



KENTUCKIANS FOR THE COMMONWEALTH

Campaign For Our CommonWealth

Kentuckians For The Commonwealth is working for a day when the lives of all our people and communities matter before the profits of a very few. That's why we work for tax reform that is fair, adequate, and sustainable. We're approaching a moment of urgency for this work, and want you involved.



When it was founded in 1981, Kentuckians For The Commonwealth was known as the Kentucky Fair Tax Coalition.

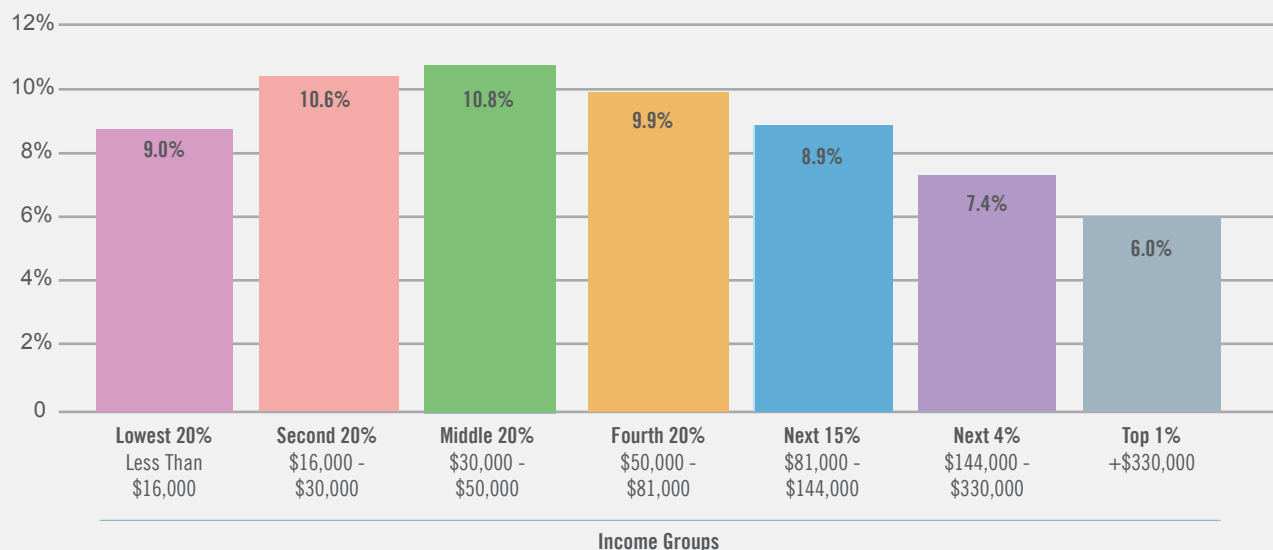
A Tax Shift that Neglects our Communities

Governor Bevin has announced that he intends to call legislators to Frankfort this fall to change Kentucky's tax laws. The playbook Gov. Bevin is working from lowers taxes on the wealthy and corporations, and asks a lot more from everyone else to pay for it, even taxing groceries and medicine. Some studies show that these plans may amount to a massive tax break for the top 5% of earners in Kentucky while increasing taxes on the remaining 95%. That's not tax reform, that's a tax shift.

Tax Reform that is Fair, Adequate, and Sustainable

Luckily for our elected officials, a different playbook based on the work of the Blue Ribbon Commission on Tax Reform (known as the Kentucky Forward Plan) would bring balance to our tax structure by lowering taxes for low- and moderate-income families, ensuring the wealthy pay their fair share, and would generate about \$570 million in desperately-needed public dollars every year. That's true tax reform.

TOTAL STATE AND LOCAL TAXES PAID IN KENTUCKY



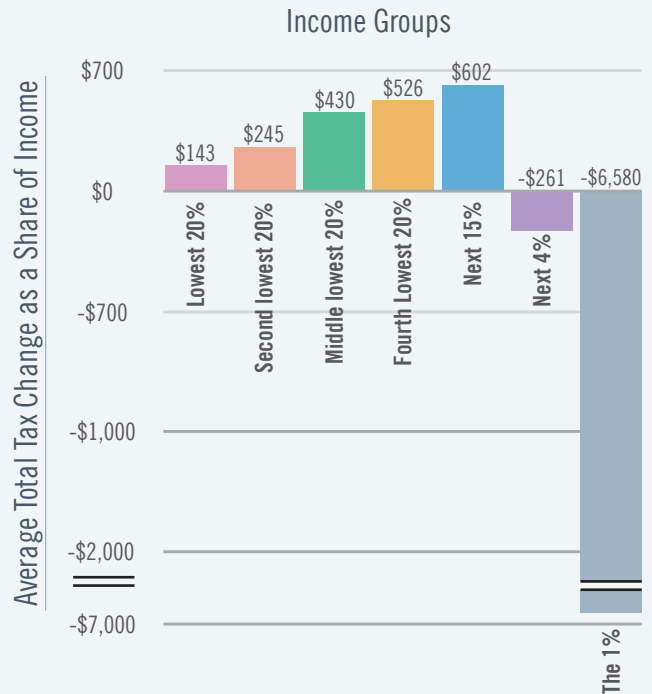
Total state and local taxes paid in Kentucky not including shares of family income for non-elderly taxpayers as of 2015.

Source: Institute for Taxation and Economic Policy - According to ITEP's Tax Inequality Index, Kentucky has the 33rd most unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes become less equal in those states over time.

Possible Bevin Tax Plan

Governor Bevin has yet to publicly reveal his plans. This scenario is based on previous statements made by the Bevin Administration and other state's that the Governor has identified as possible models for his plans (Tennessee and Kansas). It amounts to a massive tax cut for Kentuckians making more than \$444,000 a year, paid for by large tax increases on every Kentuckian making less than \$176,000 a year.

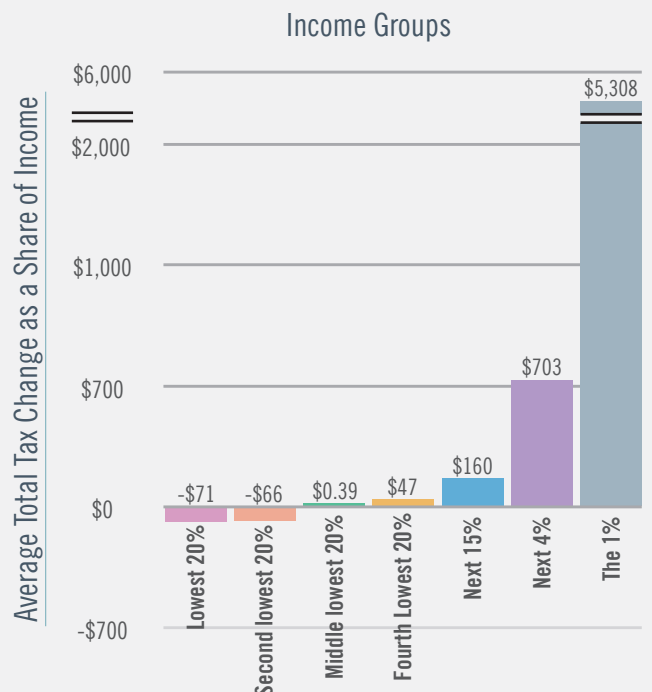
- Eliminates pension exclusion
- Reduces amount of itemized deductions
- Lowers income taxes to a flat rate (4.6%) that is lower than our current top rate (6.0%)
- Extends 6% sales tax to groceries (currently untaxed)



Kentucky Forward Plan

This scenario is based on House Bill 263 (2016) and the bipartisan Blue Ribbon Commission on Tax Reform (known as the Kentucky Forward Plan) which was created with input from Kentuckians. It would bring balance to our tax structure by lowering taxes for low- and moderate-income families, and increasing taxes on the top 1%.

- Modernizes income tax brackets and makes the income tax more progressive
- Reduces pension exclusion for wealthy retirees
- Reduces amount of itemized deductions
- Taxes luxury services like limo rides and golf club fees (currently untaxed)
- Creates a 15% state Earned Income Tax Credit
- Increases tobacco taxes (to match the national average)



Comparing Major Impacts of Each Plan

	Possible Bevin Plan	Kentucky Forward Plan
Fair: Taxes are based on your ability-to-pay (aka paying your fair share)	ASK MORE OF THOSE WITH LESS TO GIVE	ASK MORE OF THOSE WITH MORE TO GIVE
Adequate: Raises enough new tax revenue to meet budget needs (aka investing in our communities)	ESTIMATED ANNUAL REVENUE: \$591 MILLION	ESTIMATED ANNUAL REVENUE: \$579 MILLION
Sustainable: Is based on growing areas of the economy (aka doesn't become outdated)	SALES TAXES HAVE BEEN DECLINING OVER TIME	INCOME TAXES HAVE BEEN EXPANDING OVER TIME
Who Pays More Taxes?	MIDDLE- AND LOW-INCOME EARNERS	HIGH-INCOME EARNERS



We are Kentuckians.

Kentuckians are worth good jobs, clean air and water, and quality education. We deserve healthy, vibrant communities, where everyone contributes their fair share toward our shared goals. Kentuckians For The Commonwealth is working for a day when the lives of all our people and communities matter before the profits of a very few.



Kentuckians believe in a fair tax system that values people before profits.



We need to demand action from our elected officials by raising our voices in our communities.

Take Action

1. Join or start a tax justice team to organize in your community
2. Persistently write, call, troll, and lobby your elected officials
3. Host a tax justice workshop & training
4. Facilitate a community conversation
5. Write a Letter-to-the-Editor or an Editorial in your local paper
6. Talk about Bevin's plans, in person and on social media, with everyone you know

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Contact for ANY help in getting
involved or informed