

**H**OW  
OUR  
TAX  
AND  
BUDGET  
SYSTEMS  
HURT  
ARKANSAS  
CHILDREN  
AND  
FAMILIES





## WHAT'S THE PROBLEM?

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THE STATE'S TAX AND BUDGET SYSTEM is unfair to working families and small businesses. By taxing lower-income workers at a higher percentage of their earnings than wealthier citizens, the tax system puts disproportionate burdens on those who can least afford it. Low- and middle-income families pay 12 cents of every dollar they earn in state and local taxes, compared to 6 cents on every dollar paid by the richest one percent of taxpayers, according to the Institute on Taxation and Economic Policy.



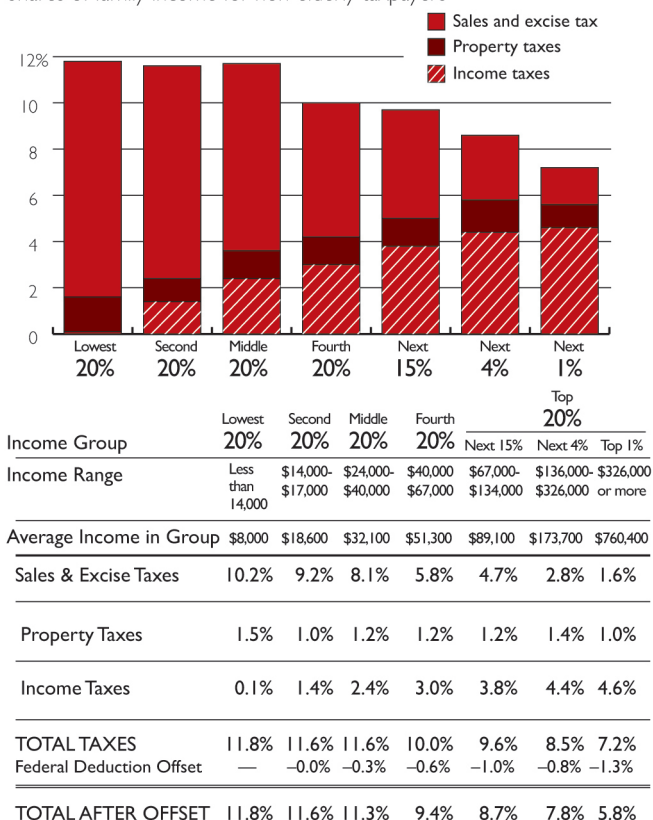


Families who are struggling to make ends meet should not be forced to pay a higher share of their incomes to support our collective needs. Additionally, some large corporations receive more favorable treatment under the tax system, which leaves small businesses at a competitive disadvantage.

## Arkansas

### State and Local Taxes in 2006

Shares of family income for non-elderly taxpayers





## **W**HAT'S THE SOLUTION?

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**TO HELP WORKING FAMILIES** move ahead, our state and federal tax and budget systems must provide adequate resources for the public services that we all depend upon. These include quality health care, good schools and safe roads. These services are critical if our state and its citizens want to compete in a global economy. Unfortunately, our tax and budget systems do not always produce enough revenue to meet the needs of all Arkansas residents.







As citizens we must fight for a fair and responsible tax and budget system. Those who earn the most should pay a higher percentage of their incomes on taxes than those who are just barely scraping by. Arkansas's sales taxes, for example, put a greater strain on the wallets of lower-income people who spend a higher percentage of their earnings on such basics as food.

A state and federal tax system in which everyone, including the wealthy and corporations, pays their fair share will give our state the resources it needs to help children and families thrive and will pave the way to a better future for all Arkansas residents, not just a select few.





## WHAT WE DO

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THE HEALTH AND WELL-BEING of Arkansas children and families is directly linked to the tax and budget policies of our state and federal governments.

The *Moving Families Forward* team at *Arkansas Advocates for Children and Families* analyzes state and federal tax and budget policies to see how they impact low- and middle-income families.

We promote increased public involvement in state and federal tax and budget issues by educating and engaging a broad range of groups, including the faith community, non-profit advocacy organizations, small businesses and low- and moderate-income families.

We organize coalitions to advocate for fair tax and budget policies that support the basic needs of all Arkansas families.



## WHAT CAN YOU DO?

JOIN US AS WE BUILD public support for a balanced and fair tax and budget system. Sign up to be a part of our *Moving Families Forward* network and we'll alert you to critical issues involving the tax and budget system at both the state and federal level — and we'll let you know how you can help.



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**Arkansas Advocates for Children and Families** is a statewide, non-profit child advocacy organization established in 1977. Our mission is to ensure that all children and their families have the resources and opportunities to lead healthy and productive lives and to realize their full potential.



**ARKANSAS  
ADVOCATES**  
FOR CHILDREN & FAMILIES

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