

A Perfect Storm on March 4th? by Kathy Emery

During the last 30 years, tax rates for corporations and wealthy individuals have been steadily declining while moderate-income individuals have been picking up the slack. Meanwhile, public services are being cut to the bone. In 1980 California corporations contributed nearly 15% of the state budget; today they pay 11%. (CA Fed of Teachers, cft.org). Another example closer to home: “Thirty years ago in San Francisco, commercial property owners contributed 59 percent of property tax revenues and residential property owners contributed 41 percent. Today, we see a virtual flip: commercial property owners contributed just 43 percent of property taxes in 2008 while residential property owners contributed 57 percent” (Phil Ting in *Calbuzz*). More recently and more specifically, from 2008-2010, the California State Legislature has made a total of \$26.8 billion in spending cuts while at the same time giving a very small number of corporations tens of millions of dollars per year in tax breaks. One example — six corporations will receive tax cuts averaging \$23.5 million each in 2013-14 from the adoption of credit sharing (CA Budget Project, cbp.org). Wealthy individual’s state income tax continues to decline in spite of the need for increased revenue. For example, “The top 1 percent of wealth holders owns 34 percent of the wealth. Their state income tax rates are lower today than they used to be. In 1993 the highest tax bracket in California was 11 percent of income; today it is 9.3 percent (cft.org).”

Two of the major reasons corporations continue to thrive in this recession is because of Proposition 13 (1978), which bundled individual and commercial real estate tax together and confirmed the need for a 2/3rds state legislative vote to pass state budgets. The fight to fix this problem has been going on for a long time but seems to be gathering steam. George Lakoff has founded a movement to make passing a state budget a simple majority (CA Democracy Act Proposition). ClosetheLoophole.org, Caltaxreform.org, and Prop13reformtaskforce.org are all trying to separate commercial and individual taxation so as to restore balance and fairness to the property tax system. The California Federation of Teachers is supporting both AB 656 (severance tax on CA oil production) and Close the Loophole to prevent further cuts to education.

Last October 24th, over 800 education activists convened at U.C. Berkeley to “Save Public Education” (takeastand4publiced.org). The motivation for such a convention came from the dramatic increase in tuition at state schools and the dramatic reduction in staff and admissions. The activists created a first draft list of demands that they hope to refine and present to Sacramento on March 4, 2010. To leverage their demands, they are hoping to involve all organizations that have a stake in K-16 education by getting them to commit to a series of statewide actions culminating on March 4th.

Many of the “Demands 10/24/09” are not specific enough yet (e.g., end wars, tax the rich) or are not local enough (e.g., repeal No Child Left Behind) to be practical to organize around. But a few (e.g. revise Prop 13, pass CA Dem Act Prop, pass AB 656) are very promising in terms of creating fundamental change. Real change only comes in the context of a social movement. And social movements only happen when activists organize people first around practical, concrete issues placed in the context of a bigger vision of social justice, dignity, or freedom for all. This is tedious work, and requires tremendous discipline, vision and a commitment to the long haul. The “Save Public Education” group, Close the Loophole and CFT need all the help they can get if they are going to be able to take advantage of this historic opportunity to create a movement.