



THE LEAGUE OF WOMEN VOTERS OF SOUTH CAROLINA
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THREE BIG IDEAS
FROM THE LEAGUE OF WOMEN VOTERS OF SOUTH CAROLINA
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High-grade fuel to power South Carolina's engine - Comprehensive Tax Reform

No engine runs without fuel and nothing happens in South Carolina without adequate, reliable, sustainable funding.

The sales tax is very important to K-12 education in South Carolina. The first four cents goes to the General Fund, which provides EFA funding and state grants to education. The fifth penny is dedicated to funding the Educational Improvement Act (EIA). The sixth penny goes into the Property Tax Relief Fund to make payments to school districts to compensate for exempting homeowners from school operating taxes. So anything that can be done to strengthen the sales tax will help education. We urge our legislators to take a close look at the work of the Tax Realignment Commission's recommendations to broaden sales tax coverage of personal services and phase out the sales tax cap on cars, boats, and airplanes. We would also encourage the General Assembly to ask our members of Congress to support allowing states to tax Internet purchases. Collecting more tax on Internet sales would not only generate more revenue but also level the playing field for South Carolina's local merchants and retailers who have to compete with on-line sellers.

The other mainstay of General Fund revenue is the individual income tax. The state's income tax ranks 34th out of 41 states with income tax in the percentage of personal income paid in income taxes. The 53 available credits as well as generous treatment of retirees and other provisions have limited revenue from this important source. We urge our legislators to look more closely at these loopholes and special provisions as a drain on state revenues. And the frequent changes in the federal tax code deserve careful and regular review in the light of their impact on state revenue.

The LWVSC supports a permanent tax commission to address the kinds of questions on which the Tax Realignment Commission (TRAC) worked so hard throughout 2010. Many other states have such commissions to regularly review tax laws that may be in need of revision, evaluate the potential impact of proposed tax changes, and keep the state current with federal developments and tax trends in other states. TRAC was a good start, but we need to have this kind of thoughtful review on a regular basis.

For more information about LWVSC action on tax policy and reform, contact Holley Ulbrich at 864-654-6828 (phone) or holleyu@nctv.com (email).

The chain that is South Carolina is only as strong as its weakest link – Invest in Needy Families

We encourage the General Assembly to invest in needy families. The SC Department of Social Services (DSS) is projected to serve more than 1 million citizens this year. The Temporary Assistance for Needy Families (TANF) program is the program at DSS that serves our most needy families. The agency has already lowered payments to families from \$270 to \$216 per month effective February 1, 2011. The program is a safety net for parents as well as a path to employment. Nearly 28,000 children are reported for child abuse and neglect in SC each year and 5,000 of them have come into Foster Care for safety reasons. The continued rise in caseloads in all programs at DSS continues to put major pressure on TANF funds, which has a ripple effect on the Child Welfare Program putting more children and families at greater risk. Consider carefully any cuts in health care for our children. Healthy children arrive at school ready to learn and grow into healthy, capable adults.

Ultimately the LWV recommends working with policy makers at both the state and federal levels to identify dedicated funding for the child welfare program as opposed to the current funds at the state and national level that are cobbled together for child welfare services. While this is certainly not a great time to be talking about new dollars – federal or state- it is important to keep these issues on the table and out front.

For more information about LWVSC action on early care/education and child welfare issues, contact Rita Paul at 803-606-0277 (phone) or ritapaul@hotmail.com (email).

Public Education is our most important investment in the future – Overhaul the Funding System for Public Education

The LWVSC calls on the General Assembly to thoroughly overhaul the system for funding public education in South Carolina. This includes the repeal of Act 388.

The current system has developed in bits and pieces at the whim of whatever idea has sway at the moment. It lacks coherence, strategic focus, and sustainability. The strategic overhaul that is needed will not accomplish what is needed for South Carolina if it, too, is enacted in a piece-meal fashion.

The funding of public education must be viewed as a strategic investment plan. It must address the needs of South Carolina's children, both now and in the future. It must also be crafted to address through education the economic and work-force needs, current and future, of South Carolina. It must be a catalyst for giving our children and our state a legitimate and competitive "seat at the table" of the Global Economy. We call on the General Assembly to act boldly, effectively, and immediately to craft a new funding system for public education in South Carolina, one that effectively invests in our children and our state for the present and for the future.

For more information about LWVSC action on K-12 education issues, contact Jon Butzon at 843-478-1451 (phone) or jbutzon@sc.rr.com (email).

For more information on the LWVSC legislative program, contact Carole Cato at 803-530-3893 (phone) or ccato@att.net (email).

The League of Women Voters, a nonpartisan political organization, encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy. Membership in the League is open to men and women of all ages.