

After heavy politicking, House hikes income tax

By Tim Richard
staff writer

After waiting 22 hours for the House of Representatives to act, the Michigan Senate went on vacation Friday at dawn, leaving until April 20 action on a state income-tax hike designed to resolve the state's fiscal crisis.

The House passed the tax hike 54-40 after an all-night session. "The Senate waited all night for it," said a tired state Rep. Jack Kirksey, R-Livonia, just before getting to bed at 10 a.m. Friday. "The game plan was to get it through the House today, but they (senators) said they were in no condition to pursue it."

"They couldn't get the votes," added Rep. Joe Forbes, D-Oak Park, Democratic floor leader. IN LAST week's action on the state's \$611 million fiscal crisis:

- Both houses voted to increase the state cigarette tax to 21 cents a pack from 11 cents. The bill goes to Gov. William G. Milliken for his signature. It is expected to narrow the gap by \$95 million.

- The House, after heavy politicking in its marathon session, barely approved a bill raising the state personal income tax 1 percent to 5.6 percent. The hike is retroactive from April 1 and runs to Sept. 30, the end of the fiscal year. It will raise \$150 million. The Senate will take up the measure Tuesday, April 20, when it returns from Easter recess.

- A new 4-percent amusement tax was to have been taken up by the House last week, but Forbes said "we didn't get to it." It would affect tickets to all kinds of amusements — theaters, movies and sporting events as well as video games and cable television. Despite heavy opposition, Forbes predicted, "It won't have half the difficulty of the income tax, even if it gives the lobbies time to work."

It's slated for House action April 20.

- The Joint Appropriations Committee gave approval to Governor Milliken's proposed \$300 million in state spending cuts.

"IT WAS the responsible thing to do," said state Rep. Ruth McNamee, R-Birmingham, who voted for the income-tax increase.

"It was an emergency because 1) we have a cash flow problem, 2) the state constitution requires us to balance the budget and 3) we had to protect the state's credit rating."

"Believe me, I learned a lot about credit ratings in the last week. Once you lose it, it takes you five years to get it back. It doesn't affect just the state. Every public entity would suffer if Michigan's credit rating dropped from a 2 to a 3 — Oakland University, Oakland Community College, schools and cities," said McNamee, a fourth-term lawmaker.

"Nearly all are in the (credit) market because of the executive order cutting their state appropriations. Local governments and school boards will understand. A lot of them thanked me for stepping up to do what I have to do."

"The alternative is for the state to go belly up, or whatever you want to call it." She added she extracted "a strong commitment" from Milliken not to ask for the tax hike's renewal.

KIRKSEY, a third-term lawmaker and former school administrator, was unimpressed by the credit rating argument.

"They told us that if we didn't pass it by Wednesday, it would be a great embarrassment to Jerry Miller (budget director). It was painted as an end-of-the-world thing," said Kirksey, who voted against the income-tax increase.

"It was almost as if every second were precious. There were obviously artificial deadlines."

"I dislike legislation by crisis. It's repulsive to me to develop public policy that way — people milling around the House floor for hours."

Both McNamee and Kirksey told of Milliken personally crossing the street to the Plaza Hotel to

Legislative roll call on 2 tax measures.

Here is how area state legislators voted last week on two tax increase bills:

CIGARETTE TAX

House voted 51-25 and Senate 22-15 in favor. House yes: W.V. Brotherton, R-Farmington; Joe Forbes, D-Oak Park; Ruth McNamee, R-Birmingham.

House no: James Defebaugh, R-Birmingham; Matt Dunaskis, R-Oxford; Doug Cruce, R-Troy. Not voting: L. Jean Willoughby, R-Bloomfield Hills.

Senate yes: Donald Bishop, R-Rochester, and Doug Ross, D-Oak Park.

Senate no: Dana Wilson, D-Hazel Park. Wilson replaced veteran Sen. Bill Huffman last week after winning a special election.

INCOME TAX

House voted 54-40 in favor. Senate is to vote April 20.

Yes: Forbes, McNamee. No: Brotherton, Dunaskis, Cruce, Willoughby. Absent: Defebaugh.

awaken Rep. Edgar Geerlings, R-Norton Shores, who had departed at 6 a.m. to get some sleep. Geerlings delivered his promised yes vote.

KIRKSEY SAID the automatic voting board, which is supposed to be held open no more than three minutes, was kept open a half-hour while votes were rounded up.

In addition, he complained the bill was given immediate effect in a technique lawmakers call the "fast gavel." Otherwise, the tax hike wouldn't have taken effect until a year from now.

"They worked hard on the freshmen," said Kirksey — "they" being Milliken, his legislative assistant, former state representative Bob Law and Miller.

"The freshmen are very impressed with the personal appeal by the governor. They worked three-on-one. I got totally fed up with it."

"It was like a professional baseball pitcher and catcher — they have a book on every batter, and they go to work on them."

"There were also a number of lobby groups — Michigan Education Association, American Federation of Teachers, colleges and universities — working very hard. One organization, I heard, laid out \$3,000 or \$4,000 directly. The lobbying was ferocious," Kirksey said.

BUT IF Kirksey was repelled by the all-night battle, Forbes, a sixth-term lawmaker who acts as a traffic cop on legislative bills, was impressed.

"The governor did a yeoman job. We spent a lot of time on strategy last week," said Forbes. "It was about the closest coordination and cooperation I've worked on with Bill Bryant (House GOP leader), Mike Bush (assistant GOP leader), the governor and Bobby (House Speaker Bobby Crim). Bobby just batted his brains out."

"The governor shuttled in and out. The whole question was reapportionment and the (1982) election and, of course, the public's clamor (against taxes) without too much understanding of what would happen if we didn't raise the money."

Forbes, whose district includes part of Southfield, said he received both pro and con mail but summed it up: "In my opinion, there was no understanding of why we had to do it, and no explanation of why we shouldn't."

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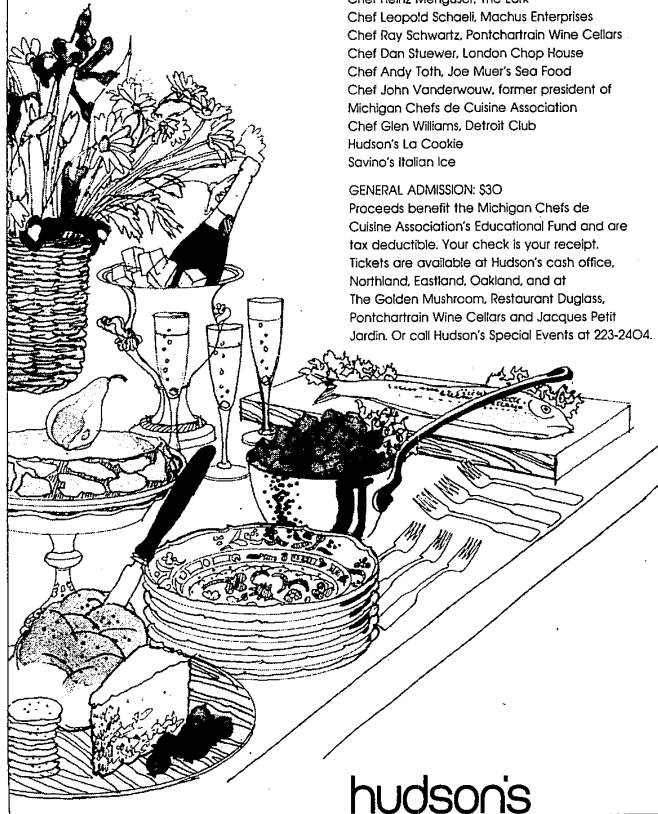
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Chef Kevin Donovan, London Chop House
Chef Jeffrey Gabriel, Grosse Pointe Yacht Club
Chef Douglas Grech, Restaurant Duglass
Chef Gary Grzywacz, Clarkston Cafe
Chef Carolyn Hoskins, Jacques Petit Jardin
Chef Daniel Hugelier, Detroit Athletic Club
Chef Ed Janos, Money Tree
Chef Mark Lamke, Van Dyke Place
Chef Leon, Leon Pastry
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