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Catholic Conference of Kentucky
Principles of Taxation, Allocation of Revenue, Contributing to the Common Good

1. **Spending by the State of KY should first assure that the basic needs of all people - especially those who are poor and vulnerable - are addressed as a priority before other appropriations are made.** Just as in a family's budget, spending for recreation and entertainment should come only after paying for shelter, food, clothing and other necessities.
2. **All citizens and corporations have the right and responsibility to contribute to the common good through the payment of taxes.** The collection of taxes is an important and justifiable role of government. Taxes are an individual's and corporation's contribution to the common good. In any society, the common good should be viewed of greater importance than the good of any individual, corporation, or special interest group. Paying taxes is one way that citizens and corporations give something back to society.
3. **The State of KY should seek and maintain revenues sufficient to meet the basic needs of all, especially the poor and vulnerable.** Effective stewardship of resources is always of concern to any branch of government, but even the most careful management of resources cannot overcome a fundamental lack of income. As do prudent families, the State of KY should maintain savings for periods when revenues are less than needed. Tax cuts, while popular, should result from a reduction in revenue needs, not as a result of providing favors for special interests.
4. **Taxation in any form should be based on one's ability to pay.** If KY tax policy is to remain faithful to Catholic teachings, it should first assure that the system collects taxes according to one's ability to pay. Catholic social teaching supports a more progressive form of taxation. Our contribution to the common good should reflect our blessings. From those to whom much has been given, much should be expected. Those who make the most profit from our economic system benefit most from the structures and infrastructure that make economic enterprise possible. Tax exemptions and tax incentives should not change the fundamental requirement that taxes should be based on one's ability to pay.
5. **All forms of taxation should be fair and just in their treatment of the poor.** Taxation can be used as an economic strategy to level income distribution in a society. Systems of taxation can also grant certain advantages to those in different

income brackets. Unfortunately, such advantages are often granted on the basis of power and politics rather than on moral principles. Those who are poor should not pay a disproportionate amount of income in the sum total of taxes paid. This is especially true in the case of property and sales tax, which low- and moderate-income people tend to pay in higher percentages of their total income and are therefore considered more regressive taxes. Those who are wealthier should consider their higher tax bracket as part of their Biblical obligation to tend to the "widow and the orphan."

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