Bipartisan coalition eyes alternative to cut 'n cap

The wraps are coming off a year-long effort by state lawmakers to abolish local school property taxes and replace them with higher state income and single

higher state income and single business tax rates. Seven Republican state repre-sentatives and five Democrats make up the Group of 12. Their plan would place the entire \$8 bil-lion cost of public schools on the

ion cost of public schools on the state.

"The Republicans suggested we not pursue this aggressively in the fall campaign for two reasons," said member James Kosteva, D-Canton.

"They did not want it to be-come part of a partisan campaign, and they did not want to under-mine the governor's Cut and Cap proposal."

Members listed

Members listed
Area members of the group are Democrats Kosteva, William Keith of Garden City, chairman of the House Education Communities, and Wilfred Webb, former Hazel Park school superintendent who is leaving the Legislature; and Ropublicans Barbara Dobb of Union Lake and Susan Mussell of Howell.

Outstaters include Democrats Lya Jondahl of Okemos, chairman of the House Taxation Committee, and James O'Neill Jr. of Saginaw, chairman of the House Taxation Committee, and James O'Neill Jr. of Saginaw, chairman of the House Subcommittee on school aid; and Ropublicans Bill Bobier of Manistee County, Jessie Dalman of Holland, Donald Glimer of Augusta, Michael Nye of Litchfield and Glenn Oxender of

Sturgis.
"They are city and rural, representatives of in-formula and out-of-formula districts," said Dobb, a first-term member and accountant who opposes using the value of a house to determine school

How it works

Of the current \$8 billion cost, the state provides \$2.8 billion, lo-cal property owners most of the rost

As outlined by Kosteva, the

As outlined by Kosteva, the plan would:

■ Eliminate all \$5 billion-plus in property taxes for local school districts and shift the entire burden to Lansing. (Property taxes to pay off bonds would be unoffected.)

■ Raise the state personal income tax rate from 4 percent to 7.6 percent.

■ Raise the single business tax rate by 3.7 percent. Dobb said it would assure business continues to pay 32 percent of local school taxes.

to pay 32 percent of local school taxes.

Give every school district state aid of \$4,800 to \$4,900 per child. This would resolve the inequity of some districts having as little as \$2,500 per child while others have \$9,000.

Temporarily allow suburban districts spending more than \$4,800 per child to continue levy-spending more than \$4,800 per child to continue the \$4,800 per child to continue the \$4,8

ing property taxes to make up the difference. But those districts would have to vote on a local "pig-gy-back" income tax if they want-

LANSING

ed to continue apending more than \$4,800.

Remove most "categoricals" from the state school aid formula, leaving only special education, bilingual schooling and transportation. The remaining categorical more would go into the general money and for the property is no determine school aid formula, and transport in the would help senior citical would be property taxes that rise due to inflation in the market value of their houses.

Old plan changed

Old plan changed

The new plan bears some similarity to the so-called Nye-Oxender plan floated a few years ago. Kosteva said that plan would have eliminated all property taxes, even for municipalities, counties and community colleges.

Dobb and Kosteva said the new plan would be unveiled after the House opens its post-election session Nev. 5.

"The specifics have yet to be finalized." said Keith, promising to hear comments from business and school people.

The legislature could pass the proposed 90-percent tax increase without voter approval, Kosteva said, but voters could be asked in 1994 to approve two constitution changes:

al changes:

Earmarking the new income and SBT rates for local schools.

Substituting a sales tax increase for part or all of the income

tax increase. The constitution caps the sales tax at 4 percent but doesn't cap the income tax.

"We chose the income tax for two reasons," Kosteva said.

"First, deductibility. You can deduct a state income tax from your federal income tax. If you used the sales tax, Michiganians would pay \$300 million more in federal income taxs.

"Second, progressivity. The in-

come tax is far more progressive than the sales tax." ("Progres-sive" means a tax takes a larger percentage from people with high-er incomes than from people with lower incomes.)

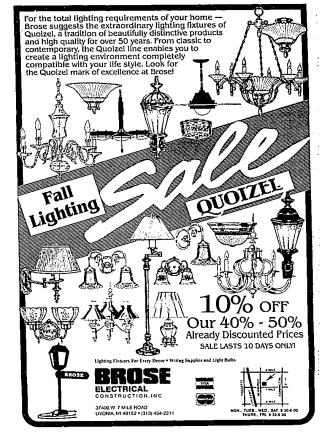
Some doubte

Gov. John Engler, who is sup-porting Proposal C on the Nov. 3 ballot, said through a spokesman that the lawmakers' plan "would

be devastating on small business-es and also hurt renters."
Proposal C would cut school
property taxes by up to 30 per-cent, require the state to make up
the difference but provide for no

the difference out provide for his state tax increase.

Local school officials, among other critics, loudly doubt the state can find \$1.3 billion more for schools without raising state taxes.

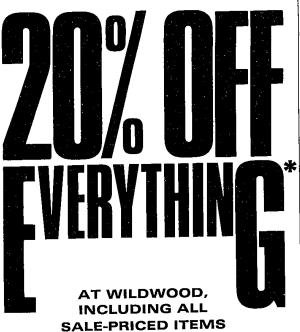


OU workshop targets how to manage time People repeatedly caught in a time crunch seem always busy, yet often feel they accomplish lit. The pattern can spiral until it seems hopeless. n half-day workshop, "Six Steps will look at the misuse of time, for 9 a.m. to noon Thursday, and ways to "create" time to do the things they really want to do the things they really want to do.

The Oakland University Con-tinuum Center will offer help with

Participants will discover how to gain control over their time, their job, and their lives. They

Fee is \$39; MasterCard/VISA accepted. Register before Oct. 27; call 370-3033.



Sorry, layaway, gift certificate purchases, Hanes hoslery, Easy Spirit shoes and Gucci watches are not included.

FRI. & SAT. ONLY

SHOP 8 A.M. TO 10 P.M. BOTH DAYS



SAVE 35% ON ANY HARDEN DINING ROOM... AND RECEIVE AN EXCLUSIVE GIFT!



FREE 9' x 12' Capel Oriental Rug With The Purchase Of Any Harden Dining Room

or a limited time only, we're offering special savings on our entire selection of dining rooms by Harden, And, if you purchase any Harden table, china and 6 chairs during our sale, you'll receive a Free Capel Oriental Rug, available in 2 styles and 8 colors, manufactured from 100% pure New Zealand Wool.

Celebrate family dining today with quality...a dining room from Harden and a Free Capel Oriental Rug from our store.

Order Soon To Receive Holiday Delivery! Sale Ends October 30 THIS OFFER DOES NOT APPLY TO PREVIOUS OR PENDING SALES.

2600 N. Woodward Ave.
Just South of Square Lake Rd.
Fine Furniture Since 1917

Hewart-Clark Open Mon., Thurs., Fri. 'til 9 p.m.
Tues., Wed., Sat. 'til 5:30 p.m.