

Clean up Our Tax Code to Fund Our Schools

As Marylanders, we take pride in our schools. Right now they're not always able to meet our high standards because too many of our school districts don't have the resources they need. Students from low-income families and communities of color are the most likely to go to an under-funded school.

At the same time, we have an upside-down tax code that asks the least of those most able to pay, and which is full of loopholes placed there by special interests. If we take a few steps to clean up our tax code, we can raise the revenues to provide a world-class education to every student.

Why do schools need more funding?

Maryland's Bridge to Excellence Law: A Story of Progress and Retreat

2004: When the state began phasing in the Bridge to Excellence formula, only 4 Maryland school districts were fully funded.

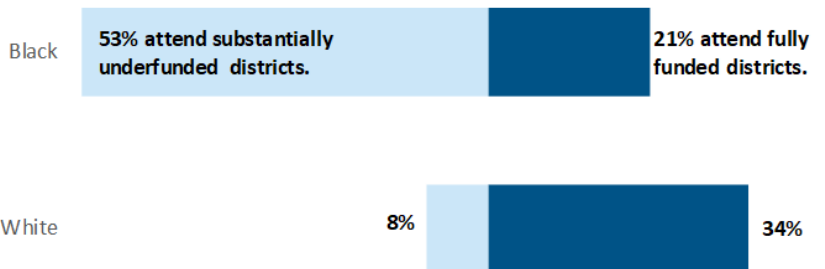
2008: After six years of consistent funding, 23 school districts were fully funded.

2015: After seven straight years of cuts, only 6 districts were still fully funded.

- Maryland made significant progress during the early years of the 21st century, and our efforts paid off as test scores increased across our state.
- Policymakers gradually cut school funding to balance the budget in the years after the Great Recession. Although they have since stopped making new cuts, underfunding is now baked into our education budget.

More than Half of Black Students in Maryland Attended Substantially Underfunded Schools as of 2015

Our current system does not grant all children the same opportunities.



The Commission on Innovation and Excellence in Education is recommending proven strategies to improve outcomes:



Make pre-K universal



Increase individual supports for students facing additional challenges



Make salaries more competitive to recruit and retain good educators.



Expand learning time

Investing in Maryland's Future

Maryland's tax code today has three major shortcomings that hold us back from being the best state we can be:



Special interests get tax breaks that don't help our economy.



Outdated policies have chipped away at our sales tax.



Our tax responsibilities are upside-down. The wealthiest 1% of Maryland households pay a smaller share of their income in state and local taxes than the rest of us do, despite doubling their slice of the economic pie over the last 40 years. Our tax code further concentrates wealth and power in a few hands and does nothing to reduce the economic barriers that hold back many Marylanders, especially people of color.

3 Steps to Clean Up Our Tax Code and Support Thriving Communities

1. Clean up our tax code. Close corporate tax loopholes, eliminate ineffective economic development subsidies, and reverse a recent cut to our millionaire estate tax.

2. Modernize our sales tax. Maryland's economy has changed a lot over the last several decades, but our tax code hasn't kept up. Maryland's sales tax should reflect the increasing importance of services and online commerce to our economy.

3. Strengthen our income tax. Restructuring Maryland's income tax will enable us to raise significant revenue, reduce income taxes on most low- and middle-income Marylanders, and improve our upside-down tax code.



Cleaning up our tax code can raise **\$1.9 billion** per year, and ...



Create a more equitable tax system



Provide a great education to every Maryland student



Support thriving communities and a vibrant economy