

## **Taxation as a Moral Issue**

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Taxation as a moral issue may be a new concept to many people of faith. Generally speaking, taxes are not the subject of classes on moral theology or Sunday sermons. While Americans may get frustrated about the taxes they pay and how the money is spent, they have largely left the issue of taxation to fiscal experts. We believe it is time to make tax policy a priority in the pulpits and the pews.

Over the past several decades, anti-tax movements in the United State have caused many to confuse the common good with self-interest. A turning point in Oregon came in 1990 when voters passed Measure 5, which reduced the property tax rate and shifted the funding responsibility of public education from local communities to the state. Anti-tax legislative and ballot initiatives have continued to crop up year after year.

The impact of this change has been dramatic. Oregon's recent economic downturn has resulted in less tax revenue, leading to shortened school years, reduced eligibility for Oregon's Medicaid program for the poor, and cuts in public safety programs.

In the 2003 Oregon Legislative Assembly, a bipartisan coalition passed a temporary income tax surcharge designed to raise approximately \$800 million for basic government services. The legislature passed the surcharge to ensure a full school year for public school children, coverage for more than 100,000 low-income people in the Oregon Health Plan, and critical human services for older adults and people with mentally illness or disabilities.

No sooner had the surcharge been passed, however, than anti-tax advocates pledged to put before the voters a proposal to rescind the tax increase. If the measure succeeds in getting on the ballot in February 2004, it will be a referendum on more than taxes; it will be a referendum on the common good, a measure of our willingness to share responsibility for the well being of all. This is the crux of the moral debate on taxes in Oregon and nationwide.

Oregon retains the dubious distinction of having the highest rate of unemployment and one of the highest rates of hunger in the United States. For a second year, Oregon's poverty rate has remained unabated at 11.3%—higher than 25 other states, including Washington. Over 430,000 Oregonians go without adequate health care.

Oregon's top state income tax bracket of 9% is applied equally to people living below the federal poverty level and to individuals making more than \$100,000. Efforts to lower taxes on the poor, increase rates for top income earners, restore parity between business and individual tax rates, and raise the very low taxes on beer and wine sales have all failed. Civic institutions have been asked to do more to support public education and other services. While public money for these services has decreased, the tax burden has fallen disproportionately on those least able to pay.

Oregon needs to reform its tax structure to protect the most vulnerable. We need to create a social infrastructure that enhances personal responsibility while not penalizing people for misfortunes beyond their control. Most importantly, we need to reconnect self-interest to the common good.

Clearly, the moral challenge for Oregonians is to create an equitable tax structure that ensures citizens pay according to their means and guarantees each resident's basic human needs. For people of faith, tax reform is even more imperative in light of the recent defeat in Alabama of a major tax overhaul inspired by Judeo-Christian principles of distributive justice, as well as the defeat in several Oregon counties of local initiatives seeking to increase taxes to replace lost state revenues.

It is important that the faith community place tax policy high on its moral agenda. Toward this end, Ecumenical Ministries of Oregon has launched a campaign for economic justice and tax fairness to encourage congregations to study and discuss tax issues. Oregonians must become more

aware of the disparities and inadequacies in the tax system and demand substantive changes to ensure the basic human needs of all. As an instrument for promoting the well being of all, government, with our permission and through our participation, must be trusted as steward of the public resources to meet the needs of society. The social problems of Oregon cannot be solved by the religious, philanthropic, business, and private social service sectors alone.

Tax policy can seem arcane or beyond our control. Behind the policy are real people with real needs. The task before Christians in the tax debate is two fold. We must remind ourselves of our responsibility for the common good and we must lift up those in need, as Christ has called us to do. As Christians we must bring social justice principles to the tax debate. If we fail, we will face a further erosion of personal and social responsibility to the common good. If we succeed, we will make a significant step towards restoring civility, trust, and most urgently, our humanity.

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