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## Revenue Options to Help Close West Virginia’s Budget Gap

(Charleston, WV) – With the 2016 Legislative Session now in the rear view mirror, much work lies ahead in the search for solutions to solving the state’s budget crisis. Legislators met for their traditional post-session budget negotiations but were not able to come together on any compromises. After adjourning without a budget bill, legislators will likely be called into special session soon to try again.

As legislators grapple with a worsening budget shortfall, a new report out today from the West Virginia Center on Budget and Policy, “Revenue Options Crucial to Sustaining Public Investments that Promote Shared Prosperity,” offers revenue options to invest in our roads and schools and close the budget gap.

A deep decline in energy prices is exacerbating the impact of past cuts to the state’s revenue like the elimination of the business franchise tax and the grocery tax on food. This worsening situation cannot be solved by cuts alone.

“In confronting the state’s looming budget crisis, the common-sense choice for policymakers is to take a balanced approach that includes revenue, rather than a cuts-only approach that threatens our state’s already fragile economy,” said Ted Boettner, Executive Director of the West Virginia Center on Budget and Policy. Boettner also stressed that one-time fixes to the state’s budget woes isn’t a prudent action. “Lawmakers should not kick the can down the road by shifting our state’s budget problems to the next fiscal year.”

The report offers several revenue options to improve the state’s fiscal health while avoiding additional cuts to vital services that could further damage the state’s economy, including modernizing the state’s tax code to reflect today’s economy and a bottom-up tax cut for working families striving to join the middle class.

“Many of the tax changes discussed by legislators would fall harder on families with low and moderate incomes,” stated Sean O’Leary, Senior Fiscal Policy Analyst with the West Virginia Center on Budget and Policy. “Lawmakers could address this problem by incorporating a refundable state Earned Income Tax Credit into any tax increase that falls disproportionately on low-income working families. In addition to making our tax system more fair, a state Earned Income Tax Credit would also encourage work and help reduce poverty.”

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The full report is available at [www.wvpolicy.org](http://www.wvpolicy.org). The West Virginia Center on Budget and Policy ([www.wvpolicy.org](http://www.wvpolicy.org)) is a public policy research organization that is nonpartisan, nonprofit, and statewide. The Center focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families.