

# Invest in Ed: Proposition 208

## Overview

The law would impose a 3.5% tax surcharge on taxable annual income over \$250,000 for single persons or married persons filing separately, or \$500,000 for married persons filing jointly or heads of households, to increase funding for public education.

## Funding Breakdown:

Money collected by the tax will be distributed to school districts and charter schools proportionate to student population, and shall be spent as follows:

- Fifty percent (50%) for the purpose of hiring and increasing the base salaries of teachers and classroom support personnel
- Twenty-five percent (25%) for the purpose of hiring and increasing the base salaries of student support personnel
- Ten percent (10%) for the purposes of mentoring and retention programs designed to support new teachers
- Twelve percent (12%) for the purposes of a new career training and workforce education fund to support career and technical education
- Three percent (3%) for the Arizona Teachers Academy

### The “Yes” Argument

#### Tax Burden

Minimal impact on the average taxpayer – only the top 1 percent of wage earners will contribute

Surcharge means that additional tax is charged only on income over the threshold, not on every earned dollar

#### Impact on Education

Restores \$100s of millions in K-12 funding

Improved teacher salaries and retention will help alleviate the teacher shortage

#### Impact on Economy

Increased funding for education improves the quality of the future workforce

Quality schools help attract new investment in Arizona, leading to better jobs

### The “No” Argument

#### Tax Burden

Small businesses will be hardest hit with marginal income tax increase of 77.8 percent

Would increase Arizona’s income tax rate to 8 percent, in the top-ten highest nationwide

#### Impact on Education

Not a dedicated funding source, but single-source funding based on the most volatile tax brackets

Lack of performance-based reward structure means little accountability for use of additional funds

#### Impact on Economy

Creates significant tax disincentive for businesses to relocate in Arizona

Will lead to significant job losses over the first ten years because of increased tax burden on business

## Arizona Farm Bureau Policy:

### **Government Taxes and Spending:**

Tax revenues should not be raised except as attributable to increases in economic activity and population growth.

We support the concept of reducing and restricting spending and taxes at all levels of Arizona government as long as it reduces agriculture's overall tax burden and does not shift more taxes and fees to agriculture.

Fiscal restraint, prevention of waste, increased efficiency and reducing government regulations continue to be needed in reducing government spending.

### **State Income Taxes:**

We support continuation of the state income tax as a mix of taxes collected by the state for operation of the state. Government needs to maintain a sound fiscal policy.

We support tax credits that support small business.

### **Career and Technical Education and Joint Technical Education District Funding:**

We continue to support the funding of Joint Technical Education Districts (JTED) programs and other Career and Technical Education (CTE) programs. We are opposed to using those funds for anything other than the intended purpose.

### **Agriculture Teacher Shortage:**

We recognize that there is an extreme shortage of qualified Agricultural Education teachers entering the teaching profession on the state and national level. We will work closely with the State Supervisor of Agricultural Education, the Arizona Department of Education, the Arizona Agriculture Teachers Association and the University of Arizona Department of Agricultural Education on initiatives that promote the recruitment and retention of quality teachers of Agricultural Education and FFA advisors. We will support state and national efforts already in place to address this issue being undertaken by the National FFA Organization, the National Association of Agricultural Educators and the National Council for Agricultural Education. We will investigate new ways to address this problem in Arizona and we will allocate financial resources where helpful.

