



Walton County Democratic Party
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Have state and federal officials put too much burden on local communities for services -- i.e., police, infrastructure, health and human services, education? Should there be a parity structure to give communities with poorer tax bases more money with which to meet the needs of its citizens?

The Walton County Democratic Party believes that security, health and education should be the primary concerns of our federal, state and local governments. Our government's ability to adequately address each of these concerns depends directly on the foresight and skill of our elected officials and our willingness and ability to provide adequate funding. When acting alone, many communities cannot provide security against organized crime or terrorists, protect citizens against man-made toxins or medical emergencies, nor create an educational system that meets the needs of its citizens; however, all of these are possible when acting together. We believe these are the basic building blocks required to improve and sustain any community's quality of life and therefore should be consistently and appropriately funded across America.

The staggering federal tax cuts pushed through by the Bush administration eliminated large amounts of funding for basic services. As a result, many states spent their reserves, teetered on bankruptcy and finally raised taxes in order to sustain basic government services. Diverse and imaginative schemes were used by state and local governments to increase revenues – college tuition, licenses, impact fees, telephone user fees, lotteries, fines, sales of property, gasoline, etc. After a great deal of disruption, state taxes were increased to make up the cut in federal taxes.

According to the U.S. Census Bureau, revenue for the state of Florida increased each year since 1998, except for 2002 when most states, including Florida, suffered through a major recession. Total tax increased from 1998 thru 2003 by \$4.4 billion with sales tax (\$3.5 billion) making up the largest increase, real estate and stock property transfer stamps and tax increased by \$1.25 billion. Additionally, a state excise tax on gasoline of 9.9 cents per gallon was passed in 2002. This happened while our legislators and governor were touting tax cuts. Their tax cuts only applied to items like property tax (\$640 million), corporate income tax (\$45 million), and inheritance and gift tax (\$20 million).

Taxes and user fees collected by our local government are more than adequate to support basic services for Walton County. Indeed our citizens pay more tax to our state and federal government than we receive for some services. This revenue bonanza is made

possible by the exceptional development and marketing of our beach properties that resulted in skyrocketing property values and associated property tax increases. Many of our neighboring counties are not so lucky and need more assistance from both federal and state revenues to provide basic security, health and education services.

Public interest and political tax debates are primarily over how much is paid and who pays taxes required to support our government. Both our state and federal governments have dramatically increased spending during the Bush brother's administrations, with our state government increasing sales and use taxes and the federal government exploding our national debt. The federal budget deficit for this year alone extrapolates to an increase of over \$5,000 of debt for every American family. Even more disturbing is that both federal and state government administrations are changing their revenue streams to shift the tax burden from the wealthy to working class Americans. In fact, research by the Institute on Taxation and Economic Policy (ITEP) highlight the fact that Florida has the nation's second most regressive tax system. Total taxes as a percent of income show the following for Florida citizens: families with incomes over \$289,000 pay only 2.7% of their income in taxes; families with average incomes of \$30,000 pay 9.8% of their income in taxes; and families with incomes of less than \$15,000 pay 14.4% of their income in taxes. The Walton County Democratic Party believes that a fairer, less regressive tax system should be implemented for Florida citizens.

The Bush administration's 2005 federal budget proposal calls for cuts of many basic services desperately needed by our citizens. They plan to cut Homeland Security, Law Enforcement and Veterans Affairs by a total of \$2.8 billion; Education by \$1.6 billion, Health and Human Services by \$2.6 billion, Environmental Protection by \$1 billion and Election Reform by \$1.4 billion. If these proposals are passed by congress, then state and local governments will once again be increasing taxes and fees to make up the difference.

The Walton County Democratic Party believes that taxes should be collected at the federal and state levels to provide consistent and appropriate basic security, education and health services for all citizens. These taxes should be a balanced mix of sales and use, property and income taxes. Enough taxes are being collected; however, elected officials are not spending them to the fullest and best benefit of our citizens.