

An open letter: Upper-income North Carolinians opposed to ballot initiative

We are high net worth North Carolinians — business owners, investors, and other wealthy individuals in the top 5% of income and/or wealth in the state. We are writing to express our deep concern regarding the impact of the proposed tax cap amendment on the future of our great state. We believe this tax cap would 1) hamstring the State's ability to navigate future economic crises and natural disasters effectively, 2) deepen economic inequality in our state, and 3) limit the state's ability to invest in the future and create a strong business climate.

We urge voters to join us in voting against this short-sighted tax cap proposal. It is an affront to economic justice and good sense.

The tax cap would limit the state's ability to fund basic needs and respond to crises. North Carolina's income tax is the largest source of revenue for our state budget, which funds our public education system, public infrastructure investments and social services, all of which support the quality of life in North Carolina that we all treasure. The nonpartisan Fiscal Research Division of the North Carolina General Assembly anticipates revenue shortfalls as early as next fiscal year, 2019-20. To make matters worse, as this tax cap is a permanent amendment to our constitution, it would cut off the primary and fairest tool we have to adequately invest in our future, address economic downturns, and respond to unforeseen circumstances.

The tax cap would lead to increased inequality. Under the current North Carolina tax code, ushered into law in 2014, taxpayers with high incomes, like us, and the greatest ability to pay taxes, receive the greatest tax breaks year after year. If this amendment passes, those tax cuts for the top earners in our state will be permanent, prohibiting the highest incomes from being taxed at rates above 7%, and we all stand to lose \$2.4 billion in public investments per year that make our communities stronger. That loss is more than the current total of our state's rainy day fund. It is more than twice what we invest in our community college system, and a significant share of our commitment to the health and well-being of North Carolina families. With less state funding, local governments and rural communities will be forced to raise sales and property taxes — the sorts of taxes that demand a higher share of the income of middle and low-income earners than that of the wealthy.

Businesses rely on robust public investment. Many of the signers below are business owners. As business owners, we are aware that public investment in education, job training, research and infrastructure, paid for through tax revenue, create a fertile business environment and help our businesses succeed. Tax cuts for the wealthiest North Carolinians and limited state revenue will not result in more good jobs or a stronger economy. Instead, sustained, adequate investment in education, health and well-being, and the protection of the land and air in our state is what will foster local economic growth, and bring new, good jobs to our state.

We recognize that as high earners in our state, we have been the beneficiaries of economic growth as many North Carolinians have seen wages stagnate and manufacturing jobs move overseas. We believe a constitutionally mandated tax cap will dangerously limit our state's ability to respond to budget shortfalls, economic crises, and natural disasters. We are asking voters to join with us so that we can all ensure a prosperous and thriving North Carolina in the future.

We urge North Carolinians to join us in voting against the proposed tax cap amendment.

Sincerely,

Rep. John Ager, *Fairview*

Marcia Angle & Mark
Trustin, *Durham*

Rebecca Balter, *Raleigh*

Nathan Bearman, *Carrboro*

John J. & Ann L. Campbell,
Raleigh

Matt & Suzanne Case,
Chapel Hill

Alex & Kelli Cho, *Durham*

Elizabeth Craven,
Chapel Hill

Robert Dalsemer, *Hayesville*

Robert Doolittle & Kathryn
Adams, *Greensboro*

Narendra Ghosh, *Durham*

Lawrence Greenblatt &
Cathleen Melton, *Durham*

Christopher Heavener,
Raleigh

Anne Hummel & Sam
Hummel Sr., *Greensboro*

Dr. Eric Mansfield,
Holly Springs

Ann McColl, *Raleigh*

Richard Moore, *Fayetteville*

Lawrence & Claire Morse,
Greensboro

Mary Mountcastle, *Durham*

James Paisner, *Carrboro*

James Protzman & Jane
Brown, *Chapel Hill*

Bryna & Greg Rapp,
Chapel Hill

Wayne Riggins, *Fayetteville*

David Roswell, *Durham*

Katherine Seligmann,
Wake Forest

Adam & Jane Stein,
Chapel Hill

Geraldine Sumter, *Charlotte*

Sen. Teresa Van Duyn,
Asheville