

'Progressive' Tax Issue Tossed To Voters

Income Tax Amendment Got On Ballot In Political Compromise

By TIM RICHARD

Michigan voters will have the final voice Nov. 5 in a showdown decision between Republican and Democratic positions on a state income tax.

Proposal No. 1 on the ballot would remove a prohibition in the state constitution against a graduated rate income tax.

The proposal would allow "an income tax at flat rates or graduated as to rate or base" to be levied by the state or "any of its subdivisions."

Thus, not only would the state be allowed to impose a graduated tax, but cities, which also have income taxing power, could do so, too.

A "YES" VOTE would not necessarily mean Michigan would get a graduated tax. That would be up to the Legislature. A "no" vote would leave the consti-

tution as it now is -- a graduated rate tax would still be prohibited.

Democrats, who think they can capture control of the House in fall, would be inclined toward passing a graduated rate tax if party members listen to their leaders.

Republicans, who wrote the rule against graduated rate income taxes into the constitution in the first place, would be unlikely to pass such a law, even if voters amended the constitution to allow it.

THE IDEA OF putting Proposal 1 on the ballot was born of a political compromise.

When the GOP-controlled Legislature was writing an income tax law last year, Democrats were unhappy about passing a flat-rate tax.

They gave some votes to the GOP bill, however, in return for placing the flat vs. graduated rate issue before the voters this year.

State Proposal No. 1

Proposed Amendment to Remove the Present Restriction Against the Adoption of a Graduated Income Tax.

Shall Section 7 of Article IX of the State Constitution be amended to read as follows:

"An income tax at flat rates or graduated as to rate or base may be imposed by the state or any of its subdivisions?"

() Yes

() No

The law that was passed charges a flat rate of 2.6 per cent of personal income after exemptions. Whether your taxable income is \$1 or a million dollars, you still pay 2.6 per cent.

Under the graduated rate--sometimes called the "progressive" tax--the percentage increases as taxable income rises. The federal income tax law follows this theory.

OPPONENTS OF "progressive" taxation argue that it penalizes persons for earning higher incomes and can become a demagogue's tool to "soak the rich."

Opponents also argue that there is a great element of "progression" in the flat rate tax. For example, a family of four with a \$10,000 income would have the same amount of exemptions as a family of four with a \$90,000 income, so the higher income family in fact does pay a higher percentage of its income in taxes.

Those in favor of the amendment reply that the state constitution should be more flexible--that the kind of tax is a policy decision that should be left to the Legislature, not locked into the constitution to bind future generations.

Backers of the graduated rate also say it would be more equitable to middle income taxpayers: who now, under the flat rate, are hit the hardest, while some high and low wage earners are touched the least.

Opponents reply that Michigan has a camouflaged "progressive" system already because the state intangibles tax hits higher income people who get more than \$572 a year in dividends and interest.

But backers of the graduated tax retort that Michigan's system is made "regressive" by the sales tax, which

takes a greater percentage of low incomes because those persons spend a greater portion of their incomes on consumption items.

RECENTLY, A NEW twist has been added to the debate.

When ballots were being printed, it was noticed that the proposed constitutional amendment would apply not only to the state but also to "its subdivisions."

At present, the only subdivisions with authority to levy an income tax are cities; they must confine their income taxes to a flat rate, as specified by law.

But would this amendment open the door to county, township, village, school district, and community college district income taxes?

Would they have to have graduated rates if the state has a graduated rate? Would local governing boards have the option of levying flat or graduated rate income taxes if the constitution is amended?

Most Republican politicians aren't worried, at least publicly. They apparently figure the public mood is such that Proposal No. 1 will be defeated anyway.

The 'New Politics'

Social Replaces Economic

A new American politics is making its debut. The political boss has largely disappeared, party loyalties are waning, social issues have replaced economic ones, and the hum of the computer is replacing the old campaign song.

Prof. John Dempsey, of the University of Michigan's Dearborn Campus, sees the roll of the organization changing; it can no longer deliver the vote or even influence the election to a great extent.

The political organization in the past depended on the local machine and the political boss who got fat by fulfilling needs of their people. But today those in

need can find help through the employment service, public health clinics, and other social service agencies. Civil service has replaced, in most instances, the patronage jobs.

TODAY, PARTY LOYALTY is not as strong as it was 25 or 30 years ago. In the past, individuals decided that they were either Democrats or Republicans, and they voted that way. Now more people are looking at the issues and the candidates as independents, Dempsey believes.

The professor sees even the types of issues as being different in the new

politics. Issues such as constitutional government and slavery dominated politics in the distant past, and in the recent past economic issues were important.

The workingman in 1968 is more concerned with social issues, Dempsey points out that the common man is interested in race relations, recreation, foreign policy, pollution of the environment, public schools, and the prevention of moral decay.

The candidates are appealing on a personal level to the individual listener, and the voter eventually becomes conditioned to the candidates' names.

Unrestricted Regional Gov't. Dangerous, Says Sen. Huber

By LEONARD POGOR

The dangers of unrestricted powers given to new regional governments were outlined by State Sen. Robert Huber (R-Troy), Friday night before an estimated 50 persons from Garden City and Westland.

Huber, whose Senate Municipalities Committee last year made a special study of regional governments in major American cities and Toronto, pointed out that he is in favor of

a "Council of Governments" in general but he cited the numerous dangers of an unrestricted council.

"We shouldn't give a blank check to a group of planners," he stressed.

HUBER, MAYOR OF Troy for nearly six years, said that he favored the sound idea of a council of governments "because some problems (mass transportation, air and water pollution, garbage and rubbish pickup, water and sewers) cannot be solved locally."

Huber also delved into the legislative problems in trying to put reasonable restrictions on the bill adopted last year authorizing the formation of the new Southeast Michigan Council of Governments.

The council is a voluntary association of cities, villages, townships, school districts and counties to study and make rec-

ommendations for regional problems.

HUBER TOLD his audience that proponents of councils of governments like to be "one big happy family -- but this means one big happy tax base."

He cited the case of a suburb of Toronto, Ontario, which had a formal metropolitan government, which had its own police department, rubbish pickup, road maintenance, and a low tax base.

Nearly two years ago, the residents of that suburb were placed within the metropolitan Toronto structure and wound up with higher taxes, less police and rubbish service -- all without a vote of the people, the senator said.

"Unless restrictions are placed on the council of governments, the council will wind

up as a strong metropolitan government," he added.

One of the restrictions he favored is the allowing of only elected persons to the council "if the people are to keep control of the council."

Current rules of the 35-member executive committee of the Council of Governments allow for as few as 10 members, or a majority of a bare quorum, to make rules for the four-million persons in the Detroit region.

ALSO DISCUSSED at the meeting, held in the Henry Ruff Elementary School, was the county home rule proposal on the ballot for Wayne County voters Nov. 5.

At that election, voters will decide if a charter commission of 35 members will be formed to draft a charter for the restructuring of the county government.

public affairs

Muskie's Livonia Reception


Democratic vice presidential candidate Edmund Muskie (above, left) wasn't heckled aloud in Livonia last week as he was in other places, but he still got a mixed reaction.

Schoolcraft and other community college students who preferred Sen. Eugene McCarthy used home-made posters to tie Muskie to the Johnson Administration's Vietnam war policies (upper right).

Fun was provided in a good-natured way from Teen Age Republicans (lower left) from, of all places, Adlai E. Stevenson High School in Livonia.

The overwhelming reaction was friendly, especially from pretty coeds





Is your home going to turn into a desert this winter?

A lot of homes will.

In wintertime, people in houses with flame-type heating wake up mornings with that stuffed-up feeling. With hoarse, dry throats. Furniture dries out and starts creaking. Sound familiar? You bet it does. The best way to stop it is with electric heat.

You see, electric heat isn't a dry or drying heat. So you usually don't need a humidifier. The moisture from bathing and cooking is all you need for natural comfort.

An Edison-Approved Electric Heating Contractor will be glad to tell you all about comfortable electric heat. He'll figure your operating cost, and explain the guarantee. And now, your contractor's offering a \$100 trade-in on your old heating system. Call him for a no-obligation electric heat survey. Look in the Yellow Pages under "Electric Heating—Equipment and Systems."

He'll show you how to turn your desert into an oasis.

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