

REVISED LWVNC TAX POLICY POSITION STATEMENT	
CURRENT TAX POLICY STATEMENT	REVISED TAX POLICY STATEMENT
<p>Support an equitable and efficient system of taxation in North Carolina that will adequately fund needed services at both the state and local level.</p> <ul style="list-style-type: none"> • The burden of taxes should be in proportion to the taxpayers’ ability to pay. • All taxpayers have the duty/right to contribute to the common good. • For government to tax in excess of the requirements of common good or to waste tax revenues is unjust since this unfairly deprives the taxpayer of his property and the product of his labor without a corresponding common benefit. • The taxation and appropriation process should allow government the necessary flexibility for responsible fiscal management. • The use of tax laws as incentives or disincentives to action should be viewed in the light of the common good. • The granting of tax preferences (e.g., exemptions, deductions, etc.) should be genuinely premised on the promotion of the common interest and not upon special interest or favoritism. • Taxes once established should be collected with even-handed enforcement. • The norm for choosing a form of taxation should first be the equitable distribution of civic burden and not the ease of collection or lack of popular opposition. However, where there 	<p>The League of Women Voters of North Carolina believes that a state and local system of taxation should provide for adequate funding of needed services, be broad-based, and incorporates standards of equity, adequacy, collectability, economic effect, transparency, and consistency.</p> <p>Equity</p> <ul style="list-style-type: none"> • Measure both in terms of ability to pay and that similarly situated people pay the same amount. <p>Adequacy</p> <ul style="list-style-type: none"> • Provide sufficient resources to adequately fund needed services and constitutionally mandated programs. • Evaluate elasticity in reference to the degree to which an increase in the tax rate causes a change in the tax base (e.g., taxable income or asset value). • Allow flexibility for responsible fiscal management and equitable distribution of the civic burden. <p>Collectability</p> <ul style="list-style-type: none"> • Be understandable to the taxpayer to encourage compliance. • Be enforced even-handedly. • Consider ease and cost of administration. <p>Economic Effect</p> <ul style="list-style-type: none"> • Consider minimal distortion to economic behavior. • View use of tax laws designed as incentives or disincentives in terms of the common good. <p>Transparency</p> <ul style="list-style-type: none"> • Give the public adequate notice of proposed changes in tax laws. • Hold open meetings. • Make public records accessible. <p>Consistency</p>

<p>are equivalent, equitable options, the simpler methods should be used.</p> <ul style="list-style-type: none"> • The tax system should be diversified to provide a broad revenue base and to minimize the effect of imperfections in any one tax. Each form of taxation should not be examined in isolation but evaluated as part of the total tax system. Further, the impact of tax laws should be consistent with other public policies (e.g., the conservation of energy, the preservation of neighborhoods, etc.). <p>[NOTE: The current L WVNC tax policy continues with statements that directly address each of the following types of tax - corporate income, highway fund taxes, individual income, sales tax, and new revenue sources. These statements were omitted for brevity purposes only.]</p>	<ul style="list-style-type: none"> • Be consistent with other public policies (e.g., public education, land use). <p>The above standards are applicable to all types of state and local taxes, including income, sales & use, property, and user fees.</p> <p>There should be a collaboration and balance between state and local governments to give local governments the necessary flexibility to utilize new revenue sources or to expend tax revenues to better serve their residents.</p>
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