

# News Release

FOR IMMEDIATE RELEASE

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## CT VOICES REPORT:

### Connecticut Tax System is the 3rd Most Regressive in the Country, Forces Majority of Tax Burden Onto a Weakening Middle and Working Class

**New Haven, CT (January 15, 2020)** – Connecticut Voices for Children today released a report that examined solutions to address rising income and wealth inequality in Connecticut. Among the many negative consequences, income and wealth inequality adversely impact the education, health and economic opportunity of children in working- and middle-class families.

"Rising income and wealth inequality make every day living for middle- and working-class families harder" **said Emily Byrne, Executive Director of Connecticut Voices for Children.** "Our tax system as it stands, inequitably rests the tax burden on the shoulders of those families, making the lived experience for our State's most vulnerable even worse. Our State leaders have an obligation to work with urgency to ensure the future success of our middle class isn't unjustly hindered by our regressive and inequitable tax system"

After reviewing several comprehensive studies of Connecticut's regressive tax system, the report identified that the most pressing tax issue in Connecticut is not the overall tax burden but rather the regressive distribution of that burden.

"This paper is unique in providing a comprehensive and historical analysis of Connecticut's tax system," **said Patrick R. O'Brien, Ph.D., Research, and Policy Fellow for Connecticut Voices for Children.** "Building upon that analysis, we recommend a revenue-neutral tax reform program. This means that the program won't cut or raise taxes overall but rather shift part of the disproportionate tax burden on the working and middle class to the wealthiest, whose income and wealth shares have increased the most for several decades and whose effective tax rate has been the lowest."

The report, entitled "[Reforming Connecticut's Tax System: A Program to Strengthen Working- and Middle-Class Families](#)," outlines a revenue-neutral tax reform program that consists of four major components:

- Raising taxes on millionaires in the top 1 percent of the income distribution
- Raising taxes on multi-million-dollar estates in the top 5 percent of the wealth distribution
- Increasing and creating tax credits for working and middle-class families
- Increasing tax transparency

The aim of the program is not to raise or cut taxes overall but rather to reduce the disproportionate tax burden on the working and middle class by shifting part of that burden to the wealthy—whose income and wealth shares have increased the most for several decades and whose effective tax rate has been the lowest.

The findings of this paper offer a one-of-its-kind comprehensive view and a historical perspective of Connecticut's tax policy. These recommendations offer a route to relief that is 'revenue neutral'—meaning it will not raise or cut taxes overall. As such, Connecticut has nothing to lose in revenue and everything to gain in equality.

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*About Connecticut Voices for Children: Connecticut Voices for Children is a "think and do" tank working to ensure that all Connecticut children have an equitable opportunity to achieve their full potential. In furtherance of its mission, Connecticut Voices for Children produces high-quality research and analysis, promotes citizen education, advocates for policy change at the state and local level, and works to develop the next generation of leaders.*