



TALKING POINTS ABOUT FLINT, MICHIGAN, & FEDERAL TAXES

- Flint's water crisis is a tragedy for its residents and a warning to the rest of us.
- Water poisoning from lead pipes is a nationwide problem.
 - Lead service lines [provide water to about 10 million American homes and buildings](#), according to the EPA.
 - Children have been poisoned by water from lead pipes in [Washington, D.C.](#), [New York City](#), [Los Angeles](#), and most recently in [Chagrin Falls](#) and [Sebring, Ohio](#).
- **Fixing the problem will take resources and government investment**
 - Replacing the country's lead water pipes [could cost as much as \\$50 billion](#).
 - But that is only part of our problem with unsafe drinking water. Rehabilitating the U.S. water system—eliminating lead and making other necessary repairs—[could cost a trillion dollars](#).
 - Water is one piece of America's failing infrastructure system: from roads to bridges to schools to airports. America's Civil Engineers give our nation's infrastructure [a grade of D+](#), estimating it would take \$3.6 trillion to fix it all.
- **The core issue is that the U.S. is not collecting the money it needs to serve Americans' basic needs.**
 - In 1952, the amount of money the U.S. government raised from [corporate taxes was equal to almost 6% of the national economy \(GDP\)](#). [By 2014, corporate taxes were less than 2% of GDP](#).
 - **Without that money, we can't fix what's broken.**
 - It's important to remember that **Flint's water crisis began when state budget cuts forced the city to change its water provider** from the Detroit water system to a cheaper source: the ill-fated Flint River.
 - The Snyder administration and the Republican-controlled Michigan legislature had approved more than [\\$2 billion in corporate tax cuts from 2011 to 2015](#). This resulted in a \$325 million deficit in the state's general fund in 2015.
 - Through corporate tax cuts, Governor Snyder has reduced state income by [\\$1.7 billion per year](#).

- State aid to Michigan’s cities and towns has been [cut by more than \\$6 billion over the past decade](#).
 - To pay for corporate tax cuts, state lawmakers cut the Department of Environmental Quality by more than 10 percent in 2011. DEQ is the state agency that enforces the Safe Drinking Water Act.
- **There is a solution. The money is available, but we need to collect it.**
 - We could [raise nearly \\$700 billion](#) by collecting the money corporations already owe the U.S. on the profits they are stashing offshore.
 - Closing a tax loophole called “deferral” would raise much of the money we need by forcing American multinational corporations to pay what they already owe.
 - We could raise about [\\$500 billion over 10 years](#) by implementing a Financial Transactions Tax.
 - It’s a tiny tax on some types of Wall Street trades. It would largely be paid by the giant Wall Street companies that are rapidly trading every day.
 - We could [raise \\$690 billion over five years](#) by taxing certain investment income (capital gains and dividends) at the same rates as income from salaries and wages. [p. 33]
 - Salaries and wages are taxed at up to 39.6%, but the tax on capital gains and dividends is capped at 23.8%.
 - More than [two-thirds of the benefit goes to the top 1%](#) (making at least \$400,000 per year). More than nine-tenths of this benefit goes to the top 20% (making over \$130,000 per year), and [p. 15]
- **It’s all about priorities.**
 - We have to put city water lines above corporate bottom lines
 - We have to make appropriate capital improvements by appropriately taxing capital gains.