. States (like CA & NY) with the highest tax rates on million-plus dollar incomes have the most million-dollar income households.”

Pivot: Talk about how investments in transportation and public education will help improve quality of life for all of us.

#5: “The state Supreme Court said this isn’t constitutional.”

“The state constitution provides two ways it can be amended, through a citizens initiative or through a legislative initiative. The Supreme Judicial Court ruled against the original Fair Share Amendment on the grounds that it did not meet the “related or mutually dependent” requirement for citizens’ initiatives. This requirement does not apply to legislative initiatives like the current Fair Share Amendment.”