THE TAXPAYER PROTECTION ACT

THE PROBLEM:

State Spending is Growing Faster than Taxpayers' Ability to Pay

- Total state government spending has consistently outpaced the growth of personal income. In fact, per family of four, total state spending (adjusted for inflation) grew by more than $12,800 since 1970.

THE SOLUTION:

A Taxpayer Protection Act (TPA) Would…

- Require the government to prioritize spending, like any family or business owner.
- Reasonably limit future growth in state government spending to inflation plus population growth.
- Create a Rainy Day Fund to be used to balance the budget in times of recession.
- Provide tax relief for working families and stimulate job growth by returning surplus revenues to taxpayers.

WHY A TPA?

The TPA Encourages Responsible Budgeting and Spending

- The TPA will ensure policymakers prioritize spending and do so with regard to taxpayers' ability to pay.
- A spending limit does not mandate any cuts—it merely slows the growth in spending.
    - o If the TPA had been applied to the General Fund from 2000-14, a cumulative $19.5 billion would have remained in the hands of taxpayers—almost $6,000 per family of four.
    - o Under the TPA index, state spending in FY 2014-15 could increase by 2.38 percent—or $678 million.
- Government spending should be prioritized to core programs and services. Increases in spending should be tied to the increase in the prices (inflation) and the number of people served (population growth).
- The TPA is not a hard cap, but could be exceeded in cases of emergency or with a supermajority of legislators.

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