



For Immediate Release

June 4, 2009

Contact:

Terry Brooks

cell: 502-235-2396

**Statement by Terry Brooks,
Executive Director, Kentucky Youth Advocates,
on the Interim Joint Committee Hearings
on Appropriations and Revenues Held June 4, 2009**

Today's hearing on comprehensive tax reform is an encouraging first step in tackling Kentucky's out-of-date tax system. Kentucky is long overdue for reforming a system that was designed when the state's economy was heavily industrial, and when most businesses were based in Kentucky. In the past several decades, the economy has become increasingly reliant on services, and many multi-state corporations benefit from Kentucky services and customers, but the tax system has not been modernized to reflect this evolution. The result is an inadequate tax system that is increasingly unfair to low-income workers and their families. We can be sure that the kind of budget deficit we are facing over the next two years will continue to be a problem down the road unless we modernize our tax and revenue system.

Governor Beshear has just called a special legislative session to consider how to close our nearly \$1 billion budget gap, which is more than 10 percent of the general fund.

While the legislature grapples with this immediate problem, we urge lawmakers to begin a longer-term discussion over how to build a tax structure that is fairer to working people, is applied to a more diverse revenue stream, meets the state's ongoing needs, and is sustainable over time. We need comprehensive tax reform to meet our critical needs and build a more prosperous future for all Kentuckians.

Today's hearing reiterates the need for comprehensive tax reform to fix Kentucky's structural deficit and underscores the immediate need for additional new revenue to balance the FY 2010 budget.

###

Kentucky Youth Advocates is the home of Kentucky's Tax and Budget Initiative, a member of the nationwide State Fiscal Analysis Initiative