EXHIBIT 10
DATE 1.12.05
HB

Fair Share Network Statement 1/12/05

The Fair Share Network is again present during the 2005 Legislative session in House and Senate Taxation Committees as well as Appropriations. Our Network includes over 20 organizations that advocate and provide services for those impacted by the cuts made in last legislative sessions in health and human services (low income women and families, children, seniors, at-risk youth, those with disabilities and those with life threatening disease).

Our message to legislators: "In the past Montana made the investment to provide basic services for those in need. Recently Montana has not lived up to its responsibility. Many Montanans have been denied or cannot get the services to meet their basic needs. We must find sources of stable revenue and we all should pay our fair share."

During the 2003 Legislative session the Fair Share Network evaluated and advocated for an array of tax proposals that met fair share criteria. We urged the Montana Legislature to build a balanced tax package and identified senate and house tax bills in the Fair Share Tax Package Menu that generated over $420 million in the biennium.

Many of the same tax proposals are back in the 2005 session. We are particularly interested in proposals such as Gross Receipts on Large Retail Sales, Gaming Taxes and Graduated Business Equipment Tax where some members of the community seem not to have been asked to pay a fair share. We will again be advocating for a Fair Share approach to revenue increases and any program cuts and will evaluate budget and revenue proposals' impacts on our constituencies.

We offer the following Fair Share Revenue Evaluation Criteria:

1. Is the revenue proposal fiscally responsible? Does it achieve a short-term benefit at the expense of a negative long-term impact? Does it adversely affect the state's fiscal position in 5-10 years?

2. Does the revenue proposal help ensure that all of us are paying our fair share in order to create a healthy economy, state and community? Does it address the fair share goal that all community members, including businesses and individual citizens, are paying for programs and services that build community health, welfare and livability?

3. Does the revenue proposal lessen inequalities? Does it avoid exacerbating income inequalities and burdening those with less resources or influence? For example, raising co-pays and user fees for low-income programs burdens the working poor instead of spreading the cost of providing essential services more broadly.

4. Does the revenue proposal balance the tax burden or does it simply shift it from one group to another? Does it give breaks to one group and increase costs to another group? For example, shifting the costs of education from the state general fund to local property taxes shifted the burden to local residential and commercial property owners.

5. Does the revenue proposal help ensure a balanced revenue approach so the state doesn't over rely on growth in one part of the economy but draws revenue from the range of economic activity within the state? For example, cutting other taxes while relying on capital gains taxes during the market climb in the 90's caused a steep decline in state revenues when the stock market plunged.

Montanans voted in the 2004 election to raise their taxes

- 63% of Montana voters supported I-149 that raised cigarette taxes by $1.50 per pack.
- The initiative passed in 53 out of 56 counties. Campaign organizers credit their success to the fact that Montanans understood the tax and the four health and human service programs it funded. (1).

We, along with Nobel Prize winning economists (2), believe that state government spending is more effective than tax cuts for businesses and wealthy individuals in stimulating demand in local economies and thereby generating economic growth and jobs.

Tax cuts for businesses and higher income residents often end up in their individual savings accounts, while government dollars are immediately spent in local economies on salaries and services. Raising taxes, when done in a fair share manner, to fund well-managed social programs and public education, benefit working Montana families, even those with low wage jobs. They can then afford to continue working at the low wage jobs the Montana economy creates, receive the childcare, or health care their family needs, and know their children can receive a quality education.

Contacts: Judy Smith, Center for Policy Analysis and Community Change, WORD, 543-3550; June Hermansen, Montanans With Disabilities for Independent Access, 250-1428; Terry Kendrick, Montana Women Vote, 459-9440; Kate Cholewa , Montana Coalition Against Domestic and Sexual Violence, 459-8590; Don Judge, Teamsters Local 190, 459-1708;

1) CB Pearson – Campaign Manager for I-149
2) Joseph Stiglitz, Brookings Institution