

Action Project 2021

NEW Leadership[®] Mississippi

Center for Women's Research & Public Policy
Mississippi University for Women

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With assistance from

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Overview

As part of the NEW Leadership ® program, you will complete a political “Action Project.” Each year, we focus on a different issue—typically in a policy area that topped the agenda of a recent legislative session. As part of the project, you will research the issue from the perspective of an assigned interest group or coalition of interests. The project will culminate in a mock legislative committee hearing on proposed legislation related to the chosen policy area. This year, the committee will be studying House Bill 1439 (HB 1439), which would abolish the income tax in the state of Mississippi. The faculty in residence (FIRs) and others will play the roles of legislative committee members.

To help make the presentations effective and believable, each group will create characters who would testify in front of a non-fictional legislative committee. A particularly good strategy is to pair personal, “human impact” testimonies with experts who can talk about the generalizability of those experiences. The purpose of each speaker in the group is to provide evidence from a particular perspective, and you will need to think about the kinds of research and argument each character will offer and how each contributes to the group’s overall message. So, while some of your members will be doing research to craft realistic stories about the effects of this policy on ordinary people’s lives, others will be looking at scholarly articles related to the ethical, political, economic, or social implications of different tax policies on Mississippi.

Regardless of your specific interest group assignment, consider doing general research into the current policies, state and national, related to taxation. It will certainly be helpful to learn about the recent (unsuccessful) reform efforts in Mississippi. It’s likely that you’ll also benefit from learning how other states have fared after eliminating their own income taxes. As you conduct your research, ask yourself how different groups attempt to persuade their audiences. What kinds of evidence do they use to support their arguments? To what beliefs and values do they appeal? This will help you “hit the ground running” and anticipate the arguments the committee will hear from other groups.

Groups Assignments

Red Group: Mississippians for Freedom and Prosperity

Goal: Improve the quality of life in Mississippi by 1) making the state attractive to businesses and young, skilled professionals as well as by 2) expanding individual freedom of choice, particularly in economic matters.

- Toya McQueen
- Kaitlin Myricks
- Ashley Shelby

FIR: Amy Tate
Mentor: Kelsi Ford

Yellow Group: Progressive Women's Coalition

Goal: Improve women's lives and ensure the systemic sexism of society is recognized and combatted. Gender inequalities continue to result in higher rates of poverty among women despite the greater share of work (when unpaid labor is considered) they shoulder. A just tax policy must account for these realities.

- Chioma Ajuonuma
- Mackenzie Pearce
- Ryia Steps

FIR: Adrienne Hooper-Wooten
Mentor: Maria Serratos

Blue Group: Working Class Collective

Goal: Mississippi has the highest grocery tax in the nation in the poorest state in the nation. Your goal is to lower the grocery tax. There is no reason for impoverished families to have to starve because they cannot afford the tax that is being placed on their groceries. Taxing groceries worsens economic inequality by taking a larger share of income from poor people, while the richest contribute a smaller share of their wealth.

- Briana Burton
- Caitlin Phillips
- Amber Cornell
- Jasmine Spearman

FIR: Kristie Metcalfe
Mentor: Keara Williams

NOTE ON ROLES & RESPONSIBILITIES

Throughout the week, FIRs, Mentors, and MUW staff will guide and support students in their efforts to research and prepare a presentation for the mock legislative committee hearing described in the following pages. FIRs and mentors will work closely with their assigned student groups as they prepare for the mock hearing, while MUW staff will periodically provide focused assistance and will be available for additional support as needed. Mentors may be called upon to take part in group presentations, while FIRs and MUW staff will play the role of legislators during the mock committee hearing.

Students are responsible for being fully present during all scheduled Action Project prep sessions and for working with group members, mentors, and FIRs to arrange extra research and rehearsal sessions as needed. Be engaged, attentive, and respectful of the experience your peers, mentors, FIRs, and other staff have to offer. Contribute your best efforts to the project. When challenged to represent a view in conflict with your own values and beliefs, trust that a) we owe it to one another to fully consider the best arguments each side has to offer and b) it is strategically useful to know thine enemies.

Action Project 2021

The Issue

This year, your project will focus on tax policy. During the 2021 session of the Mississippi Legislature, prominent Republicans sponsored, and the Mississippi House passed, the Mississippi Tax Freedom Bill (HB 1439). If passed into law, the bill would have phased out the state's income tax within ten years while also reducing the state's sales tax on groceries and raising certain use taxes.

Governor Tate Reeves voiced his partial support for the proposal: he applauded the effort to eliminate the income tax but criticized the bill for raising other tax rates to make up for the projected loss in state revenue. Senate leadership expressed reservations too; they voiced concern over the complicated nature of tax policy and called for additional time to study the proposal. Ultimately, the bill died in the Senate Finance committee without a vote. In its place, the Senate passed a Concurrent Resolution (SC 536) calling for the creation of a State Taxation Study Committee to make recommendations for the 2022 legislative session "regarding the most effective and desirable policy changes with respect to state income tax, state sales tax, and state use tax."

The Scenario

We will pretend the Senate's Study Committee was adopted. ¹ According to SC 536, the committee would have 14 members; membership² would be composed as follows:

- The Commissioner of the MS Dept. of Revenue (Chris Graham, or his designee);
- Four members of the MS Senate, appointed by the Lt. Governor (Hosemann);
- Four members of the MS House, appointed by the Speaker (Gunn);
- The Chairman of the Senate Finance Committee (Josh Harkins);
- The Chairman of the House Ways & Means Committee (John Thomas "Trey" Lamar III);
- The Chairman of the Senate Appropriations Committee (W. Briggs Hopson III);

¹ In reality, House leadership killed the bill out of spite, though they are still holding meetings to study the issue and promote their proposal over the summer. In fact, House Speaker Philip Gunn will be in Columbus during the first week of our institute to pitch the House vision of reform.

² Note that every member of the study committee would have been male. However, we will also hear from several women who serve on these committees during our legislative panel on Tuesday, June 15. From the Senate side, we will have Sen. Nicole Boyd, who serves on both the Senate Finance Committee and the Legislative Budget Committee. These are highly unusual committee assignments for a freshman lawmaker. On the House side, we will hear from Representatives Alyce G. Clarke (Appropriations) and Omeria Scott (Ways and Means).

- The Chairman of the House Appropriations Committee (John Read);
- And the State Economist (Corey Miller).

The Study Committee is meeting over the summer to examine the general proposal to eliminate the state's income tax as well as the specific plan put forward by House leadership in HB 1439. They have requested that various groups come to their meetings and provide information regarding Mississippi tax policy. The faculty in residence (FIRs), and others will play the roles of Study Committee members.

Your Action Project group represents one of the organizations or coalitions invited to provide testimony to the Study Committee. Each member of your team is someone chosen by your organization to speak at the Committee's hearing. Appendix A provides detailed information on each organization that will help you refine your specific personas, but it is typical for presentations to feature a nonprofit or interest group representative, an "ordinary citizen" who can speak to the on-the-ground impact of legislation, and an academic or policy analyst. By coordinating your members' testimony, you are attempting to tell a coherent story that will influence the committee members' decisions on HB 1439. The legislative committee expects you to provide relevant and accurate information that can inform their actions concerning HB 1439 and related legislation likely to confront the 2022 session of the House and Senate (See Appendix B). In the end, you must decide how best to represent the array of principles and goals contained in your coalition of policy experts, consultants, concerned citizens, those directly affected in particular ways, and interest groups.

Group Presentations

Fictional organizations have been created for this project to represent the different elements of political discussion about tax policy in the state of Mississippi: Mississippians for Freedom & Prosperity, Progressive Women's Coalition, and the Working Class Collective. Although the group, coalition, or alliance itself is not real, the assorted interests that support each group are real. In this way, your research will engage with actual groups, bills, and political actors as much as possible.

Each group will have 30 minutes for its presentation: 20 minutes for the group to present its case, followed by 10 minutes of Q&A with committee members. As part of its 20-minute presentation to the legislative committee, each group is allowed to call on "experts" and other witnesses and may use a variety of appeals in its presentation, including emotional appeal, intellectual appeal, and/or ethical appeal. The legislative hearing is public, so each group must assume that a wide variety of media representatives are reporting on the presentations. Your testimony should be a public-

facing, professional and influential presentation based on the goals and beliefs represented within your assigned group.

In your presentations, each individual will assume a particular role and needs to introduce themselves and speak from the perspective of a fictional persona. For example, a group might include a young professional whose decision to live in Mississippi will be significantly impacted by the income tax rate, a person who is impoverished and dramatically affected by the grocery tax, a business owner whose company would be negatively impacted by an increased use tax, or a retiree who no longer pays income taxes and is more concerned by the implications for government services and other tax rates. Consider the following role categories as you compose your group's presentation to the legislative committee:

- Concerned citizens
- Representatives of the business community
- Spokespersons for advocacy organizations or networks
- Experts and academics
- Elected and appointed officials from other branches of government

Although your group assignment may entail a policy perspective at odds with your actual political or personal beliefs, you will be expected to use research materials, concepts, and ideas which support the consensus of the group to which you are assigned. Read the group descriptions in Appendix A and think about how you would propose persuasive arguments from each group's perspective. Be prepared to give the most robust argument on behalf of your group's position and to anticipate and effectively counter the best arguments of others.

Research

Research your group's perspective to the best of your ability using websites, news reports, policy briefs, government data, and peer-reviewed academic essays. Often the best testimonies include a mix of "hard" (quantitative) data, personal narratives (qualitative data), and ideological or moral argument, so you will need to think of a range compelling and realistic arguments to deploy in the presentations. The scenarios and personas you describe might be fictional, but they should be based on research into the actual experiences of particular persons or groups and grounded in a thoughtful explanation of how lived experiences connect to the presentation's overarching empirical (data-driven) and normative (ethical) arguments.

All students will have access to [Fant Memorial Library](#)—both its online and hard copy resources—as well as MUW's Undergraduate Research Coordinator, Hillary Richardson.

Ms. Richardson is familiar with your project and is eager to work with you to locate pertinent information in Fant Library. Fant's hours are 7:30 am to 8:00 pm. After Fant has closed, you will have access to the computer lab upstairs in Painter, and there you will be able to access MUW's online collections. However, many of you are not yet fully enrolled as MUW students, and this will make it difficult for you to rely solely on our library. Make use of your group members' own university library accounts to access online materials whenever you are unable to physically work in Fant Library or in Painter Hall's computer lab.

RESOURCES

The list below is only a beginning to the kind of research that you will need to engage in when you arrive on campus. You will not need to know, understand, or represent all of the groups and arguments suggested below and you may find that unmentioned material is useful. Your group will only represent a small slice of a much larger conversation. However, this preliminary list is meant to give you a sense of the kind of evidence, sources, and perspectives that exist on this topic and the contours of the debate you will be entering.

Possible categories of research might include public opinion, news articles on the debate in Mississippi, laws and legal advisories on state policies, guides to federal policies, and white papers, policy briefs, and other policy-related publications from advocacy groups, think tanks, and academic researchers.

Legislation & Legislative Debate

The first documents to review are House Bill 1439, to create “The Mississippi Tax Freedom Act,” and Senate Concurrent Resolution 536, to create “State Taxation Study Committee.” These proposals are at the center of the Action Project.

- House Bill 1439.
<http://billstatus.ls.state.ms.us/documents/2021/pdf/SC/SC0536PS.pdf>
- Senate Concurrent Resolution 536.
<http://billstatus.ls.state.ms.us/2021/pdf/history/HB/HB1439.xml>

These were not the only tax bills introduced during the 2021 legislative session, though. You can find other bills, some pertaining to the grocery tax, others to the pink tax, by searching the Legislative Information Systems on the legislature’s website.

- <http://www.legislature.ms.gov/legislation/>
- For example, Senator Hillman Terome Frazier sponsored SB 2709, which proposed to eliminate the pink tax.
<http://billstatus.ls.state.ms.us/2021/pdf/history/SB/SB2709.xml>

You may also benefit from watching the House floor debate on HB 1439 (debate on 1439 begins at 24 minutes and 14 seconds mark and ends at one hour, two minutes, and 30 seconds).

- MS House Floor. Feb. 23, 2021. Mississippi Legislature. Youtube.com.
<https://youtu.be/rQVFQ8kWGw4?t=1454>. Accessed June 1, 2021.
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Press Coverage

Press coverage of the debate that ensued during the 2021 legislative session will also be useful. In the articles, you'll begin to learn about the different groups that lined up for and against the bill as well as the evidence they offered. Often, news articles help clarify the arguments involved and lead you to additional sources of information. You may also find helpful leads in the press coverage of other states that have eliminated their income tax.

Because of the extensive press coverage received by the income tax proposal in Mississippi, individual news articles are listed in Appendix B.

Policy Analysis

Analyses Specific to HB 1439

Two faculty members of the Economics Department at the University of Mississippi have released a working paper analyzing HB 1439. Since it is not a published, peer-reviewed academic article, it is comparable to the policy analyses offered by various advocacy organizations but has the benefit of being published by academics whose professional status is not tied to support for ideological positions, but to the quality of their research.

- Hendrickson, Joshua R. and Ronald Mau. 2021. "An Economic Analysis of the Elimination of the Individual Income Tax in Mississippi," Working Paper Series 2021-03. The University of Mississippi Department of Economics.
<https://economics.olemiss.edu/wp-content/uploads/sites/209/2021/03/StateIncomeTax.pdf>

The Tax Foundation is a well-known conservative think tank that came up repeatedly in the debate over HB 1439 because its economic and tax policy analyses generally support proposals to cut state income taxes. On their website, www.taxfoundation.org, you'll find general policy briefs and white papers on state taxes. Even better, the Tax Foundation put out an evaluation of HB 1439 specifically.

- Center for State Tax Policy. Tax Foundation. TaxFoundation.org.
<https://taxfoundation.org/center/state-tax-policy/>
- "Evaluating Mississippi's Plan to Phase Out the Individual Income Tax." March 1, 2021. Tax Foundation. TaxFoundation.org. <https://taxfoundation.org/mississippi-income-tax-reform/>. Accessed June 1, 2021

Empower Mississippi, a conservative nonprofit advocacy organization in the state, also jumped into the debate with its own analysis of the Mississippi Tax Freedom Act.

- “Empower Mississippi Releases Dynamic Modeling on Elimination of Income Tax.” Feb. 25, 2021. Empower Mississippi. EmpowerMS.org.
<https://empowerms.org/empower-mississippi-releases-dynamic-modeling-on-elimination-of-income-tax/>
- Barro, Jorge, Joseph Bishop-Henchman, and Russ Latino. N.D. “Better Jobs Mississippi: Tax Structure for Growth.” Empower Mississippi.
<https://empowerms.org/wp-content/uploads/2021/02/Better-Jobs-report-.pdf>

Background Information and More General Analyses

General background data and explainers on the various tax policies adopted by all 50 states are provided by the National Conference of State Legislatures (NCSL) and easily accessible on their website, www.ncsl.org. NCSL is a high-quality, bipartisan source, with a mission to “advance the effectiveness, independence and integrity of legislatures and to foster interstate cooperation and facilitate the exchange of information among legislatures ... [to] support ... state sovereignty and state flexibility and protection from unfunded federal mandates and unwarranted federal preemption”.³ I’ve listed one document that will help you understand the various taxes used by states and how different states mix these revenue sources. However, many additional resources are available at the webpage linked below that.

- <https://www.ncsl.org/documents/fiscal/WhichStatesRelyonWhichTax.pdf>
- Tax Backgrounders. National Conference of State Legislatures. NCSL.org.
<https://www.ncsl.org/research/fiscal-policy/tax-backgrounders.aspx>. Accessed June 1, 2021.

There are many other think tanks and nonprofit advocacy organizations that provide background information helpful to understanding tax policy as well as analyses that evaluate the pros and cons of various state tax arrangements. Below are a sampling of the highest profile organizations.

- Tax Policy Center. <https://www.taxpolicycenter.org/>.
 - o A collaboration of the Urban Institute and the Brookings Institution, TPC leans toward the progressive side of politics.
- AEI (American Enterprise Institute). <https://www.aei.org/>
 - o AEI leans toward classic liberalism in economics, which is traditionally associated with the Republican party, but not necessarily with Trump’s populism.

³ NCSL: Our Mission. National Conference of State Legislatures. <https://www.ncsl.org/aboutus.aspx>. Accessed 6/01/2021.

- You can search for policy reports here: https://www.aei.org/search-results/?wpsolr_q=state%20tax%20policy&wpsolr_fq%5B0%5D=type:report
 - Center on Budget and Policy Priorities. <https://www.cbpp.org/>
 - A progressive think tank dedicated to reducing poverty and economic inequality.
 - Analysis of tax policy at the state level is available at their State Budget & Tax center: <https://www.cbpp.org/research/topics/state-budget-and-tax>
 - And a report on grocery taxes here: <https://www.cbpp.org/research/state-budget-and-tax/states-that-still-impose-sales-taxes-on-groceries-should-consider>
 - The PEW Charitable Trusts. <https://www.pewtrusts.org/en/> (policy analysis) and <https://www.pewresearch.org/> (public opinion)
 - Here's a specific blog article on the grocery tax: <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2016/08/16/decried-as-unfair-taxes-on-groceries-persist-in-some-states>
 - AARP (American Association of Retired Persons).
 - AARP leans toward the progressive side of politics, with a mission to promote the interests (particularly the financial interests) of retired Americans.
 - AARP provides a very easy-to-understand overview of tax policy as well as a comparison of income taxes and sales/consumption taxes in its policy book on taxation: <https://policybook.aarp.org/policy-book/taxation>
 - AAUW (American Association of University Women).
 - AAUW leans toward the progressive side of politics, with a mission to advance women's interests and reduce sex and gender-based inequality, particularly economic inequality.
 - AAUW policy analyses and state-by-state data on the gender wage gap and women's economic outlooks in retirement can be found at their site for economic policy: <https://ww3.aauw.org/what-we-do/public-policy/aauw-issues/economic-security/>
 - The Institute for Women's Policy Research. <https://iwpr.org/>
 - Similar to the AAUW, this organization provides an array of data on economic inequality affecting women.
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Appendix A

Detailed Group Descriptions

Red Group: Mississippians for Freedom and Prosperity

Goal: Improve the quality of life in Mississippi by 1) making the state attractive to businesses and young, skilled professionals as well as by 2) expanding individual freedom of choice, particularly in economic matters.

The vast majority of those in your coalition agree: Mississippi should abolish the income tax. This makes sense from a pragmatic perspective because it increases the incentives for behavior that is good for the state's economy. There are also strong philosophical reasons to support a reduction in state power and an expansion in individual liberty.

As a practical matter, taxes on income eat away at the benefits employers and their employees stand to gain by expanding their businesses and moving up in their fields, respectively. Chipping away at their incentives to grow makes it less likely that they will engage in the hard work and investments necessary to become more productive. That's bad for business and bad for Mississippi. If we eliminated the income tax, our businesses would have more incentives to expand and employ more people. Our young professionals would stop leaving to find better jobs elsewhere (we have a major brain drain problem) and the workforce will be more skilled. Large out-of-state employers will be more likely to set up shop here.

Morally, it is always preferable to leave more decision-making power in the hands of individuals; reducing the amount of income taken by the state means more freedom of choice for individuals to determine how their resources should be used.

However, there is the matter of how abolishing the tax will affect the state's budget. The state is already struggling to fund needed infrastructure repairs, the prison system, and public schools (among other public services), and income tax revenue accounts for nearly one third of the state's total budget. How will you respond to those who say the state cannot afford this tax cut? This has become a sticking point for your coalition.

A minority in your coalition believes the economic growth spurred by the change will be enough to compensate for the lost revenue (and, perhaps, that the state can make do with less revenue). While a minority, they have a powerful ally in the Governor's Office.

Governor Reeves responded to news of HB 1439 by saying that he is in favor of tax cuts, not tax swaps.

The majority is not convinced. They want to proceed with caution and ensure that existing government services (particularly those related to education) are not endangered by a dramatic loss of funding. Many support HB 1439's effort to raise some consumption taxes to cover the lost revenue, especially since the sales tax on groceries would be cut even as sales taxes on other goods, from clothes to cars and cigarettes, would be raised.

To sum up, the most conservative among you support elimination of the income tax. Period. They think the cuts will stimulate economic growth and increase state revenue without the need for additional taxes. The larger part of your group is attracted to the idea but will only proceed if convinced that the loss in state revenue can be recovered through other taxes. Some may decide the formula in HB 1439 is the answer. Others remain skeptical. Will the new taxes be enough? Do they harm businesses?

Yellow Group: Progressive Women's Coalition

Goal: Improve women's lives and ensure the systemic sexism of society is recognized and combatted in all facets of policy. Gender inequalities continue to result in higher rates of poverty among women despite the greater share of work (when unpaid labor is considered) they shoulder. A just tax policy must account for these realities.

Your coalition is a network connecting various feminist groups in the state, some that belong to national federations and others that are homegrown and exist only in Mississippi. You are diverse: some organizations are majority black and others majority white; some organizations skew younger, others older; some represent middle-class professionals while others represent women living in poverty and working low-wage jobs.

The coalition has been working together for a number of years to pass an Equal Pay law in Mississippi (the only state that still has no such law).⁴ It has been frustrating work, but the coalition is united in its belief that eliminating economic inequalities based on gender is important and necessary work that will improve the lives of all women and of all Mississippians.

Insofar as taxes go, there is one obvious way in which women are unfairly affected. First, sales taxes on essential products used exclusively or primarily by women represent an unfair burden on top of the unpaid care work that already burdens women. Women are

⁴ AAUW Policy Guide to Equal Pay in the States. <https://ww3.aauw.org/resource/state-equal-pay-laws/>. Accessed 6/01/2021.

already undercompensated for their work in the formal economy and completely uncompensated for the work they perform caring for their households. Women should not have to pay a tax for menstruation products (pads, tampons, etc.) or for costs associated with the care work they perform (sales taxes on diapers, baby formula, and over-the-counter medicines, for example). When considering tax policy, you would like to reduce or wholly eliminate the sales tax on such items. Many refer to this as a “pink tax” to highlight the fact that women pay more taxes than men when these items, necessary for their unpaid care work, are taxed.

A less-obvious way in which women are impacted by tax policy is in retirement. Retirees often lived on a fixed income, drawing on their Social Security income and whatever savings they’ve managed to accumulate during their working years. Because women live longer than men, any policy that impacts the retired community disproportionately impacts women. What’s more, policy that leaves retirees paying a greater share of taxes is especially harmful to women because the gender pay gap translates into less economic security for women in retirement. Many struggle to live well in retirement, but women are in even worse shape than their male peers. Starting retirement with less lifetime earnings, they must stretch less money over a longer period of time.

Finally, women tend to voice higher support for public services than men because government programs often reduce the burdens of their care work or mitigate the effects of gender discrimination in other ways. For example, working mothers benefit from early childhood education programs while poor women benefit from SNAP, WIC, the ACA, and other social welfare programs. Further, women are overrepresented in the charitable sector, which already works tirelessly to supplement government services that don’t go far enough in helping the most vulnerable. Tax policies that lead to reduced government revenue will lead to reduced programs and services of a poorer quality. Individual women will be left to fill the gaps. Obviously, you cannot support any proposal that would endanger social welfare programs.

Blue Group: Working Class Collective

Goal: Reduce the economic inequality that has forever plagued Mississippi and improve the lives of Mississippi’s poor and working-class citizens. The only changes that should be made to the state’s tax system are those that would make it more progressive: the wealthiest should shoulder the greatest burden because they have the greatest ability to pay.

With its history of racial injustice and race-baiting aimed at dividing and defeating a Southern labor movement, it is no wonder that Mississippi is both the poorest state in the nation and also has the highest grocery tax in the nation. While Reconstruction

governments sought to create fair systems of taxation capable of supporting public services in education, poverty relief, and other areas of need, the Redemption governments that followed in the 1890s worked steadily to undo their work. Ever since, the effort to eliminate the vast disparities in wealth created by plantation slavery have been stymied by policies that relieve the wealthiest citizens of the duty to provide public services .

Your coalition of interest groups is made up of a variety of groups focused on reducing poverty and economic inequality, promoting racial justice, ensuring high-quality public education, and making possible economic uplift for Mississippi's poor and working class citizens. For years now, these groups have agreed that a reduction in the grocery tax would advance most or all of these priorities. There is no reason for impoverished families to go hungry because they cannot afford the tax that is being placed on their groceries.

Taxing groceries worsens economic inequality by taking a larger share of income from poor people, while the richest contribute a smaller share of their wealth. Most families spent most of their income on utilities, housing, and food. For the poorest families, the burden represented by the sales tax is greater than it is for wealthier citizens. Even if two families purchase same amount of groceries each month, at the same price, the bill for the groceries and the sales tax added to it represent a larger share of the poorer family's monthly income.

Imagine this scenario: The Reed family earns \$6,000 per month, which is roughly the median monthly income of a family in Ridgeland, Mississippi's wealthiest county. The Lett family, on the other hand, is from Holmes county (the state's poorest), where the median household brings in only \$21,504 each year. Their monthly income is \$2,000.⁵ Both spend around \$400 each month on groceries, so both pay about \$30 in sales tax. That represents 0.5% of the Reed family's income but 1.5% of the Lett family's income. That's what you mean when you say the sales tax is regressive: poorer families end up contributing a greater share of their income to pay for the state's public goods.

However, you are not only focused on the taxing side of the state budget. Reforms that make the system more progressive are only worthwhile if they result in enough revenue for the public services that provide a social safety net and ensure some measure of opportunity for the poorest. Poor families cannot afford private education, but education is and always has been one of the surest means of increasing your lifetime earnings and laying the foundation for generational wealth. That is why the South's public school systems were created by the multiracial coalitions of Reconstruction government.

⁵ Data on median household income by county comes from the US Census Bureau.
<https://data.census.gov/cedsci/profile?q=0400000US28>.

Education is just one example, though. There are many government services that need expanding, and cutting their budgets would be catastrophic. Any reform, even one that makes state taxes more progressive, must not lead to budget cuts.

Appendix B

Press Coverage of 2021 MS Tax Debate

Press reports are listed by the tax proposal being covered, then in chronological order within the focus category.

Income Tax, HB 1439, & SC 536

“As More Americans Move to No-Income-Tax States, More Lawmakers Move to Phase Out Income Taxes.” Nov. 29, 2020. *Forbes*.

<https://www.forbes.com/sites/patrickgleason/2020/11/29/as-more-americans-move-to-no-income-tax-states-more-lawmakers-move-to-phase-out-state-income-taxes/?sh=12e4c01a58e1>

“House leaders move to eliminate Mississippi income tax, raise sales and other taxes in landmark bill.” Feb. 22, 2021. *Mississippi Today*.

<https://mississippitoday.org/2021/02/22/house-leaders-move-to-eliminate-mississippi-income-tax-raise-sales-and-other-taxes-in-landmark-bill/>

“Mississippi House proposes overhaul of several state taxes.” February 23, 2021. *Clarion Ledger*. <https://www.clarionledger.com/story/news/politics/2021/02/23/mississippi-state-taxes-overhaul-proposal/4560318001/>

“Speaker Gunn outlines proposal to eliminate state income tax.” Feb. 23, 2021. *SuperTalk Mississippi Media*. <https://www.supertalk.fm/speaker-gunn-outlines-proposal-to-eliminate-state-income-tax/>

“Education groups rip Speaker Gunn’s massive tax proposal.” Feb. 24, 2021. *Mississippi Today*. <https://mississippitoday.org/2021/02/24/education-groups-rip-speaker-gunns-massive-tax-proposal/>

“Hosemann cites problems with House tax bill, but won’t rule out action on it this session.” March 1, 2021. *Mississippi Today*. <https://mississippitoday.org/2021/03/01/hosemann-cites-problems-with-house-tax-bill-wont-rule-out-action-on-it-this-session/>

“Mississippi income tax bill needs more work, conservative think tank cautions.” March 2, 2021. *Daily Journal*. https://www.djournal.com/news/state-news/mississippi-income-tax-bill-needs-more-work-conservative-think-tank-cautions/article_ad563a66-e42f-54cd-ab83-7e179bee79cf.html

“Mississippi teacher pay raise gets caught up in standoff over controversial tax proposal.” March 2, 2021. *Mississippi Today*. <https://mississippitoday.org/2021/03/02/mississippi-teacher-pay-raise-gets-caught-up-in-standoff-over-controversial-tax-proposal/>

“Mississippi tax overhaul appears headed to doom in Senate.” March 15, 2021. *AP News*. <https://apnews.com/article/personal-taxes-mississippi-tax-reform-bills-tate-reeves-7e6ef0684050bfd5fc09f7f9f4e62597>

“Mississippi tax cut plan: Alive, then dead, then alive again.” March 16, 2021. *Clarion Ledger*. <https://www.clarionledger.com/story/news/politics/2021/03/16/mississippi-tax-overhaul-income-tax-cut-proposal-dies-legislature/4719073001/>

“Mississippi Senate pushing study of state tax structure. Here's what that would look like.” March 23, 2021. *Clarion Ledger*. <https://www.clarionledger.com/story/news/politics/2021/03/23/income-tax-phase-out-mississippi-senate-proposes-14-member-tax-study-committee/6973964002/>

Grocery Tax

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