

Dems eyeing temporary state income tax hike

By JONATHAN WELLS

THE DEMOCRATIC House leadership yesterday agreed to plug last year's budget deficit with a *temporary, 18-month hike* in the state's income tax, sources told the Herald.

The precise outline of the tax package was not decided yesterday, but sources said a proposal to fund loans slated to cover a \$619 million deficit will include *temporarily* increasing the income tax from 5 percent to 5.75 percent

House Speaker George Keeverian (D-Everett) emerged from a three-hour leadership meeting yesterday and refused to describe or discuss the tax plan, but said an agreement had been reached.

Before entering the meeting, the speaker said he is "more in favor" of an *18-month income tax hike* than he had been previously, because it would erase the deficit faster and save the state money on debt service.

"It is going to be difficult to sell anything to the members," Keeverian said, but he indicated passage would be easier with a *temporary* tax and short-term bond package.

THE MIDDLESEX NEWS

July 7, 1989

The plan, which is being described as *temporary*, would increase tax rates on earned income from 5 percent to 5.375 percent for 1989 and then up to 5.75 percent for 1990.

The Boston Globe, July 7, 1989

By Bruce Mohl

The Massachusetts House swallowed the T word last night, voting 82-74 to give initial approval to a *temporary* 15 percent increase in the state income tax to deal with the fiscal 1989 deficit.

The Boston Globe, July 4, 1989

By Bruce Mohl

House leaders plan to push for the state to deal with the fiscal 1989 deficit and pay old Medicaid debts by *temporarily* increasing the state income tax from 5 percent to 5.75 percent, sources said yesterday.

House Speaker George Keeverian met with other members of his leadership team yesterday to talk taxes, but he declined to discuss his plans

BEACON HILL, JUNE 23, 1997

House Speaker Thomas Finneran disputes Anderson's contention that Beacon Hill promised to roll back the 1989 tax increase once the debt was paid.

"Maybe somebody at the time said, 'Well, gee, maybe we should or maybe we could consider rolling it back,' but Barbara has been around long enough to know statements come and go and language is statutory. I don't know how someone would attach legitimacy to a comment made in the hall, in a hearing, or even on the House floor."

The Boston Globe, July 7, 1989

By Bruce Mohl

Taking aim at Dukakis

Rep. Richard A. Voke (D-Chelsea), chairman of the House Ways and Means Committee, made no public statement during the tax debate. He has supported the *temporary* tax package for fiscal 1989 but opposes the governor's call for permanent new taxes for fiscal 1990, which began July 1.

At a Ways and Means hearing yesterday where the tax package was approved on a voice vote, Voke lashed out at the governor after a Republican member of the committee suggested all Democrats on Beacon Hill are responsible for the state's fiscal problems.

Voke, in unusually harsh language, ac-

cused the Dukakis administration of distributing false information about the House version of the budget that he characterized as "absolutely unbelievable." He also said the governor had failed to cut spending and suggested management layoffs trumpeted by the governor never really occurred.

"The administration's got to get with it," Voke said, adding bluntly that permanent taxes will not pass the House. "When and if all the fat is cut from the budget," he said, "this committee will fund it. I speak for the Democrat leadership on this issue. Governor, you are not getting permanent new taxes out of the House. Do you get it?"

THE MIDDLESEX NEWS

July 9, 1989

"I am hearing rumors that the Senate is thinking of jacking it up another 25 percent or making it a permanent tax, and I could not support that," Rep. Barbara Gardner said. "And I plan on calling both my senators to tell them that."

THE MIDDLESEX NEWS

July 9, 1989

In defending his vote, Rep. David P. Magnani yesterday emphasized that the hikes *would only be in place for 18 months* and that revenue generated would only go towards past bills.

By Jay Mailin

THE WASHINGTON TIMES

July 10, 1989

Massachusetts residents are expected to be hit with a \$793 million tax increase this week as their state struggles to pay off old debts and a budget deficit.

The *temporary* 15 percent increase is the state income tax, *which will last 18 months*, was approved Friday by the Massachusetts House. It is expected to win approval this week from the Senate and then go to Gov. Michael Dukakis.

The coalition, a 40-member organization representing 45,000 businesses, also opposed the *temporary* tax package, saying there is currently no guarantee it would remain in place for just 18 months.

The Swampscott Reporter

July 13, 1989

For his part, state Senator Walter J. Boverini (D-Lynn) was also prepared to support the *temporary* tax increase.

"This is a very distasteful thing, to vote for taxes," he says. "But we do have obligations we've voted for ourselves."

"Everyone likes to blame Michael Dukakis for this. We all have to share the blame and vote in some *temporary* taxes. But we have to make sure it is *temporary*."

The Boston Herald, July 14, 1989

By JONATHAN WELLS

THE MASSACHUSETTS Legislature gave its approval last night to a *temporary*, 15 percent hike in the state income tax to cover the state's debts following a blistering, partisan debate.

The House Democratic leadership made its fragile, four-vote advantage stick on an 82-78 vote in favor of the tax bill and the Senate swept *the 18-month increase* through on a 23-15 vote.

July 27, 1989

By Duncan Mansfield

Associated Press

Boston -- Massachusetts residents are getting their largest income tax increase in a decade under a \$740 million *temporary* increase signed into law by Gov. Michael S. Dukakis.

The Boston Herald, July 27, 1989

Duke

By Jonathan Wells

IN THE privacy of his State House office, Gov. Michael Dukakis last night signed into law a *temporary* 15 percent hike in the state income tax designed to sop up the red ink in last year's budget.

Dukakis put his signature on the controversial *18-month tax hike*, vetoed \$53.6 million from a final spending bill for the prior fiscal year and quickly departed, offering no public comment on his actions.