



AMERICANS FOR TAX REFORM

Tax Alert

A bi-weekly Report by Damon B. Ansell and Kate Meerstein

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Tax Increase on Ballot for Voters in Arizona

Governor Jane Dee Hull (R) successfully passed her sales tax package through the House and Senate last week after much debate and fighting among legislators and lobbyists. The plan will be on the November ballot for the voters to decide its fate. Hull put it on the ballot because Arizona has a supermajority rule for tax increases and she did not have 2/3 of the legislature behind her. The sales tax package would increase the state sales tax 0.6% from 5% to 5.6% to raise \$450 million for increases in the state education program. If the voters approve this tax increase in November it would be the single largest tax increase in the state.

Other Initiatives set for 2000 Ballot (Ross Paterson)

Alaska

Alaskans for Property Tax Reform have successfully gained a place for AS 29.455.110 on the upcoming November 2000 state ballot. If passed the Municipal Property Taxation and Assessment Act will guarantee that 'property owners should not be subjected to continuing large increases in taxes or assessments'. By linking property value assessment with the rate of inflation and capping increases at 2% Alaskan property owners can be safe in the knowledge that they will not suffer inordinate increases in their tax demands. "Property owners in Alaska deserve a tax break. Taxes are already too high, especially property taxes. Why should taxpayers be penalized even more because they want to live up to the American dream of owning a home," stated Grover G. Norquist, president of Americans for Tax Reform.

Arizona

The *Taxpayer Protection Alliance* of Arizona has launched an *Axe the Tax* campaign in support of the Taxpayer Protection Act of 2000. The campaign needs to gain 230,000 signatures to succeed in putting the act on a state ballot, which if passed would repeal the state personal and corporate income tax over four years and ensure that any future tax increases be approved by the people at the ballot box. Together with the 2/3 supermajority law already in place the successful adoption of this act would put Arizona at the forefront of state's fighting for their residents rights to enjoy incomes with the minimum of state taxation. In a recent poll- 63% of Arizona's voters said that they would

support such an act. The act would also make way for voluntary pledges to repeal the federal income tax and replace it with a federal sales tax be placed next to a candidates name on ballot papers. For more information on the *Axe the Tax* campaign visit www.axethetax.org

Oregon

Oregon Taxpayers United are spearheading an attack on the tax and spend policies of Governor John Kitzhaber. Led by Executive Director Bill Sizemore the group has gathered in excess of 130,000 signatures to gain places on the upcoming November ballot for several tax-cutting proposals. The most important of which, if passed, will make federal income tax deductible on state tax returns. This will put an estimated \$1 billion back in the pockets of Oregon taxpayers over the next biennium and end the practice of charging income tax on income tax. The second proposal will ensure that any future tax increases be approved by the people of Oregon at the ballot box. For more information on tax initiatives in Oregon visit

www.otu.org

South Dakota

Proponents of tax reform in South Dakota have succeeded in gathering the required number of signatures to prohibit the state imposing a death tax on its residents.

Massachusetts

Ten years ago in the midst of a financial crisis the Massachusetts state legislature was forced to increase state income tax to a rate of 5.95%. That crisis has now passed and the state treasury has hundreds of millions of taxpayer dollars in surplus funds, but the legislature refuses to repeal this 'temporary' tax hike. With the backing of Governor Paul Celluci the *Tax Rollback Committee* was formed with the express aim of rolling back the rate of state income tax. After the collection of 150,000 signatures the committee is well on the way to securing a place on the November 7 state ballot for its proposals. Another proposals on the ballot seeks to make donations to charities and deductible on state income tax returns, so giving a boost to charities and the taxpayers of Oregon.

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