



Kristin Pula is Public Finance Reform Project Coordinator of the Institute for Washington's Future. [www.forwashington.org](http://www.forwashington.org)

## Washington's Broken Tax System

*Kristin Pula*

What have tax cuts done for you lately? When the economy was good and we had a budget surplus the Bush administration said we could afford tax cuts. When the bad times came, tax cuts were touted as the way to get the economy moving again. Two tax cuts later, the economy continues to sputter. We now have record federal deficits and many states are facing budget crises. Unlike the federal government, the states must balance their budgets every year. Faced with declining revenues, no real aid from the federal government, and anti-tax climates, many states are cutting programs to solve their budget problems.

Is this the only course available to states—cutting vital services to the most vulnerable and waiting for the economy to recover? While the economic downturn is a serious problem that states can't do a lot about, focusing solely on the economy obscures the underlying fact that the tax systems in many of our states are broken. This is certainly the case here in Washington.

In these tough economic times, I have been contemplating what U.S. Supreme Court Justice Oliver Wendell Holmes once said:

"Taxes are what we pay for a civilized society." While I agree with that basic statement, it does not follow that because we pay taxes we are necessarily a civilized society. For all tax systems are not created equal. We can have a tax system that most heavily burdens

times and bad? Economists and tax policy experts generally agree that our tax systems should be *diversified*. Since different taxes respond differently to economic fluctuations, a balanced tax system—like a balanced portfolio—is more stable.

States levy three major taxes: income, sales and property. States that leave one of these taxes out of their mix are likely to be more unstable through economic ups and downs than states that levy all three. Instead of taxing a broad range of economic activities, their tax systems are more dependent on a narrow range of activities and are therefore more volatile.

Eleven states have wobbly tax systems. Alaska, Nevada, Washington, Wyoming, Florida, South Dakota and

Texas do not have a personal income tax, while Alaska, Oregon, Montana, Delaware and New Hampshire do not have a general state sales tax.<sup>1</sup> To compensate, most of these states rely more heavily on some other tax.

For instance, since Washington does not have a personal income tax it is highly dependent on the sales tax. As a result, when sales drop off, as they do in bad

### The Goal is Balance



Property  
Tax

Income  
Tax

Sales  
Tax

the poorest among us, or we can collect and distribute our revenues more evenly. Our commitment to social and economic justice is indicative of just how civilized a society we really are.

#### THE IDEAL: A BALANCED TAX SYSTEM

How can we tax ourselves so that we have enough revenue to pay for programs in both good

## A GLOSSARY OF TAX TERMS

**ABILITY TO PAY:** The principle that those with higher incomes should pay a higher proportion of it in taxes than those with smaller incomes.

**CAPITAL GAINS TAX:** A tax on the profit from the sale of capital investments such as stocks, bonds, and real estate.

**EXCISE TAX:** A tax imposed on the manufacture, sale, or consumption of certain commodities or services within a country (e.g., taxes on tobacco, alcohol, long-distance phone calls).

**FLAT RATE INCOME TAX:** a single rate of taxation for all taxpayers, regardless of the size of their income, and on all sources of income, regardless of its source.

**PROGRESSIVE TAX:** A tax, such as a graduated income tax, which takes a higher proportion of the income of higher-income persons than of lower-income persons. It is based on the ability to pay principle of taxation.

**REGRESSIVE TAX:** A tax which takes a higher proportion of the income of lower- than high-income persons. A sales tax is an example of a regressive tax because lower-income persons spend a larger proportion of their smaller incomes on items subject to the sales tax than do wealthier persons.

**TAX EQUITY:** The goal of fairness in tax policy. There are two aspects to tax equity: horizontal equity means that everyone with the same amount of income should pay the same amount in taxes; vertical equity means that people with more income should pay more taxes than those with less income.

**VALUE ADDED TAX (VAT):** A tax, popular in Europe, levied at each stage of production on the difference between the cost of the raw materials and the value of the end product at that stage. It is ultimately a tax on the consumer, since each producer will pass on the tax as part of the price of the product sold to the next producer.

*Source: Amata Miller, IHM. ABC's of TAXES: A NETWORK Primer on Tax Fairness. NETWORK, a National Catholic Social Justice Lobby, Washington, DC, Spring 1990.*

times, revenues fall. To make matters worse, services, the fastest growing segment of our economy, are largely exempt from Washington's sales tax. So as the economy grows, the state's revenues fail to keep up. In addition, tax cuts enacted by the legislature and the voters over the last decade are further squeezing the revenues available to pay for public goods.

### THE MOST UNFAIR TAX SYSTEM

Washington's heavy reliance on the sales tax makes it the most unfair tax system in the country. Families making less than \$31,000 a year pay four times as much of their income in state and local taxes as Washington's millionaires. Families with the lowest financial means pay almost 18% of their incomes to state and local taxes, while our wealthiest families pay only 3.3%.<sup>2</sup> (See chart.)

A fair tax system is based to some degree on one's ability to pay. Washington's system fails the test of fairness because it has no income tax and relies so heavily on sales taxes. Since lower-income families spend a greater share of their income on necessities and other items that are subject to the sales tax, the sales tax hits them particularly hard. In contrast, better-off families spend less of their income on necessities and more if it on things that are not subject to the sales tax—like financial services.

Washington's unfair tax system has several consequences: Lower- and moderate-income families pay more than their fair share, and the

state does not bring in enough money to maintain the level of

***Focusing solely on the economic downturn obscures the underlying fact that the tax systems in many of our states are broken.***

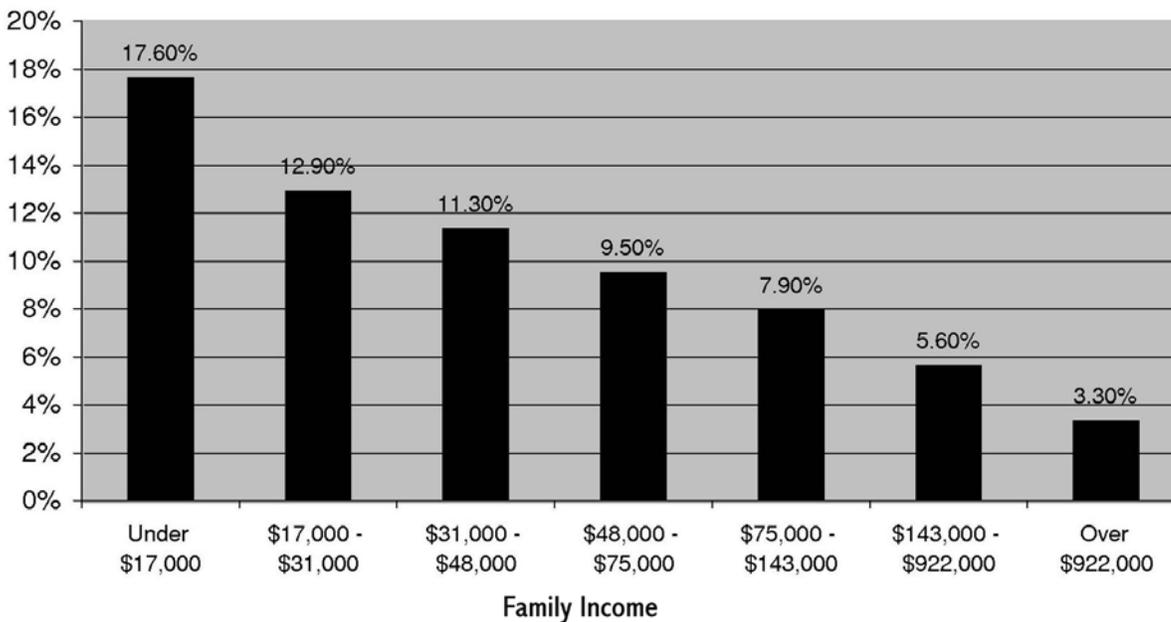
services that residents want and need. This has fueled increasing frustration with the tax system, and the public has voted for the only options presented—tax cuts.

Unfortunately, tax cuts have only exacerbated the problems. With the repeal of the motor vehicle excise tax in 1999, Washington lost a good revenue source and its most progressive tax, one that bore a better relation to a family's ability to pay. Other initiatives have capped property tax growth. As we have cut some taxes in the last decade, we continue to meet our revenue needs by increasing sales taxes, which have the greatest impact on low and middle income families. As a result, our tax system becomes even more unfair.

### SOLUTIONS

How can Washington create a fairer and more sufficient tax system? The State Tax Structure Study Committee, formed by the legislature to evaluate our tax system and make recommendations for its improvement, issued its final report in December 2002. It agreed that the most pressing problem with our tax system is its unfair treatment of low and moderate-income families. It also agreed that our tax system is out of sync with the economy and

## Percentage of Family Income Paid in State & Local Taxes in Washington



Source: *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, 2nd Edition, Institute on Taxation and Economic Policy, January 2003*

should be more stable. The Committee recommended the following goals:

1. Establish a personal income tax and reduce our sales tax rate.
2. Extend the sales tax to consumer services, such as barber-shops and cable TV. This would close some exemptions and allow us to reduce the sales tax rate.
3. Review our tax exemptions every ten years to determine whether they are meeting their stated goals, such as economic development and job creation.
4. Create a better rainy day fund. This would allow us to collect surplus revenues in good times to be used during economic.

### REFORM EFFORTS

Unfortunately, the legislature has all but ignored these recommendations. Legislators remain wary of touching the third rail of revenue—the income tax—because of public fears that we would pay more taxes. But this

isn't necessarily so. We can enact a tax shift rather than a tax increase, by reducing and capping the sales tax and adding a progressive income tax. Lower-income families would pay less than what they currently pay. Families who itemize could deduct their state income taxes from their federal income taxes, something they

***We can enact a tax shift  
rather than a tax increase.***

can't do with the sales tax. Adding an income tax could also be revenue neutral so the public does not pay any more in total taxes than it does now.

The ultimate goals of tax reform are to create a more balanced and diversified tax system that raises revenue more fairly. The Washington Tax Fairness Coalition, comprised of more than 60

organizations, came together in the spring of 2001 to advocate for a tax system that asks all citizens to pay their fair share, and that generates sufficient and stable revenue to pay for vital services in good and bad economic times. Such reform would certainly make Washington a more just and civilized state.

The Coalition's short-term priority for the 2004 legislative session is to promote a review process for all tax preferences and exemptions. Its long-term priority is to create an equitable tax system, where people and businesses with higher incomes pay at least as high a percentage of their income for state and local taxes as those with moderate and lower incomes. ~

<sup>1</sup> Western Rural Development Center, *Fiscal Crisis in State Budgets: Are Taxes in Western States "Wobbly"?* July 2003

<sup>2</sup> The Institute on Taxation and Economic Policy, *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, 2<sup>nd</sup> Edition, January 2003.*



David A. Leslie is the Executive Director and Phillip Kennedy-Wong is the Public Policy Director of Ecumenical Ministries of Oregon. Email: info@emoregon.org

## Taxation as a Moral Issue

David Leslie & Phillip Kennedy-Wong

**T**axation 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 States 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 mental 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

***As Christians we must bring social justice principles to the tax debate.***

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# Gubernatorial Candidates on Washington Tax Options

The Washington Legislature created the State Tax Structure Study Committee in 2002 to report on how state's tax system might be reformed to make it more fair to low- and middle-income people, more equitable in its treatment of businesses, and more effective in supporting the state's economy.

## COMMITTEE RECOMMENDATIONS

### Replacement Alternatives

1. A value added tax (VAT) to replace the business and occupation (B&O) tax.

2. A flat rate or graduated rate personal income tax to reduce the state sales tax and to eliminate the state portion of the property tax, sharing all or part of the state property tax relief with local governments and/or local schools.

3. A corporate income tax on net profits to replace the B&O tax on gross receipts.

### Adjustment Alternatives

1. Extend the retail sales tax to some personal services, such as haircuts and manicures.

2. Re-impose a state estate tax.

3. Impose a 1% personal prop-

erty tax on the market value of motor homes and boats.

4. Exempt construction labor from the retail sales tax.

5. Avoid dedicated taxes that bear no clear relationship between taxpayers and those who receive benefits.

6. Establish a review process every ten years to evaluate tax exemptions.

7. Impose tougher restrictions on the rainy day fund so money is available during recessions.

## CANDIDATE RESPONSES

IPJC sent all Washington gubernatorial candidates a questionnaire requesting their position on each of these proposals. Here are their responses:

### Federico Cruz-Uribe (R)

Spokesman Scott Peterson stated, "Mr. Cruz's positions are not yet developed enough for him to answer such detailed questions. Tax issues are not a priority right now."

### Christine Gregoire (D)

Teresa Olson, spokeswoman for People for Chris Gregoire Governor, wrote "Chris will not have sufficient time to answer your questions."

### Dino Rossi (R)

The Rossi campaign made no response whatsoever to IPJC's postal, email, and phone communications.

### Ron Sims (D)

Campaign coordinator Jason Eakes wrote, "The Ron Sims for Governor Campaign is not releasing that information at this time."

### Phil Talmadge (D)

Mr. Talmadge wrote, "I have long been a supporter of tax reform in Washington. Our state enjoys the dubious reputation of having one of the most regressive tax systems in America. I support efforts to make our personal and business tax structures more progressive. I welcome the work of the Gates Commission.

With respect to replacement alternatives nos. 1-3, I support consideration of these alternatives. With respect to adjustment alternatives nos. 1, 2, 5, and 7, I support such changes.

I am particularly tired of the fact that our Olympia establishment has failed to seriously consider tax reform for more than 20 years. It is time for action in Olympia. I look forward to working with IPJC on reform efforts." ~

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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. ~



Lois Canright is Northwest organizer for United for a Fair Economy [www.faireconomy.org](http://www.faireconomy.org).

# The Bush Tax Cuts: Who's Getting What

Lois Canright

Soon after President George W. Bush took office in 2001, he proposed the largest tax cut in two decades. He told us that budget surpluses inherited from the Clinton administration

the tax cut package includes increases in child care and child tax credits, along with small increases in tuition deductions, its most expensive feature is the reduction of income tax rates, especially for high income earners. The great-

To make matters worse, the tax cut legislation authorizes a gradual phase-out of the federal estate tax, which affects only the richest 2% of Americans, those who leave estates worth more than \$1-million at death. The majority of these estates are accumulated assets that have never been taxed. Elimination of the estate tax will cost \$982-billion over the next 20 years. That's roughly half the mount needed to make Social Security solvent into the future.

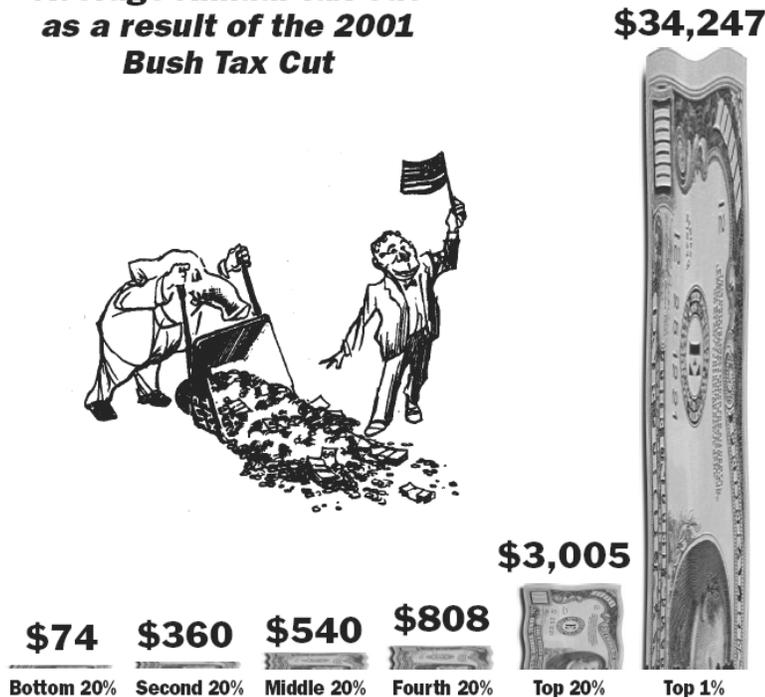
**The greatest of Bush's 2001 are the wealthiest**

By the spring of 2003, economic and political circumstances had changed. The U.S. economy was in a long recession, and over 2.5-million Americans had lost their jobs. We were at war in Iraq, spending one billion dollars a month. The federal surplus had disappeared and we faced a deficit of \$400-billion. According to Citizens for Tax Justice, a nonpartisan research organization, the tax cuts were responsible for almost half of the \$2.3-trillion in deficit spending projected during Bush's first term.

We were then told that our struggling economy required fur-

## Show Me the Money!

**Average Annual Tax Cut as a result of the 2001 Bush Tax Cut**



Source: Citizens for Tax Justice, May 26, 2001.

proved the government was overtaxing the American people. A strong economy justified tax cuts. The money would do more good in our pockets than in the hands of the bloated and wasteful government.

In June 2001, Congress passed the Economic Growth and Tax Relief Reconciliation Act. While

est beneficiaries of Bush's 2001 tax cut plan are the wealthiest Americans. Of the total tax cut, 45% goes to the wealthiest 1% of the population; 72% of the tax cut goes to the wealthiest 20%. More than a quarter of all Americans, including the working poor and those on fixed incomes, get absolutely nothing.

**FOR REF**

*Distributive justice looks for instances of income and wealth and seeks to ensure that it is justly and fairly to help remedy this injustice.*

- What does *tax fairness* mean to me?
- What are the implications of thinking of...
- What do I think of the idea that taxes are...

ther tax relief to provide a stimulus. President Bush promoted another \$782-billion tax cut, the

**beneficiaries  
1 tax cut plan  
best Americans.**

Jobs and Growth Plan, to accelerate tax rate reductions and eliminate

taxes on corporate dividends. Never before had taxes been cut during war time, when large expenses, such as the \$87-billion needed for reconstruction of Iraq, call for a tax increase.

Besides driving the government into record-high debt, federal tax cuts have resulted in the massive reduction of vital public services, such as education, health care, food assistance, transportation, environmental protection, police and security. The 2001 tax cut has necessitated a decrease in services that is equal to one fourth of our gross domestic product over ten years. Average Americans are being asked to make painful sacrifices in order to fund tax breaks for millionaires. The Bush Administration's evident goal is to eliminate entirely the taxation of capital, while continuing to tax only earned income and consumption.

A record deficit of \$530-billion

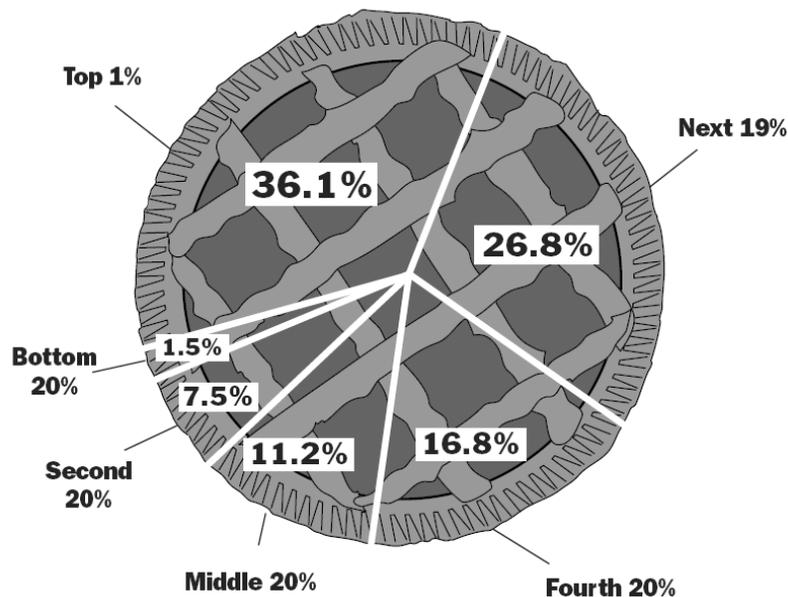
is now projected for 2004. Federal Reserve Board Chairman Alan Greenspan has warned that long-term structural deficits threaten the long term health of our economy. By 2009, the U.S. government is likely to be spend-

have to either raise taxes, default on our debts, or cut entitlement programs by 30-40%.

Now President Bush is promoting his Six-Point Economic Plan, which includes making permanent the 2001 and 2003 tax cuts

## How is the 2001 Bush Tax Cut Pie Sliced?

**From 2001-2010, the top 1% get 36% of the tax cut pie. The bottom 60% get only 20% of the pie.**



Source: Citizens for Tax Justice, June 12, 2002.

ing more for interest on the federal debt that on all domestic programs outside Social Security and Medicare. This is borrowing against our children's future to pay our expenses today.

As baby boomers begin to retire and draw from Social Security and Medicare, Americans are facing a financial crisis. We will

that were eventually due to expire. Only a loud outcry from those most affected can prevent this from happening. Please write to your members of Congress and tell them, "No more tax cuts for the wealthy. In these difficult times, everyone should pay their fair share." ~

**LECTION**

*extreme inequities in the distribution of that the tax responsibilities are distributed* (Economic Justice for All, #70, 74)

ourselves as *citizens* rather than *taxpayers*?  
e not just an *obligation* but a *right*?



Don Hopps, Ph.D. is consulting director of the Institute for Washington's Future. [www.forwashington.org](http://www.forwashington.org)

## Render Unto Caesar

Don Hopps, Ph.D.

**b**ump. Bump. Lurch. Sway. The chuckholes were not my concern of the moment. I had gotten used to them and the rocky ride of the van. I was more intent on not breathing as we passed truck after truck engulfed in thick, oily smoke. Oblivious, Simon, the driver, was telling me that this area north of Nairobi grew the world's best coffee.

"This is where I grew up," he said. "Look how those coffee bushes are overgrown. Abandoned. That is the work of Moi, the previous President." He went on to relate how the Moi government had set up a monopoly to buy and sell coffee. Soon small African farmers were being paid a pittance and valuable Kenyan coffee beans were being sold

"DOLE, NO TRESPASSING."

The impact of the now deposed lootocracy is evident everywhere you turn. Basic governmental services barely exist. The first thought is of Joseph Conrad and *The Heart of Darkness*. But this is not because of Kenya, much less the Kenyans. It is, rather, *The Heart of Darkness* in its most disturbing dimension. Kenya is a mirror in which we can see ourselves most clearly.

Kenya not only images the deadly results of our current foreign policy; it images the logical conclusion of the prevailing trends in our own domestic politics. It is a place where government has been rendered so ineffective that everything has become the purview of private individuals—policing, road building; education and garbage col-

ing, which holds that individuals pre-exist relationships and social order. The right to life, liberty and

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### ***Does the tax serve the vision of the radical equality of all people?***

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property adhere to our individual selves. The rest—politics, economy, all of social life—is a matter of mere contract. Government, established as a result of this contract, is for our benefit. This thinking has been simplified and hardened into an ideology that treats taxes simply as a payment for benefits received, a payment subject to our collective individual determinations, rather than the common good. Even the government's role of providing basic order is up for grabs.

In the Northwest, particularly Washington State, this mentality has produced tax systems that are unjust, inadequate and unaccountable. Every new change seems to make this situation worse. Citizens for Tax Justice, a leading independent research organization, rates Washington's system the most unjust in the country. Those of Oregon and Idaho rise to the level of mediocrity. Oregon was forced to knock twelve days off the school year to meet a budget short fall. Washington has been unable to fund major transportation improvements. All the states have cut funding for social and health services to the bone. Washington and Oregon suffer the highest hunger rates in the United States.

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### ***On that road out of Nairobi, I came to the startling revelation that I was in a place that had achieved the dream of the no tax movement.***

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dearly. The President and his cronies pocketed the money. Now Simon was one of the millions crowding into Nairobi where the infrastructure has been subjected to the same treatment. Government contracts went to cronies who enriched themselves doing shoddy work.

I noted that we were passing through thousands of acres of neat rows, fenced with barbed wire and commanded by lookout towers. The bright painted signs said,

lection. In this system even the rich must settle for buying the most rudimentary services, while the vast majority goes without. On that road out of Nairobi, I came to the startling revelation that I was in a place that had achieved the dream of the no tax movement which has seized the political agenda in the Northwest and whose leader is the President's chief advisor on domestic policy.

This movement is rooted in 18<sup>th</sup> Century English political think-

The situation has been caused in great part by voter frustration over their inability to affect the tax system. Throughout the Northwest, citizens find themselves dealing with agencies that spend millions of dollars without being directly accountable to either the voters or their elected representatives. In Washington, sales and property tax rates for low and middling income people are much higher than for the rich. In their anger, the voters end up passing initiatives which exacerbate the problem.

### Political Ideology vs. Christian Theology

The prevailing political ideology at the root of these problems is in deep conflict with Christian theology. The cornerstone of Christian thinking on government and taxes and on social life itself is the belief that we are all made in the image and likeness of God, the God who is Love. Christianity has historically adapted the ideas of Greek political philosophy to this concept. Greek ideas, such as the common good and the political nature of human beings, are all changed radically in the crucible of our life together in the divine image. We do not simply have social relationships; such relationships form our identity and are our salvation.

Government is not just part of what we do; it is part of who we are. Truth is not just to be conformed to; the truth of Love

sets us free.

In Christian theology, the common good becomes a dynamic of mutual, interlocking rights and obligations, which allow us to meet our physical and spiritual needs and reach our full potential. Our individual potential is reached only in and through relationship. It is only realized in so far as we achieve together a just and peaceful order in which all of us participate equally.

Government is the means by which we establish and secure our human rights by acting on our mutual obligations. Taxes are not just an *obligation* but a *right*. We have a right to tax ourselves rather than to be subjected to taxes; we have a right to determine our tax

so that it best serves the common good. Taxes are a way not only to empower government but a way to participate in our governance.

When Jesus held up the coin of tribute and asked, "Whose image is this?" he profoundly changed the question posed to him. The issue is no longer

whether or not the tax should be paid. The issue has become the entire context in and for which taxes are being

collected. *Render unto God*. Does the tax serve the vision of the radical equality of all people in a social order of divine justice?

Or does it serve a contradictory vision centered radically on one individual? Moreover, we have to go beyond answering these questions, hard as they are. The *Render* of Jesus demands action.

I think often of the road from Nairobi, of Simon the driver, and of all the people of Kenya. We have a great deal to learn from them. In the face of the failures of their past and the great challenges of their present, they embrace their future with an optimism and enthusiasm which is infectious. Last year, the newly



Tiberius - Silver Denarius - 14-37 AD (the coin of tribute)

elected reform government made education its priority. When hundreds of thousands of new students appeared on the first day of school, breakdown was imminent. But, somehow, Kenyans took it in stride. Hundreds of volunteers appeared to make the creaky education system work and keep the government on its feet. Call it the spirit of Faith. Despite all the gifts of good and stable governance we have enjoyed in the United States, I found the average Kenyan to be better informed and more engaged than the average American, and most important, determined to work in community to solve their problems. ~



# intercommunity

## Church Advocacy

We encourage you to participate in legislative advocacy:

- Attend the advocacy days.
- Join us in Olympia.
- Visit our website at [www.ipjc.org](http://www.ipjc.org) for legislative links.
- Write or call your legislator.
- Call us to join one of our events.
  - Olympia on January 28th (bus trip).
  - Seattle on January 29th.
  - Spokane on January 31st.
  - Yakima on February 7th.

## COLLEGE IMMERSION

FEBRUARY 20-21, 2004  
 FRI. 7:00 PM – SAT. 4:00 PM  
 LAMBERT LODGE  
 ST. MARTIN COLLEGE, LACEY, WA



Pax Christi Pacific Northwest  
Regional Assembly

November 24, 2001, 9 am – 4:15 pm

Our Lady of Mt. Virgin Church,  
Seattle

Theme: Sacred Waters/Care for  
Creation: Continuing the Journey  
with Native Peoples

Bishop Skylstad of Spokane will  
lead a reflection on *Spiritual*

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- ✦ Prayer and Ritual
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- ✦ Justice Issues
- ✦ Action Possibilities
- ✦ Questions for Reflection & Sharing

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WEEK 1: **Considering Power**

WEEK 4: **Conversion of Heart**

WEEK 2: **Companions on the Journey**

WEEK 5: **Compassionate Witnessing**

WEEK 3: **Call to Earth**

WEEK 6: **Carrying the Cross**

## Women's Justice Circles Create Change

**Seattle Jubilee Women's Center**—  
Waiting Lists for Affordable Housing:  
Designed a housing matchmaking plan  
in which a questionnaire and database  
information are exchanged among  
housing seekers and church and  
community organizations with housing.

**Spokane Gonzaga University**—*Know  
Your Rights and Resources Housing  
Forum*: Participants included low-  
income women, Gonzaga University Law  
School, Spokane Housing Authority,  
community organizations. The event was  
covered by the local Fox TV network.

**Renton**—Access to Affordable Child-  
care and ESL Classes: Researched and  
publicized HUD block grants, a portion  
of which can be used for childcare.  
Participants were successful in getting  
an ESL class on site.

**Vancouver Open House Ministries**—  
Emergency Services: Analyzed the  
systems in place for emergency services  
and networked the churches and  
agencies providing services.

**Spokane Miryam's House**—Housing:  
Created and distributed a guide entitled  
*Proposal Encouraging Action and  
Commitment: A Home for Every Woman*.

**Olympia**—Section 8 Voucher System:  
Working with local media and those who  
have Section 8 housing to dispel the  
myths and stereotypes of low-income  
women who are looking for housing.

Call IPJC to find out the location of the spring Justice Circle nearest you.

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**206-223-1138 or [ipjc@ipjc.org](mailto:ipjc@ipjc.org)**

# peace & justice center

## Young Adult Conference

IPJC hosted a successful event, bringing young adults together to explore topics that included housing, immigrants, contemplation and action, Iraq, living economies and election issues. The theme of *Going Within to Go Without: Rooting ourselves to create more just and balanced lives* created the context for addressing spirituality, community and justice in the midst of education, advocacy and activities for renewal.



Participants absorb keynote speaker Michael Schut

## Advent Reflection Events

There were overflowing crowds in Seattle and Spokane to hear Michael Crosby, OFM, Cap. He invited us to withdraw in situations of conflict, as Jesus did, in order to find alternative ways to address the situation. Michael also provided us with an opportunity to better understand the Our Father from his book, *The Prayer Jesus Taught Us*.



Spokane attendees with Michael Crosby, OFM, Cap.

## Vote On CEO Pay Encourages Religious Shareholders

Judy Byron, OP

For many years religious investors have been concerned that CEOs receive exorbitant pay and bonuses while jobs are being cut to reduce costs and boost share prices. These corporate practices have resulted in the unchecked and growing concentration of wealth and privilege.

The Sisters of the Holy Names of Jesus and Mary, members of the Northwest Coalition for Responsible Investment (NWCRI), raised this justice issue with Cisco Systems by filing a shareholder resolution which called for a report comparing the total compensation of the company's top executives and its lowest

paid workers. According to published reports, Cisco Systems CEO John Chambers averaged over \$87 million per year over a three year period. That total compensation package is 2,277 times the pay of the average U.S. worker. We believe such a disparity in pay undermines the common good—economically, socially and politically.

At the company's annual meeting in November, 9% of Cisco Systems shareholders agreed with us. Only a first-year support level of 3% is required for a proxy resolution to be reintroduced in 2004. When Sister Grace Diaz concluded the speech introducing our proposal, the

shareholders and John Chambers applauded. It is our hope that this year we can engage Cisco Systems in dialogue on this critical issue.

NWCRI's 2003-2004 Shareholder Activities include letters, dialogues and resolutions on the following issues:

- access to pharmaceuticals
- Fair Trade coffee
- global warming
- genetically engineered seed
- HIV/AIDS pandemic in Africa
- predatory loans
- smoke free movies
- sweatshops
- violence in video games

# Tax Reform Resources

## Books

Brunori, David, editor. *The Future of State Taxation*. Urban Institute Press, 1998.

Gates, William H. Sr. and Chuck Collins. *Wealth and Commonwealth: Why America Should Tax Accumulated Fortunes*. Beacon Press, 2002.

Hamill, Susan Pace. *The Least of These: Fair Taxes and the Moral Duty of Christians*. Sweetwater Press: 2003.

Slemrod, Joel and Jon Bakija. *Taxing Ourselves: A Citizen's Guide to the Great Debate over Tax Reform*. MIT Press, 2000.

United States Conference of Catholic Bishops. *Economic Justice for All*. Washington, D.C., 1984

## Federal Websites

Center on Budget and Policy Priorities  
[www.cbpp.org](http://www.cbpp.org)

Citizens for Tax Justice  
[www.ctj.org](http://www.ctj.org)

Institute on Taxation and Economic Policy (ITEP)  
[www.itepnet.org](http://www.itepnet.org)

The Tax Policy Center  
[www.taxpolicycenter.org](http://www.taxpolicycenter.org)

United for a Fair Economy  
[www.ufenet.org](http://www.ufenet.org)

## Washington State Websites

Institute for Washington's Future  
[www.forwashington.org](http://www.forwashington.org)

Washington State Legislature Senate Ways & Means Committee  
[www.leg.wa.gov/senate/scs/wm/default.htm](http://www.leg.wa.gov/senate/scs/wm/default.htm)  
Publishes educational materials on state taxes and budget, including the *2003 Citizen's Guide to the State Budget*.

*Tax Alternatives for Washington State: A Report to the Legislature*, November 2002.  
[www.dor.wa.gov/content/WAtaxstudy/Final\\_Report.htm](http://www.dor.wa.gov/content/WAtaxstudy/Final_Report.htm)

## Oregon Websites

Ecumenical Ministries of Oregon  
[www.emoregon.org](http://www.emoregon.org)

Oregon Center for Public Policy  
[www.ocpp.org](http://www.ocpp.org)

City Club of Portland  
[www.pdxcityclub.org](http://www.pdxcityclub.org)  
*Tax Reform in Oregon*, 2002 report available online.

Citizens for Oregon's Future  
[www.forouregon.org](http://www.forouregon.org)

Oregon Campaign for Economic Justice  
[www.ouregon.org](http://www.ouregon.org)

Fund Oregon's Future Today  
[www.fundoregon.org](http://www.fundoregon.org)

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Oregon Province Jesuits  
Sisters of the Holy Names of Jesus and Mary, Washington Province  
Sisters of Providence, Mother Joseph Province  
Sisters of St Francis of Philadelphia  
Sisters of St Joseph of Peace, Western Province  
Tacoma Dominicans

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Benedictine Sisters of Lacey  
Benedictine Sisters of Mt. Angel  
Religious of the Sacred Heart  
Sinsinawa Dominicans  
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Sisters of the Holy Names of Jesus and Mary of Oregon  
Sisters of St. Mary of Oregon  
Ursuline Sisters of the Roman Union

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