

# MCC urge lawmakers to keep poor in sight

As lawmakers gathered in Annapolis last week for a special legislative session focused on revenue issues, representatives of the Maryland Catholic Conference urged senators and delegates to consider how any changes to the tax system or the introduction of slots will impact the poor.

Representing Maryland's Catholic bishops, leaders of the MCC suggested that lawmakers consider a moral framework that makes the poor and vulnerable a top priority.

"We believe that the first responsibility of government is to respond to those among us whose basic needs cannot be met without the helping hands of government," said Richard J. Dowling, executive director of the MCC, speaking in written testimony submitted Nov. 1 to the Senate Budget and Taxation and House Ways and Means committees.

Mr. Dowling said the tax system should "raise adequate revenues to pay for the public needs of society, especially the basic needs of the poor." It should be structured progressively, he said, so those with more financial resources pay a higher rate of taxation.

"We view this as an important means of reducing the severe inequalities of income and wealth in our state and nation," he said.

Mr. Dowling endorsed a proposal by Gov. Martin J. O'Malley to restructure Maryland's income-tax brackets to create six income-tax brackets. The current system operates as a virtual flat tax with the top income-tax bracket applying to all who earn more than \$3,000 a year.

Mr. Dowling said families below the poverty line should not be required to pay income taxes because they do not have enough resources to pay for the basic necessities of life.

Speaking in support of the governor's proposal to increase Maryland's refundable Earned Income Tax Credit to 25 percent of the federal Earned Income Tax Credit, Mr. Dowling said the increase would provide assistance to low-income families by offsetting tax liability and granting tax refunds.

The MCC distributed an Oct. 29 statement on taxation to lawmakers citing two moral principles the bishops believe should govern the collection and distribution of taxes.

The first of those principles is "contributive justice," which promotes the idea that all members of society have a responsibility to contribute to the common good. "Distributive justice," making the poor and vulnerable a priority, is the second principle.

The statement said all citizens have the right and responsibility to contribute to the common good through the payment of taxes.

"Tax cuts, while popular, should result from a reduction in revenue needs, not as a result of providing favors for special interests," the statement said.

Taxation in any form should be based on one's ability to pay, the statement said, and all forms of taxation should be fair and just in their treatment of the poor.

"Those who are poor should not pay a disproportionate amount of income in the sum total of taxes paid," the statement said. "This is especially true in the case of property and sales taxes, which low- and moderate-income people tend to pay in higher percentages of their total income."

While the MCC spoke in support of some of the governor's tax proposals, it rejected Gov. O'Malley's efforts to expand legalized gambling in Maryland. Julie Varner, MCC associate director for social concerns, testified against slots during Nov. 2 hearings. She said controlled gambling can provide "legitimate recreation for those who participate responsibly," but that "no limits" environments such as casinos puts people at risk for financial and emotional harm.

"The public interest, we believe, is better served when all citizens shoulder responsibility for funding needed programs than when a government depends on individuals who gamble - many of whom are likely to be the people most in need of

the services requiring additional revenue,” she said.

Heavy reliance on gambling revenue might make it difficult to plan state expenditures from year to year, she added.

“Maryland cannot afford to wager the fiscal viability of state programs – many of which serve its poorest and most vulnerable residents – on games of chance,” she said.