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Calendar notes

LISTENING SESSIONS

Mobile 7 pm Mon., July 10,
Providence Outreach Senior Citizens' Center, 35 N. Cody Rd.
(between Airport Blvd. and Old Shell Rd.).

Vredenburgh 9:30 am Tues., July 25,
Community Center.

Huntsville 1:30 Sun., Aug. 6,
Unitarian Universalist Church,
2222 Governor's Dr. SE.

Birmingham 12 noon Sun., Aug. 13,
Unitarian Universalist Church,
4300 Hampton Heights Dr.

CANDIDATES FORUM

Montgomery 10 am – noon
Wed., July 26, St. James School,
Performing Arts Bldg., 6010
Vaughn Rd.

ACPP ANNUAL MEETING

Montgomery 9:30 am – 3 pm,
location to be announced.

New tool for advocacy!

The League of Women Voters of Alabama has published *The Alabama Legislature: Facts and Issues*, a nuts-and-bolts guide to the state legislative process. In preparing the handbook, LWV volunteers spent three years interviewing legislators and knowledgeable observers about every aspect of lawmaking.

Thanks to the League for this terrific new resource, [available online at www.lwval.org](http://www.lwval.org).

Report

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Vol. 9, No. 4

June 30, 2006

Comparing federal tax cuts, debt burden

Top 1 percent in state see net gain

Alabamians are paying a steep price for recent federal tax cuts, according to a new report by Citizens for Tax Justice (CTJ). The “borrow-and-spend” fiscal policies of the Bush administration have saddled most Alabamians with a debt far exceeding the value of the meager tax cuts they’ve received since 2001. The full report is available online at www.ctj.org.

The report includes new estimates of how the Bush tax cuts have affected Alabamians at different income levels between 2001 and 2006. Every penny of these cuts for the highest earners has been paid for with borrowed money, which ordinary taxpayers will ultimately repay through tax hikes or spending cuts.

For middle-income Alabama families, the six-year cumulative tax cut averages \$1,815 per family member.

However, because of the tax cuts, that same individual now owes \$8,797 in new federal debt. That amounts to a net debt of \$6,982 per middle-income Alabamian.

Only the wealthiest one percent of Alabamians see a net gain from the Bush fiscal policies. For this lucky group, a total six-year tax cut averaging \$54,132 per person outweighs a debt burden of \$35,378 (net gain: \$18,754). The other 99 percent of Alabamians receive a total six-year tax break averaging \$2,184 per person but also face an added debt burden of \$9,393 (net debt: \$7,209).

“In other words, 99 percent of Alabamians are saddled with an average \$4.30 of new debt for every dollar of tax cuts,” said Kimble Forrister of Alabama Arise.

“The Bush tax plan treats working families worse than a loan shark.”

The report coincides with heated national debate on two proposals: repeal of the estate tax and an increase in the minimum wage. Those who favor ending the estate tax (which applies to estates of more than \$4 million as of 2006) often call it the “death tax,” in order to suggest that it applies to anyone who dies. A recent analysis of Census data by CTJ, however, shows that of the 46,716 Alabamians who died in 2003, only 278 – or 0.6 percent – owed estate taxes.

By contrast, more than 53,000 Alabamians – or 4.6 percent of the workforce – worked at or below the minimum wage of \$5.15 per hour in 2004 (\$10,712 a year at full time). More than 200,000 Alabama workers – over 10 percent of the workforce – stood to gain from a proposed increase of the minimum wage to \$7.25 (\$15,080 a year at full time), which failed in the Senate this month. In the nine years since the last minimum wage increase, the average income of the top 1 percent of Alabamians has risen from \$642,500 to \$825,000 – a \$182,500 or 28 percent increase.

Staff position open

Policy analyst on tax and poverty issues in Alabama. Requires economic expertise and strong writing skills. Master's degree preferred. Salary based on experience. Health and retirement plan. Applications accepted until position filled. Send resume, writing sample to ACPP, Box 1188, Montgomery, AL 36101. Minority applicants encouraged. *ACPP is an equal opportunity employer.*

A few words from Kimble —

This has been a challenging year financially. Our budget year ends today. This year we struggled to cope with the end of one big grant and two long-term ones. Thanks to the hard work of development director Brenda Boman, we've seen more donors and more large gifts. We also have good news on grants.

Looks like the number of individual givers grew by at least 80 this year — an increase of about 25 percent — and that doesn't count the movie fundraiser. The number giving over \$1,000 more than doubled to 18. While we still get three-fourths of our budget from grants, it's impressive to foundations when our members take such ownership of Arise. Besides that, we're allowed to use your gifts to support legislative work that foundation grants can't support.

We just won a grant through the Center on Budget & Policy Priorities to build our staff capacity on tax and budget issues. Also, after a few years without a grant from the Mary Reynolds Babcock Foundation, we were approved for \$75,000 for each of the next two years. We also got a two-year renewal at \$50,000 from the Public Welfare Foundation. And the Community Foundation of Greater Birmingham, which is more committed than ever to policy change like constitutional reform and tax reform, approved a \$40,000 grant. It's been a good couple of months for grant letters — and each of these funders is delighted by our legislative success this year.

I'll add a quick word about Mobile's conference June 1. It drew a great response. There's a big appetite for advocacy "for the least of these." Mark your calendar for our next statewide conference on Feb. 15, 2007.

With peace,

We appreciate our contributors!

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in honor of Peter Horn
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