

# Virginia Needs a Fair Share Tax to Invest in Our Communities (HB865, Budget Amendments Items 0#12s, 117#7s, 4-14#1s, 102#15s)

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## We need a budget that invests in all of us

Whether we have \$10 to our name or \$10 million, we all want to live in a state with good public schools, safe transportation, clean air and drinking water, affordable housing, and high-quality health care systems. To accomplish these shared goals, Virginia needs sustainable revenue to correct years of underfunding and invest in these building blocks of thriving communities for years to come.

Unfortunately, the greedy few and special interests have rigged the tax code to get out of paying their fair share. Now, Virginia's tax code is upside-down — people with lower incomes pay a greater share of their incomes in state and local taxes than the rich and well-connected. And a teacher making \$61,367 a year, the average teacher pay in Virginia, shares the same top tax bracket as a millionaire.

A simple and effective solution: make sure that everyone pitches in their fair share by creating a new 10% bracket for annual incomes over \$1 million. Establishing this Fair Share Tax would raise approximately \$1 billion each fiscal year that can be used to meet the needs Virginia residents have continually identified in their communities and to fund the programs and services that will benefit all of us.

## How would a Fair Share Tax work?

According to analysis conducted by Virginia's Joint Legislative Audit and Review Commission, only 17,700 tax filers would be impacted in Virginia. This is about 0.4% of all tax filers in the state. A Fair Share Tax would establish a new top tax bracket of 10%, but only for income over \$1 million. If you had \$1,000,001 in taxable income, only \$1 would be taxed at a higher rate.

This proposal would only tax annual taxable income, not the value of held assets unless they are sold for a profit and capital gains are collected. Any taxable income \$1 million and below would not face a higher income tax rate.

**About 99.6% of Virginia tax filers would see no increase in their state income taxes under this proposal.**

## Where would the money go?

The legislation and budget amendments introduced would provide 50% of revenues to public schools, 30% to child care, and 20% to affordable housing.

Please support **HB865** and **Budget Amendments Items 0#12s, 117#7s, 4-14#1s, and 102#15s.**



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