



The Activist News

Citizens for Limited Taxation

The Commonwealth Activist Network

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The Massachusetts Taxpayer Activist's Newsletter

December 2001

Tax Rollback “temporary freeze” fended off ... for now

by Chip Ford

It began in September in a meeting among Gov. Swift, Senate President Tom Birmingham and House Speaker Tom Finneran. The speaker suggested “postponing” the next step in our income tax rollback, but Gov. Swift was “not willing to entertain” the idea. CLT fired back with a news release warning, “hands off the tax rollback.”

The Gimme Lobby, our opponents throughout the rollback campaign, jumped on the possibility and began an energetic campaign to overturn the voters’ mandate: the Tax Equity Alliance of Massachusetts (TEAM) began circulating a silly petition calling on the Legislature to “suspend” the rollback “temporarily” for a year, and some newspaper editorials began to consider – even support – the idea. “Calls for a one year moratorium on the tax cut are not unreasonable and deserve serious consideration,” a Springfield Union-News editorial advocated in mid-October.

State Senator Cynthia Stone Creem (D-Newton) filed the bill to suspend the rollback on Oct. 26, stating: “I feel strongly that the voters will understand this new reality and will support us in postponing the next round of income tax cuts.” Our allies at the Mass. High Tech Council fired back, calling for the rollback to be speeded up, implemented immediately.

The tax-and-spend crowd was relentless, and CLT worked ceaselessly to hold the line and defend the rollback. In one of our many hand-delivered memos to all state legislators, we stated: “As politicians on Capitol Hill prepare a second major tax cut this year to stimulate the national economy, some politicians on Beacon Hill plot to do what they always do in an

economic slowdown: raise taxes and eat the state’s seed corn.”

Meanwhile, the FY 2002 state budget – due by the end of last June – was still gridlocked in conference committee and the fiscal situation was worsening.

Senate President Tom Birmingham took the “kill the tax rollback” lead, calling for a “freeze.” He announced that there was a majority in the Senate ready to halt it “temporarily,” but he was still short of the two-thirds vote that would be needed to override Gov. Swift’s promised veto.

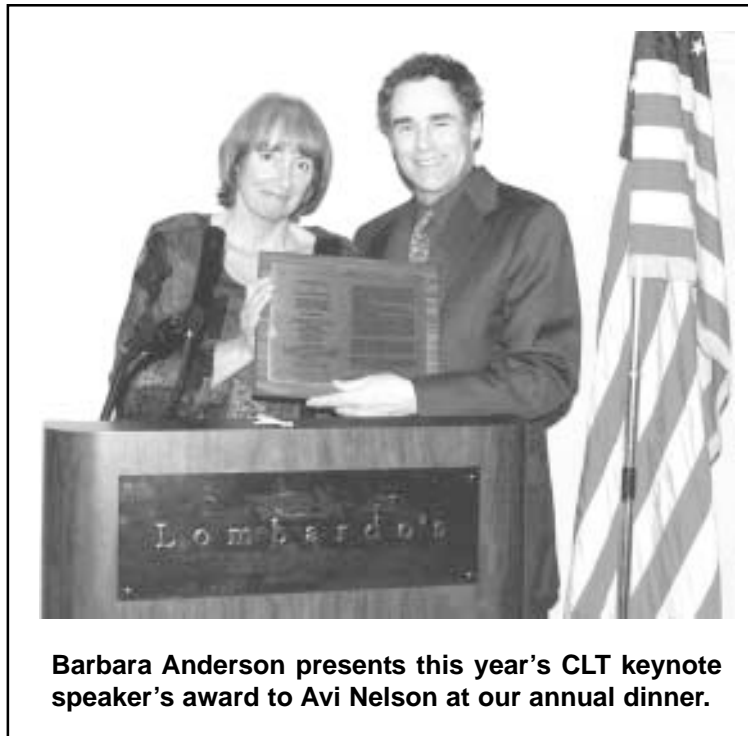
Energized by the potential of killing what they couldn’t stop on the ballot, the Gimme Lobby erupted. Suddenly their predictions of blood in the streets and the sky falling were everywhere. Sen.

Birmingham warned of draconian cuts in the budget – then five months late – without a “delay” in the rollback. House Speaker Tom Finneran recycled his old plan to link any further tax reduction to economic “triggers” and the so-called Massachusetts Taxpayers Foundation again came to his support.

CLT and its members fought back inch by inch against every move made to steal the election results. Through our daily e-mail Updates to online members, the brigade contacted their legislators and registered their outrage. We hand-delivered numerous memos to every legislator and issued “CLT Truth Squad” news releases regularly.

At three minutes before midnight on Nov. 20, finally the conference committee released its FY ‘02 state budget and the House and Senate voted on it the next day. A quick move was made in the House to include an amendment to “freeze” the tax

Cont’d on Page 5



Barbara Anderson presents this year's CLT keynote speaker's award to Avi Nelson at our annual dinner.

Trend going against CPA

by Chip Faulkner

According to the Mass. Municipal Association, the Community Preservation Act as of Nov. 7 was adopted in 35 communities; it was defeated in 31. The most recent votes occurred on Nov. 6 in 13 cities and towns. The results may be a sign that enthusiasm is abating with the economy.

Eight of the 13 voted against it. Hopefully these rejections will encourage other towns to resist this tax on a tax. A big surprise was the narrow victory (a few hundred votes) for the CPA in Newton where it was expected to win easily; it was almost defeated

through the perseverance and hard work of the Newton Taxpayers Association led by CLT member Len Mead.

There was a section on the CPA in our April 2001 issue, listing some of the stronger arguments against this law. If you have a CPA on your town ballot next year and want a copy of this section, call me at 508-384-0100.

Below is a guest column by CLT member Bob Kelly on the recent vote in his city of Peabody.

CPA — Certified Patients Anonymous

by Robert E. Kelly

I don't know who they are. On the streets and in the shops they look normal. But they aren't. They are abnormal. They like to be taxed. They work their heads off. The loss of a week's pay is devastating to their lifestyle. And they still don't get it. There is no free lunch. They pay and pay and pay. Their paychecks shrink, shrink and shrink again.

But they don't mind. They are from Massachusetts, part of the northeastern tribe of Americans known for their love of pain. They enjoy taxes. "Take my money," they say, wincing in pleasure as their incomes shrink. Unusual! Perplexing! But true.

And the truest of them all, the most magnificent masochists in Massachusetts, are the citizens of Peabody. In a war year, with the economy plunging into the netherworld, with state and federal budgets soaring with new security costs, Peabodyites went to the polls and voted a reduction in their income. And more importantly, they voluntarily established a leak in the real estate tax barrier (Proposition 2½) that taxpayers and spenders have been attacking for years. Unbelievable! But true.

According to all believers in the law of self preservation as the prime motivator of human activity, these faceless, unidentifiable citizens who rub elbows with the rest of us on a routine basis and who, as far as one can tell from observation, seem to be normal are, in fact, unbalanced; they are the certified patients anonymous of the community who voted in favor of the Community Preservation Act — they are the CPAs who support the CPA.

The rationale for the vote was adequately described by a member of the Conservation Commission when he was quoted in a recent Salem Evening News report as saying: "This is free money. This is a slam dunk." This refers, of course, to the fact that the state will be a cost-sharing partner in projects approved under the CPA.

Sounds familiar, doesn't it? Even if you don't want it, or need it, do it anyway because we split the cost of it. That's the logic. Let's examine a few elements of the issue.

FREE MONEY?

There is no such thing as free money, just as there's no such thing as a free lunch. The money the state will contribute for any CPA project will be first collected from you in the form of a surcharge on all real estate transactions.

Free money? Balderdash!

THE SURTAX RATE IS ONE PERCENT?

Peabody voted for a one percent surtax. Is there a living human being who thinks for a minute that the rate will never be higher? Those who do will be awarded the MOHFTN (medal of honor for tax nuts). The rest of us will remain undecorated.

Next, let's deal with the principle that's involved. There are forces in Peabody and in the state that for years have been trying to circumvent the tax limitations imposed by Proposition 2½. No matter how it is dressed up, CPA represents another attack against 2½ dressed in a style of sheep's clothing that fooled our local shepherds.

To understand what's going on, let's enter another arena where similar tactics are employed — labor negotiations. Years ago, unions decided they wanted pension plans in every contract. They anticipated resistance to a new cost that would exist in loss as well as profit years — a hazardous characteristic (profit-sharing plans are better because they are tied to earnings). To increase the salability of their objective, unions made the cost of their original demand minimal. Realistic corporate negotiators, knowing that "union" demands (as opposed to worker demands) are always strike issues, gave ground — they had no realistic, practical choice in most cases to do otherwise. But both parties recognized that a new cost had arrived on the scene that would become sizable in the future.

It will be no different in Peabody. The one percent CPA rate will increase just as surely as the sun will shine. The difference is this. Peabody had a choice. It chose pain. It was snookered.

CONCLUSION

Peabody has a new mayor, Michael Bonfanti. His plate would have been full enough if he never heard of CPA. But it will haunt him as various groups vie for their slice of the new pie. Hours will be lost to projects more deserving of his time. But this is the job he applied for; these are the people he must deal with.

Bon voyage, Mayor Mike.

Bob Kelly is a regular columnist for the Salem Evening News. He is the author of "The National Debt from FDR (1941) to Clinton (1996)"



Excerpts from Barbara's recent columns

As part of our ongoing campaign to keep the public informed, Barbara writes a weekly column for the Salem Evening News and the Lowell Sun. Her columns also run bi-monthly in the South Shore "TINYTOWN Gazette" and "Common Sense" magazine in Gloucester, and you can find them on our website.

Family leave

Pretty soon, most of the workforce will be home changing diapers or pushing wheelchairs. A few people without needy family will have to do the work and pay for the family leave of the others, which seems unfair as well as untenable. So let's stop and think about the law of unintended consequences: high taxes or employer costs, a huge labor shortage, and of course lots of cheating as some people on leave neglect their kids and parents while still getting a check to support their newborn leisure.

How the budget thing works

The House and the Senate have different versions of the budget which have not been reconciled. Senate President Tom Birmingham, who has been riding his bicycle around the state preparing for his own gubernatorial bid, can't find agreement with House Speaker Tom Finneran, who isn't running for anything so can hold out to get his own way on all controversial items.

Perspective

According to an old Time magazine I read in a doctor's waiting room, in about a hundred trillion years our sun and the stars will die and eventually; "all that will be left in the cosmos will be black holes ... the universe will be cold and black."

So I figure, in the broadest perspective, either nothing matters, or, because it's all we know we have, everything matters.

I choose everything.

I figure it's all the little things that add up, day by day, year by year, to become the history the universe carries with it into oblivion. Will the cosmos' last thought be "what a waste of time

that was", or "wow, wasn't that an *excellent* big bang while it lasted?"

Basically, I see the whole of human history as a struggle toward my ideal world filled with life, liberty and the pursuit of happiness, by way of maximum freedom, personal responsibility, promises kept, the truth told, and taxes limited.

Congressional redistricting

I almost ran for Congress in this district once myself, when it looked as if Michael Harrington was going to run unopposed in '76. I was a lifeguard at the time and envisioned a flyer with me in a red, white and blue swimsuit giving CPR to a Resusi-Annie doll dressed like Uncle Sam. The caption would read, "She will save America."

Massport severance package

A tourist gets into a Boston cab and tells the driver to take him somewhere to get scrod. There are two different endings to the joke: in one, the cabbie takes the tourist to the Combat Zone, and in the other, he takes the tourist to the State House. Then there is something about present and past tense of the word "scrod."

True to the stereotype about women, I can't tell a joke. But you get the point.

I guarantee that Ginny Buckingham gets it: in the world of Massachusetts politics, it's screw or get scrod.

Thanksgiving Day weekend

Someone suggested that I write a seasonal column identifying the "turkeys" in our political system. And I would, if it didn't seem unfair to the turkey.

Terrorist attack

There are two useless expressions that I've never been inclined to use myself, but which I've heard all too often: one statement, "It can't happen here" and one question, "why me?"

Fees Challenge

Earlier this year, CLT asked the Citizens Economic Research Foundation (CERF) to commission a study on user fees. We wanted to know if we would have a chance to win a challenge to Governor Cellucci's restoration of the drivers' fees that had been repealed by Governor Weld. Our original argument was that a user fee could only cover the cost of the service provided, and the new fees bring in more money than it takes to run the Registry.

Attorney Steve Epstein reported:

"I have completed your requested investigation of the factual and legal basis of the current fees collected by the Registry of Motor Vehicles for Driver's License Renewals and Motor Vehicle Registration and the likelihood of a successful challenge to either or both.

"I have made further review of: case law both in Massachusetts and other jurisdictions referred to in Massachusetts case

law; the Constitution of the Commonwealth; statutory law; the Massachusetts Register; the Code of Massachusetts Regulations; the state budget for fiscal year 2000 and 2001.

"I am saddened to report that it is my considered opinion that a challenge to the new rates would fail."

Interested parties can contact us for a copy of his report, but in a nutshell: "If they are fees, the registration and license fee are more appropriately classified as regulatory fees, founded on the police power to regulate particular activities..." The general rule as to regulatory fees is "that the costs ... which may be considered are [not] simply those which arise directly in the enforcement of the regulatory provisions themselves. The license fee may properly be fixed with a view to reimbursing ... for all expenses imposed upon it by the business sought to be regulated."



The Outsiders Track

by Barbara Anderson

Thanks to all activists who called, wrote or e-mailed their state legislators to defend the income tax rollback. And thanks for the quick response to our November mailing, that kept us funded as we beat back this first attempt at killing it.

Want you to know that during my down time I read *For Good and Evil: "The Impact of Taxes on the Course of Civilization"* by Charles Adams, given to me by **Carla Howell** and **Michael Cloud**. Can't believe I never read it before; what a wealth of information! Also enjoyed "*Jefferson, a Novel*" by Max Byrd, sent to me by **Bob Moore**, and am looking forward to the McCullough biography of John Adams that was a gift from **Pat Warnock**. Of course on weekends I share **Chip Ford's** political thrillers by **Vince Flynn** and **Kyle Mills**, as well as **Janet Evanovich's** series about ditzy New Jersey bounty hunter Stephanie Plum. All recommended to activists.

My mother, who is as comfortable as possible in her pleasant nursing home, has enjoyed distributing her household goods to family and friends. Chip received her police scanner, and has been adding range and function to it. As he monitors police transmissions, he notes that if you are stopped, anyone with a scanner can pick up your name, birth date and social security number if it is also your license number. This is an invitation to fraud, so he recommends you get a new RMV-assigned random number for your license if you haven't already.

CLT activist **Lenny Gold** invited **Chip Faulkner** to address the Stoughton Republican Town Committee at their dinner meeting in *Albert's Restaurant* on October 30th. Chipster warned about the threat to "freeze" the tax rollback, for which Lenny and others had collected signatures. Lenny noted the committee's efforts on behalf of state **Sen. Jo Ann Sprague**, who ran recently for the late Joe Moakley's congressional seat; although she lost the race the senator carried Stoughton by 400 votes. Chip chatted with long-time CLT member **Arnold Smith** who mentioned he had a great time at the CLT annual dinner on Oct. 17.

At that event, we had a moment of silence for the servicemen fighting in Afghanistan, especially for the nephew of **Jan and Jim O'Malley** of Wrentham: their nephew **Steve Reichert** was fighting in the "Enduring Freedom" operation as part of a

specialty-trained seven-man Marine sniper team. Jan reports that Steve served in Afghanistan for most of October, is now home on leave and waiting for his next assignment.

CLT activists who attended the dinner had a chance to sign or take the income tax repeal petition, which was presented by Libertarian Carla Howell, and the bilingual education reform petition that Chipster has been carrying in his free time this fall. Both efforts were successful in the first phase of the ballot drive.

Knowing you still care about tax limitation has aided my ongoing recovery from lung surgery; that, and the Vermont Teddy Bear with the CLT banner from **Norm and Joan Paley**. Back during "*The Governors*" show on 'RKO, I'd listen to **Jerry Williams** doing that teddy bear ad and wish that someone would send me one.

This is the same Norm Paley who received a special award at our dinner for activism above and beyond the call of duty. (*See award with illustration by Chip Ford on this page*) When the House leadership, during an informal legislative session, planned to raise the cap (again) on the state stabilization fund to deny us an increase in our personal exemption on this year's taxes, we needed one legislator to object and insist on a formal session and rollcall vote.

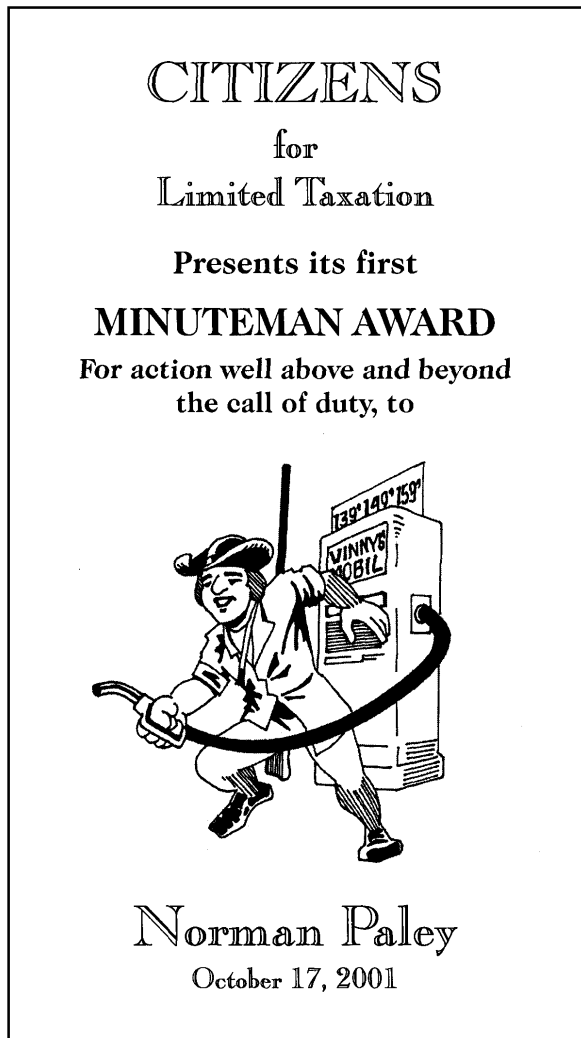
We called every Republican but only one was willing, **Rep. Vinny deMacedo** (R-Plymouth). But just before the vote, he lost an employee at his service station and couldn't leave for Boston! Chip called Norm in nearby Scituate, and Norm rushed over to man the gas pumps while Rep. Vinnie went to the State House to delay the vote.

Eventually the little tax cut was killed anyhow, but Norm is nevertheless our hero!

Chipster sent copies of the *Taxpayer Protection Pledge* ("no new taxes") to all legislators in November.

In the next issue we will list those who responded.

Our Swedish friend and president of the *World Taxpayers Association*, **Björn Tarras-Wahlberg**, informs us that its next conference will take place in February in Kiev, the capital of the Ukraine. If anyone wants to go to "Russia" in the middle of winter, let us know and we'll send you information ... and you can send us a postcard!



Tax Rollback “freeze” fended off ...

Cont'd from Page 1

rollback.

Rep. Arthur Broadhurst (D-Methuen) argued: *“I would like to point out that when I started here nine years ago, the budget was \$13 billion. It’s almost doubled. We’ve had good times. All of a sudden we have one year where we are only fattening the budget by 2 percent. And all I hear is doom and gloom. It’s unfortunate but things aren’t that bad. And to think people are talking about raising taxes. Everyone here is caving and crying.*

My God. I am listening to the crying and moaning. Tighten your belts a little – please. This is more money than we have ever spent in the budget. No one’s going out into the street. Your communities are getting plenty of money.”

The attack on the voters’ tax rollback was defeated in the House by a vote of 59-97 – for now.

The push to “temporarily freeze” our tax rollback continues unabated. It will arise again soon, bet on it.

CLT “Voluntary Tax” adopted ... in Arkansas!

Massachusetts is apparently proud of its tradition of “first in the nation” when it comes to spending programs, gun control, etc., but it missed a big opportunity.

CLT proposed a “voluntary tax” last December, but it’s now sitting in a “study” committee – meaning that for all intent it’s dead – despite House Minority Leader Fran Marini (R-Hanson) somehow getting it included in the House version of the budget – though the budget that just passed did not include it.

CLT Associate Director Chip Faulkner met with Grover Norquist, president of Washington DC-based Americans for Tax Reform, at the National Taxpayers Union conference in St. Louis this spring. Grover is a major mover-and-shaker and strategist in the national Republican Party. Our “Voluntary Tax Check-Off” proposal immediately grabbed Grover’s attention. (His dad, Warren, was a member of CLT’s board for many years.) He walked away with a copy of our bill. What happened last month in Arkansas has Grover’s fingerprints all over it.

A great idea cannot be killed!

UPI
Friday, November 30, 2001
Capital Comment

On Wednesday, Arkansas GOP Gov. Mike Huckabee challenged

anyone de-manding he raise taxes during the current eco-nomic slowdown to lead the way by contributing to the newly created Tax Me More Fund at the state Department of Finance and Administration. The governor said he created the fund so those who believe they should be paying more taxes can make a voluntary contribution to the state and set an ex-ample for others who believe as they do.

All money sent to the account will go to the state's general revenue fund to help offset the current revenue shortfall. The names of those who send in money and the amount contributed will be public record. "There's nothing in

the law that prohibits those who believe they aren't paying enough in taxes from writing a check to the state of Arkansas," the governor said. "Maybe this will make them feel better."



Mary and Phil Bator accept this year's (joint) Citizen for Limited Taxation award from Chip Ford at this year's CLT banquet. Phil has been treasurer of our ballot committee.

Please consider sending a holiday card to a prisoner

Gerry Amirault is, incredibly, still in jail; we had hoped he'd be home for the holidays. If you'd like to send a card, here is his address:

Gerald Amirault
W-42806, Bay State Correctional Center
Post Office Box 73, Mod-I
Norfolk, MA 02056





Barbara's Holiday Message



*Tw'as a year filled with challenge, especially the fall
We're sad for all losses, and yet we stand tall;
So glad that we live in the land of the free,
A place that allows us to be CLT.*

*When citizens know they can increase their pay
By limiting taxes, and having their say
About their own government, they can feel good,
Being empowered, as citizens should.*

*It's during times of trial, we're grateful for friends;
During the holiday season, America mends;
Because you're supportive, we're glad to be here,
Wishing you all a Happy New Year.*

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