

Responses to Tax Shift Misnomers

Our Perspective

1 "Tax cuts lead to growth" is a widely accepted economic theory.

This tax shift is highly regressive.

- **Simply put, most economic research does not support the idea that income tax cuts lead to growth.** Since 2005, Ohio has cut the income tax repeatedly, median incomes have shrunk by about \$4,000, and Ohio has lost over 80,000 jobs. [SOURCE: CBPP 3/2013](#)
- **The claim that 50 peer-reviewed articles support this theory is just wrong.** Of the 50 articles cited, 23 have nothing to do with state tax policy and 5 have nothing to do with tax policy at all. While others are not peer reviewed or an empirical analysis. [SOURCE: Full report coming](#)

- **The numbers are out!** Read the full report about the tax shift's impact on Ohioans here. [SOURCE: PMO 2/2015](#)

2 Consumption-based taxes are better than income taxes.

We can invest to build an economy that works for everyone.

- **Ohio already has a regressive tax system** - more sales taxes will make it worse. The wealthy pay only 7% while the poorest Ohioans pay nearly 12%. [SOURCE: ITEP, 2/2015](#)
- **S&P 500 finds that over-reliance on the sales tax will hurt state revenues.** Income inequality is depressing state revenues, and this can be offset by a progressive tax structure. [SOURCE: S&P 500 9/2014](#)

- **We need reliable roads, bridges, and clean water.** Ohio needs to invest billions to bring our infrastructure into the 21st century. [SOURCE ASCE 2013](#)

3 Cutting the income tax will make us more competitive.

- **Small business tax cut won't create jobs as advertised.** Most small businesses make too little money for income tax cuts to pay new employees. 87% of small businesses make \$50,000 or less a year. We agree with the Tax Foundation -it's a misguided gimmick. [SOURCE: CBPP 2/2013.](#)
- **Our rates are already very similar to our neighbors (and the country).** [SOURCE: OON 2/2015](#)

- **Everyone benefits from world-class education in Ohio.** "Providing expanded access to high quality education will not only expand economic opportunity for residents, but also likely do more to strengthen the overall state economy than anything else a state government can do." [SOURCE: EPI 8/2013](#)
- **Major investments in public safety, health and human services, and more are needed to improve the quality of life for everyone.**