

Bill Faison

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Representative Thom Tillis, Speaker of the House
16 W. Jones Street, Room 2304
Raleigh, N.C. 27601-1096
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Re: JOBS, the Economy, Education, and Corporate Tax Loopholes

Dear Speaker Tillis;

People in our State are in desperate economic straits. More than 55,000 people newly filed for unemployment in September of this year. More than 450,000 North Carolinians are unemployed according to the Unemployment Security Commission's most current report. This is 10% of our State's workforce. The actual number of folks who are unemployed is much higher. The Employment Security Commission does not count people who have taken part time work or who have given up looking. The actual number of folks without any employment or full time employment, based on information provided by the Bureau of Labor Statistics, may be as many as 675,000, a rate of 15%.

America went into a Recession in December of 2007. It emerged with a fragile recovery in July 2009. Trillions of dollars of personal wealth (much of it in home values) have been lost in the recession. The time it takes to find a job if one is lost has gone from 16 weeks in December 2007, to 24 weeks in July 2009, to 40 weeks today, longer than any time in the last 60 years.

The San Francisco Federal Reserve Bank has recently published research saying that more likely than not the U.S. will enter a Double Dip Recession by early 2012. The probability for this is increased because of the European Debt Crisis which has spread from Ireland to Greece to Portugal to Italy, and now threatens Spain and France. The 2007 Recession was preceded by a similar warning from the Federal Reserve.

A second recession will likely hurt people even more than the first. One reason is that tools available to the Federal Reserve to reverse a recession have been exhausted raising the specter of a longer and deeper recession.

What does this mean for us? It would mean even fewer jobs for even less pay. The standard of living for everyone goes down, as does personal wealth and future prospects. With households having even less to spend, recovery for our consumer driven economy becomes even more problematic.

Rising unemployment is both a cause and a symptom of a recession. The Republican lead Legislature passed a Budget that fuels the fires of recession. You all fired 6,455 state employees, including teachers and teachers' aides. Moreover your cuts to Medicaid and SCHIP (expenditures matched by the Feds \$2 or \$3 dollars for every State dollar, meaning a dollar cut is a \$3 to \$4 loss to the program) have resulted in the loss of 15,415

private sector jobs. The combination of these two actions has led to the loss of an additional 12,292 jobs, for a total intentional and deliberate job loss caused by Legislative action of 34,162 jobs.

The ultimate solution is simple. We need to put people back to work. The steps to take to make this happen are clear.

We need to reverse the Republican Budget mistake and put 34,162 folks back to work. We do this by helping each other. We use government as a vehicle to let everyone make a little contribution that helps a lot. We cut the penny sales tax that expired last summer by 30% and put seven tenths of a cent sales tax back in the Budget. This is seven cents on a ten dollar purchase and is considered by most people as being "nothing". It allows us to help each other and not only puts everyone back to work in both the public and private sectors, but also helps both adults and children in need of healthcare. This insignificant fractional penny not only allows us to put everyone back to work and fully fund Medicaid and SCHIP but also allows us to put slacks and shoes on our Highway Patrol (they ran out of money for both last May).

Moreover, we should repeal SL2011-390 which creates a \$39 million dollar corporate loophole and invest the money in education. This legislation was a mistake. It allows corporations to earn money in North Carolina and pay no income tax in this State. Rather than paying their fair share of income tax, the tax burden is shifted to the shoulders of people who are working hard and trying to do everything right. I am glad to have legislation drafted closing this particular corporate tax loophole.

Both political parties should be working together to solve the problems. People need help and are not interested in partisan posturing or ideology that sacrifices jobs and livelihoods. We have Session scheduled for three days the end of this month. I propose that we work together on a JOBS plan to put people back to work.

Although you have chosen not to respond in print to my letter to you of November 9, 2011 on these issues, you have said in a Morrisville Town Hall Meeting that you would meet with me and discuss job creation, but that you would not consider even a fractional cent sales tax. As you well know the only way to reverse the firings caused by the recently passed Budget is with additional revenue. The community strongly supports the fractional cent sales tax because it does not amount to anything (seven cents on a ten dollar purchase) and everyone gets to pull together to FIX THIS.

I would welcome the opportunity of meeting with you along with my colleagues to discuss how we can work together for the people of our State. I hope that you will put the needs of the people, our State and our economy above ideology and put all solutions on the table for consideration. Working together, WE CAN FIX THIS.

Best regards,

A handwritten signature in blue ink, appearing to read "Bill Faison", with a long horizontal flourish extending to the right.

Bill Faison
Chairman House Democrats' Business Caucus

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This letter is sent to all recipients by email only.