

In every meeting and every discussion regarding our collective agenda this year the reduction/elimination of the Personal Income Tax is ranked at the top or near the top for every member. The Governor has stated a goal to eliminate the Personal Income Tax within his current term of office. In order to achieve such a goal, there must be a plan in place to deal with the \$2.1 billion in revenue the state currently receives from PIT. Such a plan will require measures that are not politically popular standing alone. We need to determine if you would support such measures in order to achieve the goal of eliminating PIT. Please indicate if you would or would not be in favor of a plan that eliminates PIT in 3-4 years that includes the following concepts (please respond for each listed item):

1. Increase sales tax to at least 8% and potentially higher
2. Broadening of increased sales tax to include previously untaxed items such as professional services (legal, accounting), advertising, hair care, contracting services, etc
3. Reinstate food tax at 2.5% - 3%
4. Special additional sales tax on luxury goods beyond regular increased sales tax
5. Increase Personal Income Tax on high earners temporarily until tax is ultimately eliminated
6. 5%- 10 % across the board budget cut including public ed, higher ed, DHHR. This would necessarily involve a real reduction in at least some services.
7. Tiered severance tax on coal and gas resulting in immediate increase in taxation of metallurgical coal. Steam coal would be unchanged at the current price but could increase or decrease depending on price
8. Reduction in Higher Education funding including funding to specific schools

9. Eliminate all state appropriations to WVU and Marshall but allow greater freedom to achieve savings and/or revenues from other sources.
10. Transfer of pop tax from WVU Medical school to general revenue
11. Elimination or reduction of promise scholarship
12. Marijuana legalization and taxation

In spite of your positions on individual concepts mentioned above, would you support a bill that contained all of these concepts if it eliminated PIT in less than 4 years and resulted in a reduction in the budget and size of state government?

If your answer to the above question is NO, what concepts would need to be removed from the package in order to gain your support?

It is important to note that no final determination has been made about the contents of any plan. However, we need to determine what concepts our caucus would be willing to support to achieve the goal of PIT elimination.