



# The Activist News

Citizens for Limited Taxation  
The Commonwealth Activist Network

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The Massachusetts Taxpayer Activist's Newsletter

9

April 2001

## CLT NEWS RELEASE

March 14, 2001

### CLT anticipates TEAM's support for Voluntary Tax check-off

Finally, everyone can be a winner!

CLT anticipates the support of our erstwhile opponents of Question 4, the Tax Equity Alliance of Massachusetts (TEAM), for our equitable income tax check-off proposal.

CLT's bill, S.1734, offers TEAM and the 1,055,181 voters (the 41 percent that voted against the income tax rollback) a second opportunity to win. S.1734, CLT's Voluntary Tax (VT) check-off, sponsored by state Sen. Jo Ann Sprague (R-Walpole), proposes:

1) All state personal income tax forms shall contain a check-off box which permits taxpayers to contribute to the Voluntary Tax, as if Question 4 had been defeated.

2) The state personal income tax *Schedules and Instructions* booklet shall contain a table which provides the difference between the statutory income tax on personal income (Parts A and B) at its rate for that tax year, and the rate of 5.8 percent for tax year 2001, and 5.75 percent thereafter. This difference is the Voluntary Tax contribution.

3) A line shall be added to state personal income tax forms on which the VT contribution can be added to the statutory income tax on personal income (Parts A and B) before calculation of the total state income tax.

4) The Department of Revenue shall keep records of the number of taxpayers who choose to elect the Voluntary Tax contribution and the amount of revenue collected by the VT contribution in addition to the statutory state income tax.

If all million-plus voters elect the Voluntary Tax check-off, they can claim personal victory over Question 4 while providing funds for additional state spending.

CLT also supports H.2093 sponsored by state Rep. Fran Marini (R-Hanson), a version of our Voluntary Tax proposal revised by his office.

**Reminder: CLT members who have any kind of override scheduled can request a copy of our "How to Fight a Proposition 2½ Override" manual by calling Chip Faulkner at 508-384-0100.**

### TEAM' news conference calls for ... what else? ... more taxes

On March 14th, TEAM held a well-advertised but poorly-attended news conference at the State House. The *State House News Service* and maybe one other reporter attended, according to CLT's associate director, Chip Faulkner — who was there to monitor and pass out our news release (above).

The others in attendance were all TEAM cheerleaders. State Rep. Jim Marzilli (D-Arlington) was in and out a few times, Chip reported, but no other legislator he recognized attended.

Calling for new taxes, TEAM executive director Jim St. George used their standard operating procedure: Say it fast so it sounds good even if it doesn't add up. Below, we've addressed a few of his most ridiculous comments, as reported by the State House News Service:

***Former opponents of the voter-approved income tax cut want the state to raise more money ...***

TEAM has disappointed us. Here was where we expected that they would endorse our Voluntary Tax check-off. Then all those good tax-and-spend liberals could provide their own solution, demonstrate their commitment and caring, lead by example,

***Cont'd on Page 7 . . .***



Chip Ford congratulates longtime CLT ally Howard Foley on his retirement at his Massachusetts High Technology Council testimonial.



# Beacon Hill Happens

**Howie Carr** noted in his March 11 column: “if they think they can get away with it, then they’ll kill the income-tax cut, which was approved by the electorate in a referendum.”

We intend to make it clear that they can’t get away with it. Quick action on the part of CLT activists shot down a trial balloon floated by Sen. Richard Moore to revisit the rollback. The need to protect the initiative petition process is why we now support implementation of the voters’ Clean Elections Law.

In a March 18th Boston Herald column, Jeff Katz quoted state Sen. Marian Walsh: “I don’t think that most voters understood they were voting for taxpayer-funded campaigns.” That was Question 2 on the 1998 ballot.

Did those same voters abruptly lose their intelligence immediately after voting for Question 1 (by virtually the same vote margin), which granted a constitutional amendment that provides legislators with constitutionally-shielded automatic pay raises?

CLT opposed both, but we oppose even more this tidal wave of legislative arrogance.

The people have spoken. Either the Beacon Hill pols – our alleged “representatives” – will listen, or they’ll demonstrate

that voters were wrong not on Question 2, but on Question 1. **Good News** According to the State House News Service, Sen. Mark Montigny (D-New Bedford), chair of the Senate Ways and Means Committee, said if Cellucci had been “more forthcoming” when he promoted Question 4, the \$1.2 billion income tax rollback approved by voters in November, it would not be necessary to spend 70 percent of the tobacco trust money.

We continue to say: that tobacco company reimbursement belongs to the taxpayers anyhow.

**In mid-March**, CLT signed onto a National Taxpayers Union campaign to deplore the state Attorneys General (including our own Tom Reilly) lawsuit against Microsoft.

“Taxation through litigation” as a revenue substitute must end,” said Chip Ford, director of operations.”Whether it’s ‘Big Tobacco,’ firearms manufacturers, a deep-pockets software corporation, or high-cholesterol foods (no doubt the next target), this recent backdoor revenue scam must stop. Ultimately – as witnessed with the tobacco settlement – it is taxpayers who fund these attacks, win or lose, consumers who pay any settlement, and only government and trial lawyers that profit.”

## This says it all!



The MetroWest Daily News □ Jan. 25, 2001

## The Outsiders’ Track

By Barbara Anderson

**CLT Minutemen honored** On February 10th, on your behalf, I accepted the Minuteman award from the **Sons of the American Revolution** at their annual luncheon. Also had a great time as a featured speaker at the February 24th **Libertarian Party** convention, where we found enthusiastic support for our Voluntary Tax bill.

**Who was the first Democrat to become president without carrying Texas?** The **Republican Women’s Club of Massachusetts** was playing political trivia before the luncheon at which I was guest speaker. Moderator **Jim Edholm** insisted it was **Bill Clinton**: I argued that it was **Thomas Jefferson**. Who was right? **Non-liberals care about the environment too!** Scituate activists **Norm and Joan Paley** don’t hesitate to battle annoying

politicians who want to raise their taxes, but they are defending the annoying black flies that live on a nearby pond. After researching the possible dangers of methoprene, which may be linked to deformities in frogs, they argue that the midges haven’t been bad enough in recent years to justify use of the chemical.

**President Bush raids Massachusetts** As Governor **Paul Cellucci** plans his exodus to Canada, last year’s winner of the CLT **Warren T. Brookes** award, **Dick Egan** of EMC Corp., may be on his way to Dublin as ambassador to Ireland.

**Milestones** On March 12th, **Chip Ford** and I attended the wake for **Paul McCarthy** of Lynnfield, a committed activist for parental choice in education; many conservative issues will miss his passionate involvement.



# What's life without choices? Pick your rate.

By Barbara Anderson

I've learned not to get excited about proposed federal tax cuts. Since Ronald Reagan, not much was likely to come from Washington DC for us working taxpayers.

But this winter I began to listen to Hope whispering in my ear: this time it can happen. And sure enough, President Bush's broad-based tax cut has passed the House and is heading for the Senate. This first part of his plan will cut the top federal income tax rate to 33 percent, and the bottom rate from 15 to 10 percent, with other rate reductions in between.

This happens over ten years. Big deal. But it's more than the last president ever cared to offer us.

Rates shouldn't have been raised again after the 1981 Reagan rate cut, anyhow. George Bush the elder took the top rate from 28 to 31 percent, the "read my lips" pledge violation that probably cost him the 1992 election. Then his successor, who ran on a middle-class tax cut, increased the rate to 39.6 percent. That'll teach us – something.

The next phase of President Bush's plan also includes a gradual reduction in the marriage penalty and a gradual repeal of the estate tax.

Let me see if I can recall a tax hike that was gradual. Nope.

Why do we have a penalty on marriage? Whose bright idea was that?

I'm not presently married, and I don't have an estate, but I don't begrudge this additional tax cut for people who commit easier and acquire more than I do. Really resent it when Massachusetts' congressmen use that class warfare thing, which assumes that we're silly enough to give up our tax cut just so someone else doesn't get a bigger one.

There are many arguments for a federal tax cut. The government has apparently funded everything it considers an essential service, and paid off whatever debt it intends to pay off, or it wouldn't say that it's running "a surplus." The government has no right to take an unnecessary amount of tax dollars from taxpayers, many of whom do not have "a surplus."

Also, Alan Greenspan thinks that a rate cut will be good for the economy, or that it won't be bad for the economy, it's hard to tell which. Either way, it's our money and we should be allowed to keep more of it.

That's my opinion. But for those who disagree, President Bush should offer a choice of rates on the federal income tax form: the existing rates or the lower rates just passed by the House.

This would model the 2001 federal tax cut after the Citizens for Limited Taxation bill that was filed here in Massachusetts after the November election. If CLT's voluntary optional tax rate passes, each taxpayer will choose to pay either the phase-down rates passed by the voters, or the higher rate that would exist if Question 4 had not prevailed.

Working people could opt for 5.75 percent this year, and 5.7 percent thereafter. Or they can opt for the income tax rate rollback: 5.6 percent this year, 5.3 percent next year, then 5 percent into the future.

A similar choice in federal rates would give taxpayers lots more choices. For instance, instead of forcing lower taxes on people who don't want a tax cut, the government could let them continue to fund their choice of corporate welfare or environmentally harmful projects from the latest "Green Scissors report," released this month by a broad coalition of consumer, environmental and taxpayer groups.

Generous taxpayers could continue to pay for mohair, cotton, peanut and tobacco subsidies, losing timber sales, or something called a Yazoo Pump in Mississippi. Or they might want to continue subsidizing nuclear power plant insurance that power companies can't afford at reassuring levels themselves. Or they could fund artificial beach control. (What's an artificial beach?)

The rest of us could do whatever we wanted with our tax break. We could save and invest (for college, a wedding, home down payment, safer car, dream vacation, retirement, nursing home); or give away (to family members, needy friend, medical research, veterans' services, scholarship for a poor child, shelters for abused women, lost teenagers, or abandoned pets).

And of course there's an endless list of things on which to spend the tax savings: utility bills, replacement for leaky roof, Disneyland with grandkids, a new pet, rosebushes, rowboat, unpaid leave to care for a new baby or elderly parents. We could buy a mohair sweater, cotton shirt, or bags of peanuts. We could vacation on an artificial beach!

Wealthy estate owners could will their property to the federal, state or local government if they wanted. Married couples could still pay extra income taxes if it makes them happy.

We should ask Massachusetts' two Senators this question that has appeared in a television ad about another subject: What's life without choice?

I choose a federal tax cut. That's life.

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## President calls for across-the-board tax cut ... Kennedy in '63, that is!

"This nation needs a tax cut now that will benefit every family and every business. A tax cut means higher family income and a balanced federal budget. Every taxpayer and his family will have more money left over after taxes for a new car, new home, new conveniences, education and investment. Every businessman can keep a higher percentage of his profits, and as the national in-

come grows, the federal government will ultimately end up with more revenues. Prosperity is the real way to balance our budget. By lowering tax rates, by increasing jobs and income we can expand tax revenues and bring, finally, our budget into balance."

— President John F. Kennedy, September 18, 1963

*Submitted by Jeff Jacoby of The Boston Globe*





## Washington D.C. Happens

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**Nobles and knaves** is the title of a March 10th *Washington Times* editorial, which states:

“For a radio address taped on July 27, 1979, Mr. (Ronald) Reagan wrote, ‘I have always believed that government has no right to a surplus; that it should take from the people only the money necessary to fund the government’s legitimate functions. If it takes more than enough it should return the surplus to the people.’”

And in the “Knaves” category, a note from CLT activist Gene Pinkham titled “McGovern the Ghoul”: “Hey kids, call Rep. (James) McGovern’s office and tell them you support the Bush tax cut. You will be rebuked by the woman answering the phones there by her asking ‘how many firefighters must die?’ This is a new low, even for them.”

To the surprise of no one, all Massachusetts Congressmen voted against the Bush tax cut.

**The National Taxpayers Union/World Taxpayers Association (WTA)** is meeting in St. Louis June 14-16th. Massachusetts taxpayers who attend will wear bags over their heads.... If you’re interested in going anyway, call Chip Faulkner for information or check the NTU web page through <http://cltg.org>. An I&R conference is also being planned by the Initiative and Referendum Institute for Labor Day.

The WTA, of which CLT is one of 26 members worldwide, sent President Bush a letter of support for its American allies: “We are confident that your work to reduce the tax burden in

America will have a positive impact on other democracies across the globe.” That would be nice. But the optimism expressed in Barbara’s enclosed column on the Bush tax cut may be premature: the Senate is already talking “compromise”...

**Taxpayer Inspiration** CLT activist Ted Tripp wants us to tell you about an article in the February issue of *The American Spectator* which perhaps explains why Al Gore didn’t win his home state. It seems that Tennessee had, according to author Dave Shiflett, “a splendid political riot over the (proposed) state income tax” in June, 2000. Tennessee is one of the lucky states that does not presently have an income tax. A Nashville talk show host got a tip that the legislature was about to create one in a “special Saturday session.”

When the tip was confirmed, he called a “special Saturday session” of the Phil Valentine show from the capitol steps, and instructed his listeners to drive in and circle the capitol building while sounding their horns. As the din grew, the plan for an early afternoon vote was dimmed and eventually the legislature called it quits for the weekend.

They returned on Monday, and so did what Phil called “the honkies,” who eventually stormed the building. The tax vote was indefinitely postponed. And “Gore, the next item on the menu, was chewed up and spit out with extreme malice.”

**Florida bumper sticker:** Honk if you voted for Gore. It’s the big button in the middle of the steering wheel.

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“The whole aim of practical politics is to keep the populace alarmed — and hence clamorous to be led to safety — by menacing with an endless series of hobgoblins, all of them imaginary.”

— H.L. Mencken

## Recruit today to help tomorrow’s taxpayers

Longtime CLT member Don Mercier recently made a great suggestion and has spent some time with us working on it.

Don noted that, since we’re putting out this newsletter to some 3,000 dues-paying CLT members on a regular basis, we should use this opportunity to provide each of you with a CLT recruiting tool that can contribute to a larger membership base. More CLT members will help spread the burden a little more fairly among taxpayers who richly benefit from our collective commitment and sacrifice.

As a result, we’ve added two new (front-and-back) pages to *The Activist News*, as a tear-out sheet that you can hand to someone you think would be interested in joining us and lending a hand. (*See next pages*)

With every issue, if each of you pass it along to just one potential new member, CLT will soon be a much stronger organization, able to do even more to help the overburdened Massachusetts taxpayer.

Also consider making copies and spreading them around!



# Do You Belong?

Do you ever wish you had a voice in your own government?

Do you mind that you must work until mid-May just to pay “your share” of its cost in taxes?

## Do You Belong?

Do you think there should be a limit on the total taxes you pay?

Do you cringe when people who should know better seem grateful to government if they get a tax “refund” after April 15th?

Did you vote for Proposition 2½ in 1980 to limit property taxes, or would you vote for it today?

## Do You Belong?

Are you concerned that the state budget, which took 200 years to reach \$10 billion, more than doubled to over \$22 billion in the last fourteen years?

Did you vote for Question 4 last November to keep the promise and rollback the 11-year old “temporary” income tax rate?

If you said yes to these questions, *you belong ...*  
and CLT invites you to join us!

*Please send me more information on  
Citizens for Limited Taxation*  
(PLEASE PRINT CLEARLY)

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY/TOWN: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_



**Citizens for Limited Taxation is looking for a few good taxpayers who want to control their taxes but know they can't do it alone.**

**There have always been special interest groups lobbying government to tax and spend more. Twenty-seven years ago, CLT was founded to represent the embattled taxpayers of Massachusetts, to give you a voice on Beacon Hill and in your city or town hall.**

**Since then, CLT has saved taxpayers billions of dollars with Proposition 2½'s reduced and limited property taxes, reduced annual auto excise tax, and the renters' tax deduction; repeal of the Dukakis surtax on income; defeat of the proposed graduated income tax, twice, and; most recently, the rollback of the "temporary" 1989 income tax rate hike.**

**Chip Faulkner, a concerned taxpayer who joined as a volunteer and is now associate director, estimates that he has personally *saved over \$20,000* in taxes since he decided to become "one of us" in 1978.**

**But we are supported only by voluntary contributions from people like you. If we are to continue to give taxpayers their voice, we must have new members to replace those who have retired to other climates or have passed away.**

**If you belong ... if you have been a secret Citizen for Limited Taxation and have just been waiting to be invited —**

**Please join us today.**

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PLEASE PLACE 34¢ STAMP HERE
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**CITIZENS for LIMITED TAXATION  
PO Box 408  
Peabody, MA 01960-6908**

## Dear Chipster:

**I can't imagine what my property tax would be without Proposition 2½. I've been fighting overrides and debt exclusions, but now the politicians have come up with another way to assault my castle: the so-called Community Preservation Act – a surcharge on my property tax. If I oppose it, does this mean I'm in favor of Community Destruction?**

— *Barbara from Marblehead*

Dear Barbara (and other CLT activists):

Don't be discouraged if you think the Community Preservation Act (CPA) is going to pass in your town due to the motherhood and apple pie title. In my town of Wrentham it was easily defeated at town meeting in late February. Also none of the towns around me have passed it. In fact, a local headline in one of the regional newspapers blared "CPA MAY BE DOA" because of widespread opposition to the concept.

These are the arguments that worked against this proposal at my town meeting and ones you might want to use in your town:

1. It's a tax on your *already high* property tax bill. The surcharge can be as high as 3 percent of your property tax bill. Proponents tried to tell us that it might be as low as 1 or 2 percent. Nobody believed them. If the tax-and-spenders can "tax to the max," they will.

2. If passed by the voters, the CPA establishes a Community Preservation Fund that disburses money raised from the surcharge on your property tax bill for open space, "affordable housing," and historic preservation. However, the town already has a mechanism in place which accomplishes the same thing! That is, the town can put a Prop 2½ override on the local ballot for a designated amount of money to buy open space.

3. Despite the talk about "local control," the CPA is a state law that the town will fall under. More than one speaker complained about the strings attached to any state law. For example,

certain minimum percentages must go to open space, historic resources, and community housing.

4. An argument against the CPA that proved most effective in Wrentham was the revelation that almost 3,000 acres was already exempt or protected from development. This meant that almost 5 of the 22 square miles in the town couldn't be touched! Find out the percentage of protected land in your community. It might be a lot more than you think.

### **Community Preservation Act (CPA) Explained**

A state law passed last year allows a community to impose up to a 3 percent surcharge on local property tax bills. If town meeting or city council accept the provisions of the CPA, it must then be approved by the voters at the next regular municipal or state election. Once accepted, the town/city must remain in the program for a minimum of five years. Each year at least 10 percent of the annual revenue collected must be expended or set aside for open space, 10 percent for historic preservation and 10 percent for community housing development. Homeowners who already receive exemptions are not subject to the surcharge. Towns also have the option of exempting the first \$100,000 of each taxable residential parcel from the tax. Communities that participate in this program are eligible to receive money from the \$26 million state community preservation trust fund. It is disbursed under a complicated formula you don't even want to know about.

Yes, we have been told that it costs a town more to educate two children who live in a new house that is built because the town doesn't buy the land first. But keep in mind: it costs the town more, not the taxpayers. The town then has to set spending priorities. Taxpayers pay more only if they vote for overrides and surcharges.

— *Chip Faulkner*

## **TEAM calls for more taxes**

... *Cont'd from Page 1*

personally succor all those "unmet needs."

***The Tax Equity Alliance of Massachusetts released new data today showing that the corporate share of overall state tax collections has declined from 19 percent in 1971 to 10 percent in 2000. During that same timeframe, the income tax portion of the tax load has grown from 41 percent to 57 percent.***

Say it fast and it sounds good, but consider that it's been the increased personal income tax rate that affected that comparison, not just a lowered corporate burden?

***"Last year, the public said, we're tired of that and we're not going to take that burden anymore. Now, the question is — where do we shift that burden back onto?"***

That is exactly what the public said: "We're tired of that and we're not going to take that burden anymore." We're quite impressed that TEAM has finally grasped the message — but just how did they manage the leap to this phantom demand for alleged burden-shifting?

***He also said there's no evidence that the tax break has actually encouraged more investment.***

There is no evidence that it *hasn't*, either! So what's the point? ***As a less-preferred second alternative to raising revenue, St. George said the state could consider raising the sales tax. When measuring what percentage of the overall tax-take is made up of sales taxes, Massachusetts ranks 45th among the states, he said.***

"Percentage of the overall tax-take" His lips were moving fast again, so let's just slow down and think: The higher the income tax and other revenue sources, the lower the "percentage of overall tax-take is made up of sales taxes," plain and simple!

If every state had a 5 percent sales tax, a state with no income tax would have the highest "percentage of overall tax-take" from its sales tax! If it had no other revenue source *but* a sales tax, its sales tax would be 100 percent of that state's "tax-take."

Massachusetts has both and then some; there isn't a tax any other state has imposed that Massachusetts has missed. I'm surprised that we're not 50th!

We do like the way TEAM's Jim St. George put it, though: "tax-take." Wish we'd thought of phrasing it that way first.



# The Remnant\*

by Bob Moore

Ode from a CLT friend:

*One of those businessmen whom the Massachusetts delegation doesn't think "deserves" a tax cut.*

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*They struggle not, those who are content  
with what they are, what is  
and what will be.*

*They care not to learn the past  
or understand the present  
or to define the future.*

*They are alive, but only they can tell.*

*They are the followers,  
the compliant; unstirred by any passion  
save their own indulgence.*

*There are a few who strive;  
whose vision of the future  
demands of them their best;  
Whose restless discontent drives them  
beyond the rest, above themselves.  
They are alive and the world knows.  
They are the doers, the seekers,  
the few who lead themselves  
And thereby join the rest  
of their own kind.*

*\*title inspired by Albert Jay Nock*

Citizens for Limited Taxation

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