



Nonprofits **Talking Taxes**

**What YOU can do  
to help make California  
work for everyone**

[www.nonprofitstalkingtaxes.org](http://www.nonprofitstalkingtaxes.org)

**A program of CompassPoint and Building Movement Project**

# **About Us**

**We believe the non-profit sector plays a critical role in creating and maintaining a democratic society. Fundamental to a healthy democracy is a tax structure that generates adequate revenue and assures accountable spending. All nonprofits have a stake in advocating for fair and just tax policy.**

# **Goals of the Presentation**

- **Consider the potential of nonprofits to speak for the common good**
- **Show how taxes are a mirror of community values**
- **Present some examples of how changes could be made in California**
- **Encourage participants to discuss taxes, values and the common good with colleagues and friends**



“Power concedes nothing without a struggle.”

-Frederick Douglas -

# What Can Nonprofits Do?



# 1. Understand our influence

**California has 2<sup>nd</sup> largest nonprofit workforce in the USA**

**112,000 nonprofits generate:**

- **\$160 billion per year**
- **Employ 10% of workforce, or about 1.3 million people**



# The Nonprofit Sector Nationally

- 1.6 million nonprofit organizations generate:

\$1.4 trillion per year in income from:

- Government : 30%
- Earned Income: 50%
- Private Sector: 20%



*The private sector includes gifts from living individuals, gifts from bequests and gifts and grants from foundations and corporations*

*Source: National Center for Charitable Statistics and Foundation Center*

**How do you think public structures should be paid for?**

**Charge users small fees**

**Make users pay the most**

**Entirely from taxes**

**Privatize**

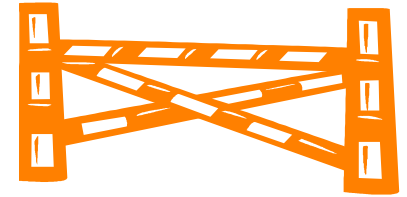
## **2. Understand some of the obstacles to adequate funding**

**State budget process**

**State tax policies**



# Grover Norquist, President, Americans for Tax Reform



*“I don’t hate  
government. I  
just want to  
make it small  
enough that I  
could drown it  
in the bathtub.”*

**TAXPAYER PROTECTION PLEDGE**

I, \_\_\_\_\_, PLEDGE TO THE  
TAXPAYERS OF THE \_\_\_\_\_ DISTRICT OF THE  
STATE OF \_\_\_\_\_ AND ALL  
THE PEOPLE OF THIS STATE THAT  
I WILL OPPOSE AND VOTE AGAINST  
ANY AND ALL EFFORTS TO INCREASE TAXES.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
WITNESS

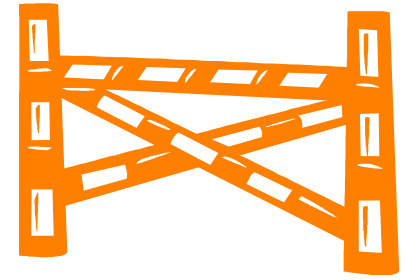
PLEASE SIGN AND RETURN TO:  
AMERICANS FOR TAX REFORM  
722 12<sup>TH</sup> ST., NW, 4<sup>TH</sup> FLOOR  
WASHINGTON, DC 20005  
FAX: 1-202-785-0261

\_\_\_\_\_  
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WITNESS

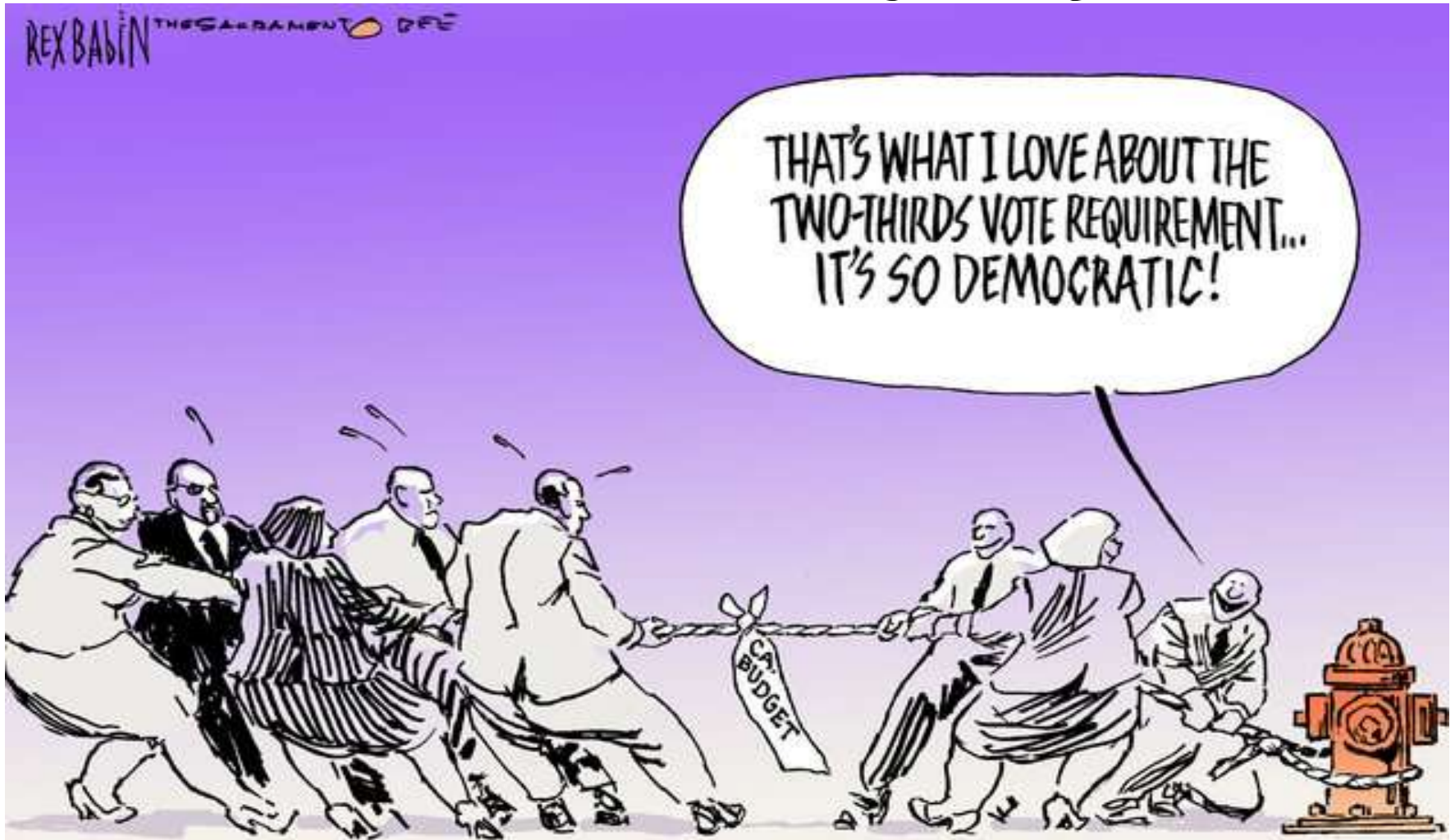
The Taxpayer Protection Pledge is a project of Americans for Tax Reform (ATRF). ATRF works with taxpayer groups and activists around the country to ask all candidates and elected officials to make this taxpayer commitment to taxpayers. The national list of signers can be accessed at [www.atrf.org](http://www.atrf.org).

# Tax cuts can pass easily, but tax increases are almost impossible



- Tax **cuts** can be made with a simple majority of legislators.  $50\% + 1$
- Tax **increases** can only be made with two-thirds of the legislature.  $66\% + 1$
- A tax **increase** can be *defeated* by just a few legislators.

# 2/3rds is NOT Majority Rule



Thanks so much to cartoonist Rex Babin for letting us use these cartoons.

# California Feud!

1. Split into two teams
2. Elect one representative to be your first buzzer
3. Practice sounds effects

- **Ding, ding, ding!**
- **Awwww!**

**NAME SOMETHING PEOPLE ASSOCIATE  
WITH CALIFORNIA.**

<b>SUN</b>	<b>30</b>	<b>SURFING</b>	<b>10</b>
<b>BEACHES</b>	<b>19</b>		
<b>HOLLYWOOD</b>	<b>18</b>		
<b>EARTHQUAKES</b>	<b>14</b>		

Question #1: There are \_\_\_\_ states that tax oil companies for drilling in the ground

Answer: 21

California is the only state in the country *without* an Oil Severance Tax.



If a 6% tax was enacted, this would raise \$1 billion in revenue.

Even Sarah Palin's Alaska taxes 25%!

#2: Increasing sales tax by  $\frac{1}{2}$  a penny will bring in \$\_\_\_\_\_ to California

Answer:

**\$ 3 billion!**

That's almost  $\frac{1}{3}$  of the shortfall!

(shortfall is as of May 2011)



#5: People who make over \$250,000 per year are taxed \_\_\_\_\_% in California

9.3%

A few years ago, these same people were taxed 10%.

If we reinstated this rate, it could raise \$4-6 billion.

It would only affect 2% of the population.

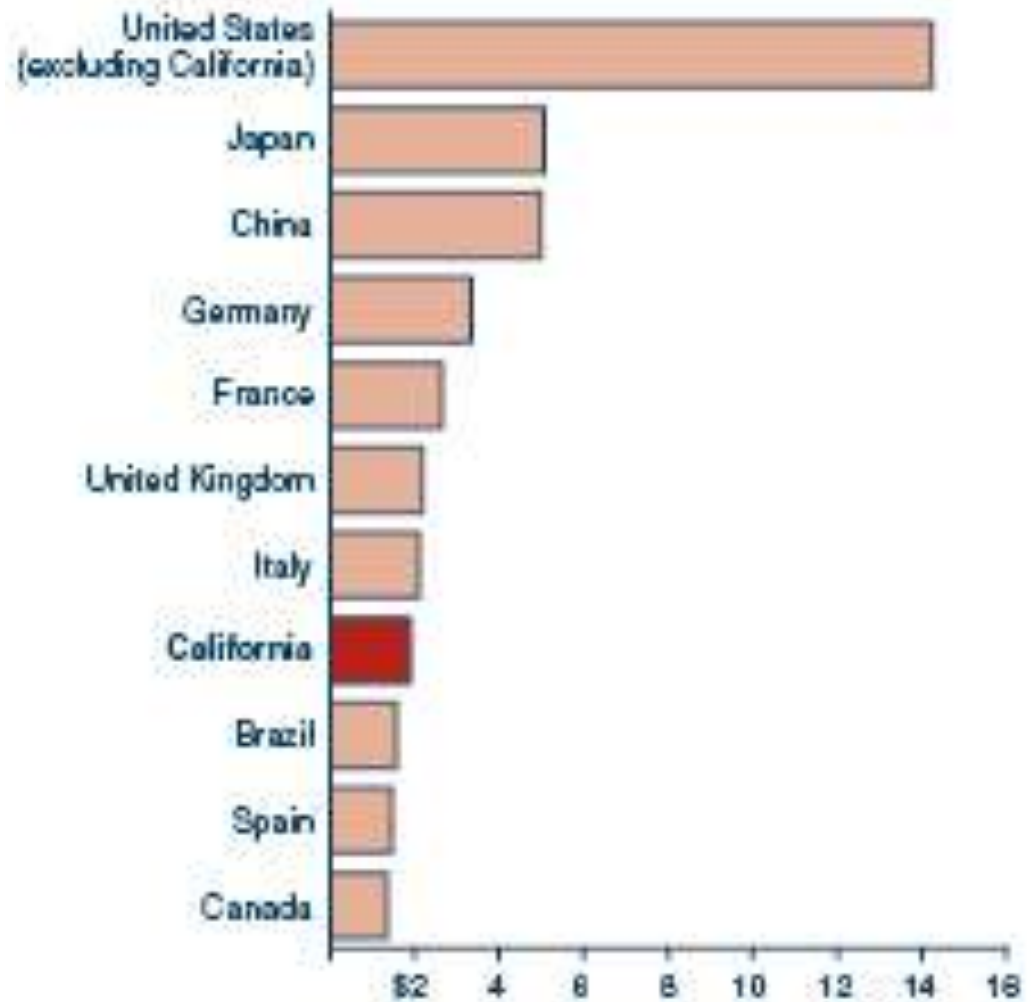




# One Thing We Do Know ...

There are  
enough  
resources in  
this state:

California is  
the world's  
8<sup>th</sup> largest  
economy





# Role Play



# The Common Good Must be a Common Conversation



**“We need each other... Each of us is the swing vote in the bitter election battle now being waged between our best and our worst possibilities.”**

**Leonard Peltier**

# Share Your Own Story

- How have you formed your opinions?
- Do you have a “tax philosophy?”
- What has stood in the way of forming a coherent opinion about the role of taxes in society?



# **What can I do?**

- 1. Talk with co-workers about ways the tax structure could be changed**
- 2. Help each other form opinions about budget and policy proposals**
- 3. Resolve not to be intimidated by those who say “this is too complicated” or those who cannot see anything positive in government**

# Where do I start?

1. Set up a free workshop at your workplace-  
[www.nonprofitstalkingtaxes.org](http://www.nonprofitstalkingtaxes.org)
2. Join the Conversation Online:  
[www.facebook.com/npstalkingtaxesCA](http://www.facebook.com/npstalkingtaxesCA)
3. Follow us on Twitter: NPsTalkingTaxes
4. Recommend places we can give this workshop:  
[npstalkingtaxes@compasspoint.org](mailto:npstalkingtaxes@compasspoint.org)

Remember, it's free and it can be tailored to the time available!

# More Resources

[www.nonprofitstalkingtaxes.org](http://www.nonprofitstalkingtaxes.org)

Alliance for Justice: [www.afj.org](http://www.afj.org)

California Calls: [www.cacalls.org](http://www.cacalls.org)

California Budget Project: [www.cbp.org](http://www.cbp.org)

Too Much: [www.toomuchonline.org](http://www.toomuchonline.org)

California Participation Project: [www.caparticipates.org](http://www.caparticipates.org)

CURB: Californians United for a Responsible Budget:  
[www.curbprisonspending.org](http://www.curbprisonspending.org)

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