

Focus on Kentucky: Tax Reform

Because Kentucky operates a yearly budget deficit, social services have been cut. Unless the Kentucky tax code is reformed, the quality of life in the Commonwealth will diminish for those who are not wealthy.

Kentucky Tax and Budget Facts

- In 2005, 118,000 children in our state have no health insurance.
- Future revenue shortfalls risk benefit and eligibility reductions in Medicaid.
- The richest 1% pays the least percentage of their income in Kentucky taxes.
- Since 1995, 26 different state tax cuts have cumulatively cost Kentucky \$2.24 billion.

Moral Principles for Tax Reform

Catholic social teachings offer two moral principles that apply directly to taxation: the common good and preferential option for the poor.

- The Kentucky code should first assure that the basic needs of all are addressed before other appropriations are made. The budget should not be balanced on the backs of poor people..
- All citizens and corporations have the right and responsibility to pay taxes because that represents one way citizens and corporations give something back to society.
- Tax cuts should result from a reduction in revenue needs, not as a political decision to satisfy special interests.
- Taxation in any form should be based on one's ability to pay. Catholic social teaching favors a more progressive form of taxation.
- The poor should not pay a disproportionate amount of income in the sum total of taxes paid.

For More Information:

Visit the website of the Kentucky Council of Churches: www.kycouncilofchurches.org.

For Discussion and Reflection

1. List the basic human rights you think society should guarantee. How should society guarantee these rights?
2. What are the major economic issues facing Kentucky?
3. What is the difference between charity and justice? Cite a few examples detailing when each is appropriate to a situation.
4. List 3 examples of social sin in Kentucky or the United States.
5. What specific changes would you recommend to reform the tax code and balance the budget either in Kentucky or the United States?
6. Are there businesses you purposely patronize, or avoid, because of social justice principles? Are there investment decisions you make based on justice rather than market principles?
7. How would you approach voting if you felt neither major candidate represented a consistent life ethic, or a commitment to the common good?

Scripture Meditations

Psalm 146:6-9
Isaiah 10:1 & 2
Luke 19:1-10
Matthew 20:25-28



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Rights and Responsibilities



Economic Justice
in 21st Century Kentucky:
Holding Ourselves Accountable
**4—Protecting the
Common Good**

Rights & Responsibilities

Rights and Responsibilities

From our human dignity made in the image of God flow fundamental **rights and responsibilities**. Every person has a basic right to life and to things that make life truly human:

- food, clothing and shelter;
- health care and education;
- security and social services; and
- employment.

These rights carry with them responsibilities that find expressions on the personal and corporate levels. Individuals enjoy public goods such as roads and police protection, but face the responsibility of paying taxes, voting and participating in civic affairs. Corporations make profits only with honest and reliable employees whose personal values were formed in local schools and churches, so corporations must pay their fair share of taxes to support the common good and respect the rights of the local community.

The Common Good

At the heart of this web of rights and corresponding duties lies the common good of all. Financially secure citizens should feel a responsibility for the weaker members of society. Those who are weaker must contribute what they can for the common good.

Social sin represents patterns, customs and laws that favor the self-interest of a privileged group to the detriment of the majority. The common good demands that all fulfill their responsibilities to family, neighbor and society at large.

Scripture Speaks

Then the LORD asked Cain, "Where is your brother Abel?" He answered, "I do not know. Am I my brother's keeper?" (Gen. 4:9)

"It will be as when a man who was going on a journey called in his servants and entrusted his possessions to them. To one he gave five talents; to another, two; to a third, one—to each according to his ability." (Matt. 25:14–15)

"You shall not violate the rights of the alien or of the orphan, nor take the clothing of a widow as a pledge." (Deut. 24:17)

People in Kentucky

The common good suffers when individuals and corporations act irresponsibly.

- Kentucky's teenage pregnancy rate ranks 25th nationally with approximately 10,600 teen pregnancies each year.
- Each year unmarried men and women account for one-third of the children born in Kentucky.
- One in 10 women in Kentucky experiences violence by an intimate partner over a 12 month period.

The Commonwealth cannot fulfill its duties to all citizens when the more powerful escape their obligations.

- Corporations and wealthy individuals lobby for special tax loopholes.
- Special interests weaken regulations putting the environment, communities and workers at risk.

Honesty and integrity insure the common good, while they represent the building blocks of a just society.

The Church Teaches



It is necessary that all participate, each according to his position and role, in promoting the common good. *Catechism of the Catholic Church*, n. 1913.

Those who are more influential, because they have a greater share of goods and common services, should feel responsible for the weaker and be ready to share with them all they possess.

Those who are weaker, for their part...should not adopt a purely passive attitude or one that is destructive of the social fabric, but, while claiming their legitimate rights, should do what they can for the good of all. The intermediate groups, in their turn, should not selfishly insist on their particular interests, but respect the interests of others. John Paul II, *Sollicitudo Rei Socialis*, n. 39.



Those, therefore, who claim their own rights, yet altogether forget or neglect to carry out their respective duties, are people who build with one hand and destroy with the other. John XXIII, *Pacem in Terris*, n. 30.