

**A possible second Democratic proposal calls for seeking tax relief through income tax refunds for property tax payments.**

## Tax cut packages abound in Lansing

By Mike Scanlon  
staff writer

Michigan legislators have been talking about tax cuts since spring but the tax cut picture in Lansing is even less clear today than it was then.

Gov. Milliken is scheduled to propose a wide-ranging series of cuts in taxes and government spending in a 10 a.m. address today.

Meanwhile two legislative tax cut proposals that were introduced in early summer are still alive.

### THE plans are:

• A caucus-originating House Republican version calling for some \$1.9 billion in tax cuts over three years.

• A Democratic Senate version sponsored by Majority Leader William Faust, of Westland, calling for about \$1.2 billion in cuts.

It's possible that a second Democratic proposal will be introduced in the House. This plan calls for seeking tax relief through an expanded "circuit breaker," or income tax refunds for property tax payments, suggests House Republican Leader William Bryant of Grosse Pointe.

BRYANT SAID House Republicans anticipated improvement in the state's economy over the summer when they agreed on the \$1.9 billion plan last spring.

But things haven't gotten much better, and Bryant said the sustained slide in auto sales and the effect on state revenues may cause Milliken to strike a softer tone in his proposal package.

But Bryant also said he expects whatever amount Milliken proposes will be a tax and spending plan that "would use our mechanism."

IN BROAD outline, the House Republican "mechanism" calls for a simultaneous reduction in property taxes to both homeowners and renters of 20

percent and a 10 percent cut in the state's single business tax (SBT). It has been dubbed the "20-20-10" plan.

The Republican plan would partially finance the tax cuts by trimming expenditures, specifically an across-the-board cut of 5 percent in state departmental spending, elimination of welfare payments to "employable" people; reduced Medicaid provider payments; stricter standards for community placement of disturbed and retarded people; an increase in the number of hours required to obtain general education development (GED) certificates; and a 5 percent reduction from the June level in Aid to Families with Dependent Children. ADC payments were already reduced in June in what was intended as a two-month temporary cutback.

The Republican plan also links the SBT to the state personal income tax rate, while reducing the SBT from 2.35 percent to 2.3 percent. The personal income tax rate is 4.5 percent, a 2-to-1 margin the Republican plan would require be maintained in future years.

FAUST'S PLAN, which includes no proposed expenditure cuts, would make up revenue lost in tax reductions through money already set aside to finance the defeated Proposal A.

His plan would cut rates of school operating property taxes — which represents the bulk of property taxes — by 15 percent the first year, 25 percent the second year and 35 percent the third year.

Faust's plan would eliminate school operating property taxes for people over 65 and require that no renters over 65 "would pay more than 40 percent of their income (in rent) under any circumstances."

It also requires a local responsibility act to freeze local property taxes at current levels and require property-owner notification when attempts are made to raise levels.

## Alternative sewer line plans spark hearing

A public hearing on six alternative proposals for a major sewer in western Wayne and parts of Oakland County will be 7 p.m. Sept. 23 in the Northville Township Hall, 41600 Six Mile.

The six plans, selected from 32 earlier proposals, range in cost for construction and operation over a 20-year period from \$240 million to some \$362 million. It will serve an estimated 190,000 people.

Some 75 percent of the cost will be paid by the federal government and five percent will be picked up by the state. The sewer line will take about state, but local communities will have one year.

to pony up the remaining 20 percent. The six proposals all involve running a major sewer interceptor line from the northern portions of Canton Township to northern Oakland County. Different proposals would dispose of the sewage at a proposed treatment plant to be built in Brownstown Township, at an existing plant in Walled Lake, at existing Detroit Metro Water Board plants or through a series of municipal-operated, central septic tanks.

Wayne County Department of Public Works engineers believe actually in five percent will be picked up by the state. The sewer line will take about state, but local communities will have one year.

## Surplus

### Oakland will have \$1.7 million

Oakland County will have a \$1.7 million budget surplus when the fiscal year ends Dec. 31, Executive Daniel T. Murphy predicted last week.

But the surplus will likely be short-lived, Murphy said in a written statement.

"The bad news is that we will be forced to incur some abnormal expenses in 1982 which will consume this surplus."

"For example, we expect a federal

court order to force us to spend about \$1 million on salaries for additional Sheriff's Department personnel.

"And a state law requires us to create two probate judgeships, whether we need them or not, at a cost of well over \$500,000."

The source for the surplus is about evenly divided between cost-saving measures and high interest rates on county investments.

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Introducing Perry Ellis  
casual legwear for Trimfit

These are socks of a different stripe. Or cable. Or argyle. Even a witty wheat design. And the colors... ooooooh. Rust and grape and cream and charcoal... silver and magenta and even more. Here, just four from the warm, wonderful wardrobe by Perry Ellis for Trimfit, in Hudson's Casual Hosiery at Northland, Eastland, Westland, Oakland, Twelve Oaks and Briarwood.

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