

STATE REPRESENTATIVE
TARA MACK

LEGISLATIVE REPORT

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TOP STORY CONTROLLING TAXES AND SPENDING

Mack fights back on family tax hikes

One failed bill would have cost homeowners potentially \$10,000 a year

Throughout her campaign, State Representative Tara Mack heard the same concerns in every neighborhood she visited. "People were concerned about the economy and taxes," said Rep. Mack. "They wanted someone who would work to boost job growth and keep the government out of their pocketbook. I told them that is exactly what I was going to do." Several times throughout her inaugural legislative session she was given the opportunity to make good on her promise, and each time she followed through.

Facing a \$6.4 billion budget deficit early in the session, there were a variety of options on how to balance the budget. However, when the first proposal was finally introduced in early May, the choice of the legislative leadership was clear: raise taxes on all Minnesotans. "Families across the state were, and still are, cutting back on everything," said Representative Mack. "We need to take the opportunity, which is still in front of us, to make true government reforms. We have to make Minnesota government operate more effectively and efficiently. Raising taxes will not solve our problem long term, it will only make things worse. State government needs to learn to live within its means, just like we all do every day."

Two taxes State Rep. Mack prevented from coming into effect would have directly impacted Apple Valley and Burnsville families. The first was the repealing of the Mortgage Interest Reduction, an act which could potentially have cost homeowners \$10,000 per year. The second was repealing the property tax deduction on income taxes. Essentially, this would force residents to pay taxes on the money they use to pay taxes. "Taxing money used to pay taxes is not acceptable," said Mack. "We need to let people keep more of their hard earned dollars and let them decide where to spend them – not the state."

Representative Mack also followed through on her promise to encourage private businesses to create



jobs. She co-authored several pieces of legislation which would attract companies to Minnesota and provide them with the working capital necessary to create jobs. One of these is House File (HF) 363, which would have phased out the corporate tax beginning in 2010. "This bill would make Minnesota an attractive place for new companies to move to and create new employment opportunities," said Mack. "Additionally, it would make our state a great place for existing companies to stay and create new jobs and keep those which are already here."

Another bill Rep. Mack is a co-author of is HF 405 which reduces personal income taxes for middle class Minnesotans. Minnesota has three tiers of income taxes and this bill would have lowered the bottom two rates, allowing hard-working Minnesotans to keep more of their money. "One of the top priorities we as a legislature should have is making sure people can afford to put food on the table and heat their home," said Mack. "This bill would provide the Minnesotans with a few extra dollars to do exactly that."

Representative Mack also co-authored legislation which would give first-time homebuyers an exemption on taxes paid when purchasing a home. HF 1506 and 1508 exempt these folks from having to pay the mortgage and deed taxes on their first home, which can amount to thousands of dollars. "Removing these taxes will give purchasers more



A MESSAGE FROM

Tara Mack

After spending my whole life as a resident of District 37A, it was an honor and a privilege to represent my fellow community members in St. Paul this past legislative session. My experiences, relationships and connections with friends and neighbors throughout Apple Valley and Burnsville were crucial in my decision-making process. I was elected to represent you, the taxpayers of District 37A, and there is no doubt in my mind this past session was very successful for all of us.

Balancing a budget deficit is never easy or desirable, much less a historic budget shortfall. I, and my fellow legislators, introduced and heard dozens of proposals of how to accomplish this. Unfortunately, the majority party continued returning to the same, worn out theme: raising taxes on all Minnesotans. Despite claims their proposals would only affect wealthy Minnesotans, nearly all of their propositions increased taxes on the middle class. Proposals included taxing music downloads, child/dependent care expenses and eliminating the mortgage interest deduction.

I opposed all of these for two reasons. First, because each one raised taxes on the middle-class – the same hard working, dedicated individuals who drive our economy and will be the biggest reason for its recovery. The second reason is even though these taxes may have fixed our short-term deficit, they did nothing to address the long-term structural budget issues Minnesota has. We would have been in a worse situation the next time a budget deficit hits. Not only would we still have out-of-control spending, but taxpayers would be completely tapped out. This is not the kind of future any of us desire for Minnesota. We need to reign in government spending through reforms and by making some tough decisions. We need to learn to live within our means and let people keep their hard earned money.

We need to make sure Minnesota is ready for the end of the recession.

With all the talk of balancing budgets, it is easy to lose sight of the fact that job creation and economic growth should be the number one concern of government. We in Minnesota are proud of all of our state parks and trails, but without jobs generating tax revenue they will fall into disrepair and be unusable. Being one of the leaders in wind-generated energy and ethanol is great, but people need a paycheck to pay their gas and energy bills. Basically, if we forget that encouraging private businesses to create jobs is our number one role in the legislature, Minnesota will no longer be a good place to live. The best schools in the country and health care for the less fortunate will be but distant memories if we continue to let companies leave Minnesota with the jobs they provide.

This is not to say that education, health care and other state services should not be a priority – they are. Setting priorities is what government is all about. We cannot fund everything and legislative leadership needs to stop pretending it can. On several occasions I voted for bills and amendments which would have balanced Minnesota's budget without raising taxes. All I did was follow the priorities of District 37A and vote to fund them. I voted to increase K-12 education funding and against deep cuts in Health and Human services, but still voted for a balanced budget without raising taxes. Legislative leadership never put forward a balanced budget – even with a \$500 million cut to Health and Human Services and \$2 billion in new taxes. The facts do not lie: the state can continue to serve its citizens, provide a good education and promote job creation, all without raising taxes.

Neighbors, we need to make sure Minnesota is ready for the end of the recession. We need to take this opportunity to slim down government and make it more effective. Job creators in Apple Valley, Burnsville, and across the state, need to be able to expand quickly to meet the growing demand. By getting our priorities in order we can ensure that Minnesota will have plenty of jobs, a top education system, affordable health care, beautiful parks & trails and everything else to provide the high standard of living Minnesotans have grown used to. Together we can make Minnesota the envy of the union.

Mack encourages job growth with corporate tax exemption

This past session the Minnesota legislature was faced with attempting to balance a \$6 billion deficit in the face of a sinking shrinking economy and rising unemployment. Although much of the legislation focused on taking care of the short-term deficit, a few legislators also went to work on shoring up the state's long-term economic and employment future. One of these legislators was State Representative Tara Mack. She proposed, co-sponsored and championed several pieces of legislation which would have allowed existing businesses to expand and create jobs and would have made Minnesota a place for businesses from other states to relocate to.

One of these bills is House File (HF) 363. This bill gradually phases out the corporate income tax in Minnesota. "During difficult economic times, we need to do everything in our power to help Minnesota families," said Representative Mack. "This bill would not only encourage companies to stay or move to Minnesota, it would also give more capital to create new jobs." Mack also noted that businesses pass on any taxes they have to pay to consumers in the form of higher prices. "By phasing out corporate income taxes, we can not only spur job growth, but can keep prices low on goods and services for Minnesota residents."

Another piece of legislation Mack co-sponsored is HF 445, which provides a five-year corporate income tax exemption for businesses which either move to Minnesota or for existing business that expand. "We have too many businesses moving away from our state right now," according to Representative Mack. "Minnesota needs to be a place businesses want to move into and expand in.



This legislation would foster exactly this type of business environment here. We cannot hope to create new jobs and expand our economy without attracting new businesses – and retain ones we already have."

The other bill Representative Mack championed in the House was HF 1081 which expands a program designed to help small business in Minnesota. This legislation increases the maximum number of employees a business can have to qualify for assistance. It also increases the amount of money which can be awarded to a small business to help with a project. "Small businesses are the lifeblood of our economy," said Mack. "Our state would not be able to survive without the thousands of small businesses and entrepreneurs we have. They employ tens of thousands of people across the state and I want to make sure they have the tools necessary to stay afloat during these tough economic times. This is a program which creates jobs and grows our economic base."

TAXES CONTINUED FROM PAGE 1

buying power," Mack continued, "instead of paying this money to the state, they will be able to afford improvements for the home, putting more money into the economy which in turn, creates jobs."

This past session Representative Mack also fought against making Minnesota's tax structure more regressive. Legislative leadership wanted to raise taxes on alcohol, heating fuel and eliminate the rebate to low-income Minnesotans for the gas tax increase passed just last year. These proposals would have a heavier impact on less wealthy Minnesotans. "We need to make sure all Minnesotans can afford to get to work and heat their homes," said Mack, "not penalize them for doing so!"

"A common misunderstanding is that our income tax is unfair to middle class Minnesotans. Actually our income tax is one of our most progressive taxes, meaning the wealthy pay a higher percentage of their income in income taxes than other Minnesotans," according to Mack. "However, when taxes on other things such as the gas tax, motor vehicle sales tax and taxes on heating fuel are taken into account our tax system becomes regressive. I voted against all measures to make our tax system more regressive and instead voted instead to set priorities in government; funding first the departments and programs which work for the residents of Apple Valley, Burnsville and all Minnesota. Government can operate effectively with what it already has and I will continue to protect your pocketbook and to make sure it does!"

Community First

Tara Mack's Solutions for a Better Minnesota

Education Reform

- ▶ Making our children's education the top priority by reforming the funding formula to ensure all students receive a top flight education.
- ▶ Making sure charter schools are held accountable.
- ▶ Finding a fair way to reward good teachers.

Restore Our Housing Market

- ▶ Eliminate mortgage tax to reduce the cost of purchasing a home.
- ▶ Provide tax incentives for first-time homebuyers to purchase their home in Minnesota.

Create Jobs and Restore Our Economy

- ▶ Keep tax rates low to encourage businesses to expand and hire Minnesotans.
- ▶ Reduce unnecessary burdens which drive companies from Minnesota and keep others from creating new jobs.

Guarantee Open and Fair Elections

- ▶ Require every voter to show a Photo-ID when requesting a ballot.
- ▶ Issue IDs free of charge to those who cannot afford them so everyone can be assured their ballot is cast how they choose.

Clean and Inexpensive Energy

- ▶ Repeal Nuclear Power moratorium and allow companies to apply to build safe, clean power plants.
- ▶ Reduce Minnesota's dependence on coal fired plants and invest in clean and safe energy technology.

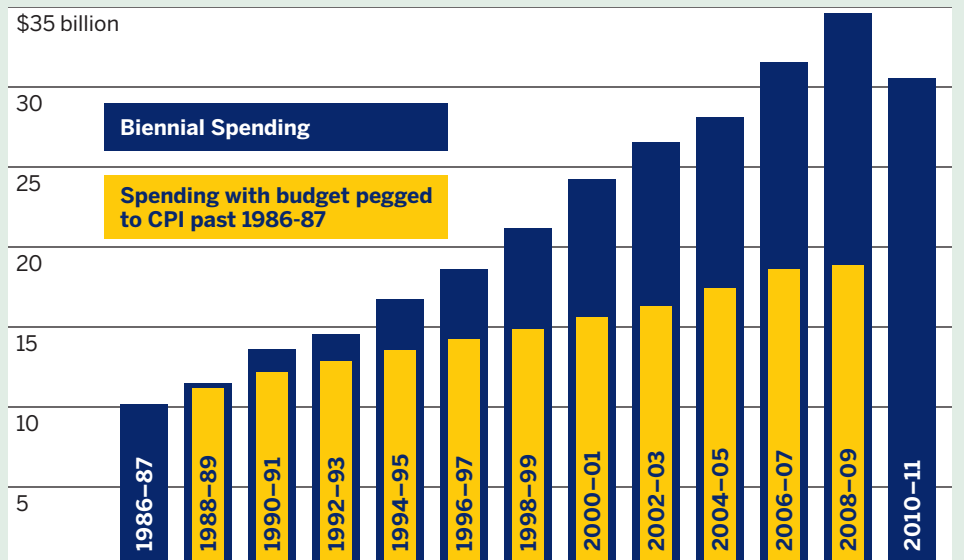
STOP IRRESPONSIBLE SPENDING!

Minnesota's state government has a problem: they love spending your money. In the current biennium – the state calculates its budget in two year increments – our state government spends \$34.6 billion. That's \$16,874.78 spent for each Minnesota household!

That amount looks even more shocking when you see what spending used to be. The 1986–87 biennium saw the state spend only \$10.2 billion. In just over 20 years, spending has more than tripled!

If we would have been sensible and pegged spending increases since the 1986–87 budget to the Consumer Price Index (CPI), we would only be spending \$18.8 billion for the 2008–09 budget – nearly half of what we are actually spending!

Progress has been made. The 2010–11 budget is down to \$30.6 billion, but much more work needs to be done to bring fiscal responsibility back to St. Paul. **Rep. Tara Mack is working to reign in the runaway state government spending!**



Mack pushes for investments and reform in education

Early on in a session with significant budget deficit to deal with, first term State Representative Tara Mack made it very clear what her top priority would be: K-12 and Early Childhood Education. "Our education system truly separates Minnesota from other states," Representative Mack said. "Hard work by generations of Minnesotans has made our education system one of the best in the country. Making sure all Minnesota children have access to a high quality education from a young age should be the top priority of the legislature."

Trying to balance a budget in a down economy is not an easy task. Since K-12 education is the second biggest part of the state budget, several attempts were made to reduce its funding by the majority party – attempts Representative Mack voted against. "I pushed to increase our investment in education," said Rep. Mack. "Eventually my House Republican colleagues and I were able to ensure K-12 education did not receive budget cuts, making sure the children in our community still receive a quality education. Also, we were able to lay the foundation for reform which will value each and every child in Minnesota the same."

Additionally, Representative Mack worked for reform and continued investment in the education of young children, as a member of the Early Childhood Finance committee. "I worked on a bi-partisan basis to make sure the dollars we invest in early childhood and family education are concentrated on Minnesotans that need the most support," according to Mack. "I, and fellow committee members on both sides of the aisle, helped put in place programs which are proven to produce results."

BIOGRAPHY

About Rep. Tara Mack

Growing up in Apple Valley and Burnsville, Tara Mack never imagined that she would one day have the opportunity to represent her community at the Capitol. Rep. Mack has been a life-long resident of her current legislative district. She attended Apple Valley High School and graduated from the University of Minnesota. Rep. Mack has been active in her community from a young age, volunteering at the local hospital and nursing home. Even after being elected to state office, Tara's commitment to her community has not changed. She is actively involved in the Apple Valley Rotary, the Burnsville and Apple Valley Chambers of Commerce and at River Valley Church in Apple Valley where her husband, Justin, is a pastor. Rep. Mack is also a member on the board of the Burnsville YMCA where she has the opportunity to invest in programs that benefit both the young and old in the community. "It is an honor to represent the communities which gave me so many opportunities," Representative Mack said. "I ran for state office to make sure the voice of our community is heard in St. Paul. Working together, I know we can make Apple Valley and Burnsville the envy of Minnesota."

WITH THE DIFFCULT CURRENT ECONOMIC ENVIRONMENT WHY DO LEGISLATIVE LEADERS WANT TO RAISE TAXES ON EVERY MINNESOTAN?

The dollar is getting weaker. Food and gas prices are rising. The economy is bearing down on the middle class. With all these problems, why are legislative leaders trying to raise taxes on every Minnesotan? The following are a few of the tax increases and repealed credits proposed by legislative leaders in 2009.

The majority party is trying to turn Minnesota into the highest taxed state in the nation. **We must stop the excessive taxation of Minnesota's middle class!** Rep. Tara Mack is committed to protecting your pocketbook!



MORTGAGE INTEREST



CHARITABLE CONTRIBUTIONS



ELDERLY AND DISABLED INCOME



ORGAN DONATION



CHILD AND DEPENDENT CARE



K-12 EDUCATION



EMPLOYEE HEALTH INSURANCE



HEATING FUEL



ALCOHOL



DIGITAL DOWNLOADS



WATERCRAFT



ATVs AND SNOWMOBILES

All proposed tax increases and repealed credits from the 2009 House Omnibus Tax Bill HF2323.





Proud to be your representative

Dear Neighbors,

This past year Minnesota faced some outstanding challenges in order to solve the state's historic deficit. Along that daunting path I stood with you and your families to make sure that you were able to keep as much of your hard earned money as possible in these tough economic times. Minnesota, Dakota County and the residents of Apple Valley and Burnsville will come out of these challenges as stronger, more vibrant community.

I would like to thank you for your faith and support for allowing me to be your representative in Saint Paul. Together we will make our community stronger, safer and more prosperous.

— *Tara Mack*



Proud to serve Apple Valley and Burnsville

TARA MACK
STATE REPRESENTATIVE



Contact Tara

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