

Tax foes vent gripes in Lansing

By Tim Richard
staff writer

"First time I've ever done anything like this," said one suburban tax protestor after another among the 350 on the steps of the State Capitol Building.

They spent Tuesday's lunch hour protesting Gov. James Blanchard's plan to raise the state personal income tax to 6.35 percent. Blanchard is asking increases of 1.5 percent for operations and .25 percent to retire an accumulated deficit.

The House passed a modified version of the proposal by 59-51 vote Wednesday. The bill will go to the Senate for further discussion.

"LEGISLATORS, you should tighten your belts before you ask us to tighten ours," said the sign carried by Rose Galley of Franklin.

"We live on a fixed income," said retiree Hope Winky of Troy, who, like most sign carriers, was taking part in her first political act beyond voting or writing a letter. While the Winkys' Social Security and pensions wouldn't be subject to the tax increase, their dividends and interest would be.

"Many, many of my friends have moved to Florida to escape property taxes," she said.

There were mixed feelings on whether a sales tax increase from 4 percent to 5 would be more acceptable. "If we had to have a tax, I would prefer a sales tax because you can avoid it," said Winky.

The speeches were cheers rather than orations: "Tax, tax, tax, spend, spend, spend, with you guys it never ends." "Hear our cry, pay attention, we're the ones who pay your pension."

DAVID LITTMAN, vice president and senior economist at Manufacturers National Corp., urged lawmakers to put Michigan's house in order before even considering a tax hike.

Littman, a member of the Bloomfield Hills school board, gave a detailed analysis, with chart, contending "Michigan has consistently outspent its peer group of states (the 13 most populous) . . . in many of the key budget areas."

Littman's examples:

- In higher education, Michigan spends \$205 per capita, or 38.5 percent more than the 13-state average. If Michigan reduced this item to the 13-state average, the savings would be \$525 million — almost as much as the \$700-million to \$900-million projected deficit.

- In public welfare, Michigan spends \$305 per capita, 37.4 percent more than the average. Reducing welfare spending to average would save \$764 million, almost balancing the budget.

- Other educational spending and libraries are

18.9 percent above average; local schools, 15.8 percent above.

"All economic forecasts have been revised upward," said Littman, saying existing taxes would produce \$500 million more, as the economy improves, than projected.

THE EVENT was a field day for Republican legislators, whose caucuses are working to come up with figures showing the state is overspending on such matters as colleges and welfare, and that no permanent (18 months or longer) tax hike is needed.

Republican Reps. Mat Dunaskiss of Lake Orion, Jack Kirksey of Livonia, Frederick Dillingham of Fowlerville and Sen. Ed Fredericks of Holland all denounced the tax plan.

"The governor and the Democrats are now on a fast track. They're going to run it through beginning Wednesday," said Dunaskiss.

WALTER ROXY, of the accounting firm of Alexander Grant & Co. offices in Detroit and Southfield, reported some of his tax customers were moving to Florida to escape Michigan's income tax.

"They're taking their bank accounts with them, and that drains capital from Michigan," he said.

Jim Morberg, director of the House Fiscal Agency, called Medicaid "the worst fiscal problem in this state. Medicaid costs are going up 12 to 15 percent a year, and it doesn't care whether we're in a recession or not."

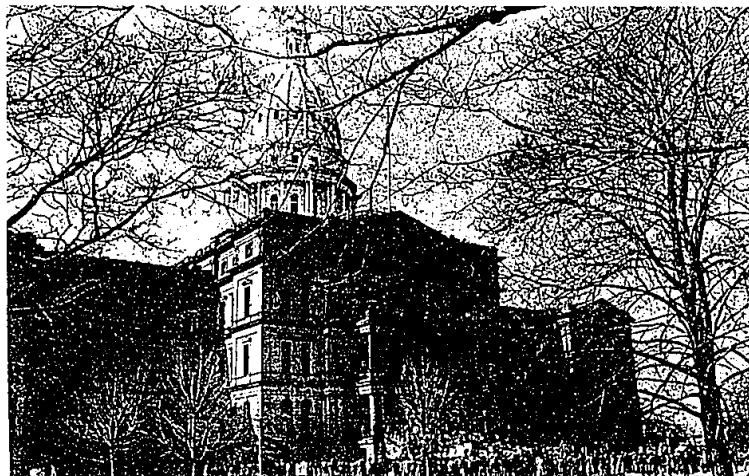


photos by Bill Brestle/staff photo-

Attending the Lansing anti-tax rally were Rose Galley of Farmington, Eileen Prestel of Birmingham, Hope Winky of Troy, Lillian Peck of West Bloomfield, Corinne Breer of Bloomfield Hills and (kneeling) John Gibson of West Bloomfield.



Jim Geoffrey (top, left), a Ford Motor Co. engineer from Livonia, got a lot of attention with his sign that advocated "Don Knotts for Governor" with a dozen teabags suspended from it. To this first-time demonstrator, Knotts symbolized the stumbling, ineffectual comedian. The teabags recalled the anti-tax fervor of the pre-Revolution Boston Tea Party. Claudine Sahoski (bottom, left) of Southfield compares notes with Ken Gilton of Lansing.



The state Capitol Tuesday was the gathering point for about 350 tax protesters.

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