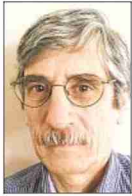


Labor Day: It's time to start helping working families



TONY FLORA

Talk about kicking someone when she's down: a woman who lost her job when the AJ Wright distribution center in South Bend shut down was told her unemployment benefits will be trimmed by more than 10 percent, thanks to the mindless federal budget cut known as the "sequester."

Meanwhile, major corporations continue to get huge tax subsidies from Washington to ship jobs overseas.

This indiscriminate, across-the-board reduction in federal spending has also denied cancer treatment to seniors, stopped Meals on

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Wheels deliveries, imperiled education for our youth, and is projected to have cost our country 1.6 million jobs by this time next year, according to the Congressional Budget Office.

With Labor Day upon us and the budget battle about to resume in Washington, it's time to reverse course and adopt measures that actually help working families.

As president of the North Central Indiana AFL-CIO Council, I represent thousands of working Hoosiers. And whether currently employed or temporarily unemployed, they should not be the ones bearing the brunt of deficit reduction. They've struggled too hard for too long through a national recession punctuated here in the South Bend area not only by the Wright closure — which cost 600 jobs — but the shuttering of the Bosch and Cequent plants, which cost hundreds more.

The way to get both our economy and our national finances moving in the right direction is to require big corporations and the wealthy to pay their fair share of taxes.

You don't have to look far for examples of corporate tax dodging: multinational corporations headquartered right here in Indiana work the system to avoid paying their fair share. Eli Lilly of Indianapolis made \$5 billion in profits from 2008 to 2010 and paid just a 4 percent tax rate, according to Citizens for Tax Justice. In one year, it even got a refund check from Uncle Sam, one bigger than its bottom line.

Cummins Engine of Columbus has stashed more than \$2 billion in profits overseas — \$800 million in the last year alone — putting all that cash outside the reach of U.S. taxation.

Nationwide, big profitable corporations pay only one-third of the official income tax rate, according to the Government Accountability Office; and today corporate taxes as a share of federal revenue are at a 60-year low.

Incredibly, our tax system provides huge incentives to American companies to shift profits to offshore tax havens where they pay little or no tax. Why should companies get tax breaks to ship our jobs overseas, while the rest of us pick up the tab to make up for what companies don't contribute? The biggest corporate tax loophole makes this possible. If we close it we can raise \$600 billion over the next decade, according to Congress's Joint Tax Committee.

Wealthy individuals are ducking their fair share, too. If you're an Indianapolis banker with a million-dollar mansion in the Meridian-Kessler neighborhood, you're able to deduct almost 40 cents of every dollar you pay in mortgage interest. But a middle class worker with a home in South Bend can only write off 28 cents or less, depending on annual income. That's not only unfair, but expensive: we can raise \$500 billion over the next decade if we cap tax breaks for the wealthy at the middle class rate, according to Congress's tax scorekeeper.

This Labor Day let's pledge to do better by our working families, by our economy and by our nation. Let's create jobs, strengthen critical public investments like Social Security and Medicare, and pursue responsible deficit reduction by restoring fair taxes on corporations and the wealthy.

Tony Flora is president of the North Central Indiana AFL-CIO Council.

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