

House panel debates tax cut plan

By Tim Richard
staff writer

House Democrats say Gov. John Engler's property tax cut plan does too much for well-off people who don't need it — including senior citizens.

But state treasurer Doug Roberts, Engler's financial right arm, argued the state needs a 20 percent school property tax cut for all — rich, poor and business.

"We can't address every single possible issue," Roberts warned the House Taxation Committee Tuesday as he argued for an across-the-board cut.

It was the panel's first meeting of the new session. Absent was freshman Rep. Barbara Dobb, R-West Bloomfield, whose lakes district has been the scene of some of the state's loudest property tax protests.

REP. JAMES KOSTEVA, D-Canton, tossed the administration's argument back in his lap, saying the plan contained several special favors.

"Why the assistance to seniors?" asked Kosteva, referring to Engler's proposal to exempt the elderly from all school operating property taxes over three years. "Obviously seniors are an effective political organization to satisfy."

Committee chair Lynn Jondahl, D-Okemos, quoted the American Association of Retired Persons as criticizing that feature for "pitting age groups against each other."

"We have it in the law right now," replied Roberts, saying that special treatment for the elderly is an established principle in Michigan.

Deputy treasurer Gary Wolfram added that older people have little capacity to increase their incomes, have less discretionary income and have special home maintenance problems.

"WHY INCREASE the circuit breaker?" Kosteva continued. Engler wants to raise the amount of income tax rebate (circuit breaker) a household can receive from the current \$1,200 to \$2,500 over a period of years.

Nick Khoury, another deputy treasurer, replied that the idea is based on a Senate Republican plan of last year.

Kosteva kept firing at Roberts' contention that Engler's plan was limited to an across-the-board property tax cut. "It's inherently a school finance proposal," said Kosteva. "We will now reimburse school districts without regard to wealth. We would widen the gap between in-formula and out-of-formula school districts."

Replied Wolfram: "If we don't reimburse, we'll have a difficult problem."

Engler's plan is that the state treasury would return to all districts the property tax revenue they would lose if the state cut assessments 20 percent.

Democrats objected that suburban districts with \$8,000 per pupil to spend shouldn't be reimbursed while other districts have only \$2,500 per pupil.

COMMITTEE CHAIR Lynn Jondahl, D-Okemos, argued for better proportional benefits for low-income people rather than an across-the-board cut.

"As long as I've studied economics," replied Roberts, "the property tax has been considered regressive. This (cut) doesn't make it worse. Cutting a regressive tax does not historically hurt the poor."

Rep. Ted Wallace, D-Detroit, argued that the \$1.2 billion in benefits would be spread across the board but paid for by taxes paid by renters and cuts in services to the poor.

"I'm sensitive to the issue," Roberts said. But he said Detroiters are paying some of the most burdensome property taxes and that Detroit schools "are a major beneficiary of the school aid formula."

Rep. Perry Ballard, D-Ann Arbor, blasted the Engler plan as "Robin Hood in reverse," taking from the poor to help the rich. He called for more circuit breaker help and no cuts for business.

REP. KIRK PROFIT, D-Ypsilanti, recalled Engler last year criticized Democratic Gov. James Blanchard's \$25 million plan as worth only 5 cents a week. But Profit said Engler's plan was worth only 7 cents to a family with a \$20,000 income and a \$30,000 home.

His math was corrected by Rep. Susan Muswell, R-Howell, who said it amounted to \$5.76 in that example.

And Roberts noted that the example family already would be getting substantial "circuit breaker" help. "Certain low-income people won't get any relief at all. They already get the home-aid credit," Roberts said.

WB resident wins women's award

By Pat Murphy
staff writer

Debra L. Cain, executive director of a non-profit agency that helps the victims of rape and domestic violence, has been named the 1991 winner of the Athena Award.

The award is presented annually by the Oakland County Chamber of Commerce to recognize an outstanding person who has attained or supported professional excellence among women.

Cain, a West Bloomfield resi-

dent, will receive the award tonight at the Troy Marriott, site of the chamber's 81st annual membership meeting.

Fifteen people were nominated. Cain won the coveted award for her work with Haven, a Pontiac-based agency that helps the victims of rape and domestic violence.

She oversees an \$850,000 operating budget and staff of 15 to 18 full-time employees and about 200 volunteers.

HAVEN PROVIDED services to

more than 7,000 people last year with its 24-hour crisis line, the 65-bed emergency shelter and varied counseling and advocacy programs. The agency specializes in assisting rape victims and people who have suffered because of domestic violence.

Under Cain's leadership, Haven has grown from a program sponsored by the YWCA into an independent agency with its own board of directors and advisers, according to the selection committee that reviewed her qualifications.

Some of Haven's services have

been models for similar programs emulated by state and national agencies, the committee noted.

Cain, a native of Oskaloosa, Iowa, received a psychology degree from Iowa State University in 1977. She came to the Detroit area that year when her husband, Luther Blue, was signed by the Detroit Lions Professional Football team.

Cain subsequently received a master's degree in administration from Central Michigan University. The couple has a son, Matthew, 10.



Debra L. Cain

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