



# The Activist News

Citizens for Limited Taxation

The Commonwealth Activist Network

Post Office Box 408 □ Peabody, Massachusetts 01960

(508) 384-0100 □ E-Mail: [cltg@cltg.org](mailto:cltg@cltg.org)

Website: <http://cltg.org>

The Massachusetts Taxpayer Activist's Newsletter

□ August 2002

## Legislature passes "Biggest Tax Hike in State History"

### CLT wins Voluntary Tax Check-off on tax return forms

Following is the 2002 timeline of how the massive \$1.2 billion tax increase was pushed through the Legislature. CLT fought every inch of the way, day by day, against House Speaker Tom Finneran's manipulative machinations and his statewide "Straight-Talk Express" campaign for tax hikes.

Along with regular memos to Beacon Hill and news releases, CLT puts out usually-daily e-mail Updates to almost a thousand of our online membership which, along with the full news reports excerpted below, appear on our website: [www.cltg.org](http://www.cltg.org).

**Jan. 1**

Happy New Year ... and Happy Tax Cut Day!

Today, the state income tax rate has dropped to 5.3 percent on its way back down to 5 percent next January 1st, thanks to the success of Question 4, our "temporary tax increase" rollback. [CLT Update]

**Jan. 17**

"House Ways & Means Chairman John Rogers said he thinks that more than \$500 million in cuts will be needed, and he said the House is considering saving \$450 million by freezing the third and final phase of the voter-approved income tax cut a plan heavily promoted by Birmingham and the Senate." [Boston Herald]

**Jan. 23**

"Citizens for Limited Taxation chief **Barbara Anderson** warned Birmingham, a gubernatorial candidate, not to mess with the voters' tax cut. 'I just don't think calling the voters stupid is the wisest thing for any politician to do,' Anderson said." [Boston Herald]

"Citizens for Limited Taxation director **Barbara Anderson** defended the tax cut at Widmer's briefing, demanding to know why it is referred to as a 'burden' by MTF since the voters passed it." [State House News Service]

**Jan. 27**

Today the Boston Globe released a poll they commissioned that supposedly indicates that fifty percent of the 400 registered voters they polled are in favor of "delaying" our tax rollback....

Obviously, this is the opening shot, meant to give cover to legislators when the next move is taken; when a bill to kill the rollback is introduced. I predict that won't be too many days away. [CLT Update]

**Jan. 31**

"It's not up to Mayor Albano to say what he thinks these voters want. Voters made it clear they want a drop in taxes,' said **Barbara Anderson**, executive director of Citizens for Limited Taxation and Government." [Springfield UnionNews]

**Feb. 5**

"Lawmakers are cautioning cities and towns that the days of annual hikes in local aid are not only history, but that the opposite seems likely this year....

"**Chip Ford**, spokesman for Citizens For Limited Taxation, accused lawmakers of purposely cutting important programs like local aid to further a pro-tax agenda.

"They always pick the most vulnerable things for cuts," he said.

"They don't cut the waste. It's always where it will have the most pain. It's what they do every time they want a tax hike." [Fall River Herald News]

**Feb. 7**

"House Speaker Thomas M. Finneran citing a 'colossal collapse' of state revenues threw open the door to tax hikes yesterday, sparking Republican warnings of a new era of 'Taxachusetts.'" [Boston Herald]

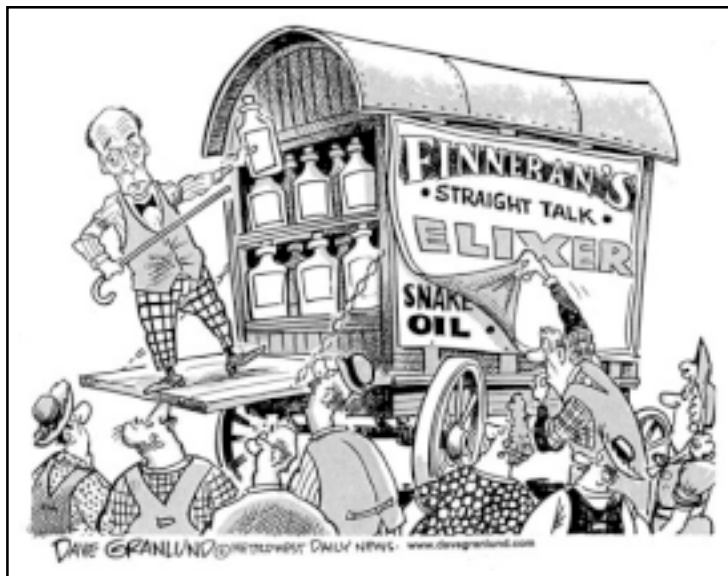
**Feb. 10**

"A normal person would start with waste and inefficiency, but the state Legislature starts with assistance to the mentally retarded and moves from there to state aid,' said **Barbara Anderson**, executive director of Citizens for Limited

Taxation." [Boston Globe West]

**Feb. 28**

"Faced with 'gargantuan and ghastly' revenue losses, House leaders are circulating a list of 16 possible tax hikes they want members to consider to close a deficit they say will top \$2 billion next fiscal year... 'By raising the possibility of nearly \$2 billion in new taxes, Rogers



The MetroWest Daily News • Apr. 19, 2002

**Cont'd on Page 3**

## Prop 2½ overrides happen ... or don't!

Despite the bad news from the state tax front, Proposition 2½ is alive and well at age twenty one. CLT activists who called the few state legislators who recently mentioned that it has “outlived its usefulness” made them back down.

Although we do not support overrides and would not vote for one ourselves, we realize that the existence of the override provision of Prop 2½ is what keeps it healthy when other initiative petitions are being repealed or ignored.

Because the state does not keep a list of all override attempts – communities often do not even report the failed ones – we don't know the local win-loss record; but we do know that CLT activists who form local taxpayer groups to fight overrides can and do win (eg., the April victory of the North Andover Taxpayers Association, see photo).

Newton Taxpayers Association activists are still trying to uncover who distributed anti-Jewish hate mail falsely attributed to them, just before the override election that they lost by only 800 votes. Mayor David Cohen, an override proponent, refuses to investigate. Curious minds want to know, Mr. Mayor.

We congratulate all local activists on their battles to fight overrides, win or lose.

On a recent edition of Jon Keller's show Sunday morning at 8:30, Speaker Tom Finneran suggested that some small adjustment could be made to Proposition 2½. Keller, pretending to look out the window, noted “Barbara Anderson in orbit over Marblehead.” At this point,

Finneran got very touchy and asked “Where was she when sports teams wanted taxpayer bailouts?”

The ever-prepared Jon Keller told him, accurately, that we were part of the coalition to fight these bailouts, and then added “Some Speaker didn't do his homework!”

Conservative fans of Tom Finneran must remember that one of his first acts as Ways & Means committee chairman in the early '90s was to exclude the Overlay account from the levy limit, which would have effectively doubled the allowed increase. We defeated his effort once, and Gov. Weld vetoed it twice, but don't think the Speaker has given up. Expect

some “small adjustment” to Prop 2½ to be offered again next year.



Barbara Anderson addresses a crowded meeting of the North Andover Taxpayers Association on April 14. Led by CLT members Ted Tripp and Chuck Ormsby, NATA, went on to defeat a Proposition 2½ override by a two-to-one vote on May 21.

### The Lawrence Eagle-Tribune

Friday, December 15, 2000

#### Want to volunteer to pay more taxes?

By Nancy C. Rodriguez

If you really want to pay more than you owe, the less-government-is-more group, **Citizens for Limited Taxation**, wants to help you out.

The group, one of two major players behind last month's income tax rollback referendum, has filed a bill that would allow people to pay more than 5 percent in income tax rate if they so choose.

“We at CLT have a win-win philosophy,” said **Barbara Anderson**, the group's executive director. “We want to help our opponents with an easy way to continue funding the state government at the level they deem fair.

“We've never told anybody they can't pay higher taxes. Everyone is certainly free to do that,” she added....

“The opponents of the rollback would say, ‘I don't mind paying taxes. I'd be happy to pay more.’ And I always say, ‘Well pay more.’”...

“It's always worth trying to catch people in hypocrisy, but we are really serious about getting a discussion going on our point of view and the point of view of other organizations like TEAM (Tax Equity Alliance of Massachusetts),” she said.

### The Boston Herald

Sunday, July 28, 2002

#### The Buzz Check, please

One tiny bit of good news in the state budget is that the **Citizens for Limited Taxation**, with the help of Rep. Fran Marini (R-Hanson), was able to get a check-off onto next year's state income tax forms.

This check-off box will allow all the many “advocates” for human services who claim to enjoy paying higher taxes to put their money where their mouths are – by agreeing to pay their income taxes at the old, higher 5.85 percent rate, rather than at the current, frozen 5.3 percent rate.

The state of Arkansas made this same offer to its liberal citizens last year, and raised scores of dollars maybe even in the low three figures.

As **Chip Ford** of CLT said in an e-mail of the potential bonanza of giving from compassionate Massachusetts liberals: “Don't hold your breath. My prediction is: They wanted OUR money, not to part with theirs.”

The early over under from Vegas on the amount that will be contributed through the checkoff: \$790.



## Timeline ... Cont'd from Page 1

may be setting voters up to feel like they've won something by only getting hit for, say, \$1.2 billion in the coming months,' said **Barbara Anderson**, executive director of Citizens for Limited Taxation and Government.

"I think that's some kind of record. I didn't realize there were 16 taxes that we didn't already have,' Anderson said. 'That's a nice shopping list. It shows there's absolutely no limit to the imagination of a state rep hellbent on raising our taxes.'" [Boston Globe]

**Mar. 21**

"Cities and towns should be allowed to hike excise tax rates in order to help them weather potentially deep cuts in state aid, a panel of state lawmakers said yesterday.

"The excise tax rate hasn't changed since the passage of Proposition 2½ two decades ago, when the state lowered the maximum to \$25 per \$1,000." [MetroWest Daily News]

**Mar. 22**

But the amount collected by all the cities and towns that was \$266 million in 1980, and dropped to \$112 million after Prop 2½ cut the rate had risen to \$534 million by FY 2000, according to the Division of Local Services. [CLT Memo to the Legislature]

**Mar. 28**

"State Rep. Susan Pope, R-Wayland, yesterday called for the abolition of Proposition 2½, becoming one of the first Republicans in more than a decade to speak out against the voter-approved property tax law. "I personally think the time has come to do away with 2½,' said Pope, who also serves as a Wayland selectman. 'I think it has outlived its usefulness, and I think we have to look seriously at that ... I would like to see (Prop 2½) abolished outright.'" [MetroWest Daily News]

**Mar. 31**

"After years of spend and stash, it is healthy that towns and cities are tightening their belts,' **Barbara Anderson** said." [MetroWest Daily News]



Telegram & Gazette • May 9, 2002

**Apr. 6**

"The Taxpayer Protection Pledge has been called a gimmick by people who want to raise taxes if responsible fiscal management turns out to be too much of a challenge. But if 'the pledge' was good enough for three of our recent governors, eight governors in other states, and 1,200 legislators, it should be good enough for this year's candidates." - [Boston Globe - "Make state's candidates take 'the pledge,'" by **Barbara Anderson**]

**Apr. 24**

"Antitax activist **Barbara Anderson** awoke Monday after being in and out of consciousness for six days after a fall in her Marblehead home, her companion said yesterday.

"She's doing good. She's totally back to normal,' he said of Anderson, the vocal leader of Citizens for Limited Taxation.

"Ford said he discovered Anderson semiconscious on the floor in her home when he went over there April 16. [Boston Herald]

**Apr. 29**

"Can't I sleep even for a week without the Legislature flying out to raise taxes through the clouds?" [Barbara's CLT memo to the Legislature: "Another 'temporary' tax increase? Oh my aching head!"]

"For a single person earning \$50,000 a year, the difference between a 5 percent and a 5.6 percent tax rate would be \$5 a week. The Legislature should not be afraid to impose small additional burdens on taxpayers to prevent harm to the programs that provide for the common good." [Boston Globe]

**May 3**

"House lawmakers yesterday hit up the average taxpayer for at least an extra \$317 per year, under a \$1 billion tax hike package that drew an instant veto promise from acting Gov. Jane M. Swift." [Boston Herald]

"Marblehead antitax activist **Chip Ford** said the lawmakers should avoid tax hikes by making more cuts.

"In a \$23 billion budget, there's a lot of waste,' Ford said. 'They've cut where there's the most citizen support and they leave all the boondoggles alone.'" [Salem Evening News]

**May 15**

"House lawmakers yesterday shot down House Speaker Thomas M. Finneran's attempts to jack up the auto excise tax.

"Finneran's top lieutenants pushed the plan to tack \$5 onto the current excise tax of \$25 per \$1,000 of valuation, arguing it would be an easy way for locals to raise more money." [Boston Herald]

**Jun. 14**

"With that mindset, what can taxpayers look forward to in fiscal year 2004, when a still lagging economy already being predicted once again impacts state revenues?

"You guessed right if you guessed tax hikes." [Lowell Sun]

**Jun. 19**

"House Speaker Thomas M. Finneran's leadership lieutenants treat themselves to

a multi-million dollar pork bonanza in a new environmental bond bill slated for debate today." [Boston Herald]

"The Senate and House gave final approval to one of the largest tax increases in Massachusetts history Friday to help offset a precipitous decline in state revenues over the past year." [Associated Press]

**Jul. 23**

"As legislative leaders passed the largest tax increase in state history recently, they tried to reassure voters that Beacon Hill was doing its own belt-tightening... But upon closer examination, some see that total state spending is poised to rise by approximately 2.6 percent, or \$600 million.

"I never thought for a minute that they were cutting spending,' said **Barbara Anderson**, executive director of Citizens for Limited

Cont'd on Page 4





## Timeline ... Cont'd from Page 3

Taxation and Government. 'If you can't be fiscally responsible, you have two routes you can take: You can fudge the numbers, or you can raise taxes... The Legislature is doing both of them.'" [Boston Globe]

**Jul. 24**

"House Ways and Means chairman John H. Rogers said additional tax increases may be necessary in the fiscal 2004 budget if the economy does not rebound. 'Everything's back on the table next year,' said Rogers ... We're not going to foreclose any options at this point.' ... When asked what would happen if voter backlash leads to approval this fall of a Libertarian-led ballot initiative to eliminate the state income tax, Rogers laughed it off, saying the \$9 billion it would drain from the government would be unacceptable and he would move to repeal the measure." [Boston Globe]

**Jul. 25**

"The large-scale tax changes are expected to bring in more than \$800 million next year. But there are several smaller changes that reach into every corner of daily life: There's a \$2-per-drug prescription fee to help fund Medicaid.... And nursing home residents who pay for their own care will have to come up with about \$3,300 in 'user fees' to help pay for residents receiving Medicaid.

"I fail to see how that could be considered a user fee," said **Barbara Anderson**, a Marblehead resident and director of Citizens for Limited

Taxation and Government. 'You're not getting any extra service for your money. That's a tax.'" [Lawrence EagleTribune]

**Jul. 26**

"Senate Majority Leader Linda Melconian warned that lawmakers will again need to examine more tax hikes early next year for the fiscal 2004 budget that begins next July 1. She said she supports increasing the income tax to 5.6 percent ...

"The worst is yet to come," Melconian said. 'Next year, we will be back. Everything will be on the table.'" [Springfield UnionNews]

**Jul. 29**

"There seems little doubt that the income tax will increase again next year, wiping out the entire voter approved cuts. Also look for an increase in sales taxes, which will hurt business, and an attempt to gut Proposition 2½.

"As **Barbara Anderson** of Citizens for Limitation Taxation and Government said of legislators, 'They've lost all control.'" [Brockton Enterprise]

**Aug. 2**

"Liberal activists, organized labor and public health advocates are gearing up to push another hefty round of tax hikes ... The ink's barely dry on this year's tax hikes, but the clamor to raise more money is already rising as the state faces a \$1.5 billion structural deficit mostly plugged this year with "rainy day" funds." [Boston Herald]

## Tax hike imposed: Here's what you'll pay

*Some excerpts from The Boston Globe • July 26, 2002*

*Life in Massachusetts just got more expensive. The Legislature gave final passage to \$1.14 billion in tax increases. The tax hikes are part of the fiscal 2003 budget plan, which also raises fees by \$100 million.... Most take effect immediately, while the elimination of the charitable deduction is retroactive to Jan. 1 and the capital gains tax to May 1.*

### TOBACCO

Cigarette tax increased 75¢ to \$1.51 per pack. Cigars and loose tobacco are taxed at a rate of 30%, up from 15%. Chewing tobacco is taxed at a rate of 90%, up from 75%.

### EARNING A LIVING

Personal tax exemption is reduced from \$4,400 to \$3,300 for an individual. Income tax rate is frozen at 5.3%, rather than falling to 5% as

scheduled. Deduction for charitable contributions is eliminated.

### DRIVING

Fee for renewing a driver's license increased from \$33.75 to \$40. Fee for registering a car increased from \$30 to \$36.

### CAPITAL GAINS

Tax on capital gains is set at 5.3% – the same as regular income – for assets held for one year or longer. Capital gains assets held for less than one year will still be taxed at 12%.

### SOME OTHERS

Nursing home residents not on Medicaid are charged a new \$3,300 annual fee.

Prescription drugs not purchased through Medicaid are charged a new \$2 fee per prescription.

## Taxachusetts resurrected!

"Although states across the country are coping with a sputtering economy, **just 16 have moved to raise taxes by 1 percent or more** of annual tax collections, according to the report by the National Conference of State Legislatures. And only five states - including Massachusetts - are increasing the tax base by more than 5 percent....

"The \$1.14 billion tax package, scheduled for final approval by the Legislature today, **will bring a 5.6 percent jump in tax revenues this year over last**, according to the study....

"What's more, the Bay State's new tax package targets the income tax like no other state in the nation.

"**The Massachusetts Legislature's tax package ... is expected to cost the average nonsmoker resident \$317 next year, according to the state Department of Revenue; smokers will pay about \$600 more.**"

*The Boston Globe  
Jul. 25, 2002*

*Study ranks state third in tax hikes*

"Massachusetts is becoming Taxachusetts again. **The package of personal income taxes approved by state lawmakers last week is the highest in the country this year**, according to a new study.

"The \$1.1 billion package, which was vetoed by Republican acting Gov. Jane Swift, included about \$755 million in higher personal income taxes, according to the National Conference of State Legislatures.

"**That's well ahead of the other nine states which opted to increase personal taxes to help close budget deficits this year....**

"Opponents of the tax package said the study reinforces the image that after a decade of cutting taxes, Massachusetts is returning to its 'tax and spend' roots."

*Associated Press  
Jul. 25, 2002*

*Study: Personal income taxes in state budget highest in the nation*



# Barbara's Columns

*Excerpts from some of Barbara's columns,  
which run weekly in the Salem Evening News and Lowell Sun, bi-weekly in the Tintown Gazette.*

## March

It's their budget gap, not mine. If they raise my taxes, I'll have my own budget gap. Will my legislators come to my home and tell me where to cut?

Didn't think so. Yet when we taxpayers say we don't want higher taxes, they demand we tell them where we would cut the state budget instead.

Like we get paid to do their job for them? In fact, we pay them to live within available revenues, which we taxpayers already provide. When do they do their share of the work?

Having said that, I do have an idea for budget savings.

One of the House proposals is to raise the capital gains tax, which has been phased out for gains that are held at least six years. Legislators passed this phase-out in return for a 55% payraise a few years ago.

Governor Weld had the payraise on his desk, so House Speaker Charlie Flaherty gavelled through the governor's desired capital gains tax cut as a "tax cut for low income people". Liberal legislators were very upset when they found out what they had voted for, but Weld signed both the pay hike and the capital gains tax cut.

If legislators raise the capital gains tax, they should keep their part of the deal and give up their 55% payraise.

## April

Tax hike advocates like to quote Justice Oliver Wendell Holmes Jr: "Taxes are what you pay for civilized society", without mentioning that he said this in 1904, before there was an income tax at either the state or federal level. And not to belabor recent newspaper headlines, but for the 5th highest per capita tax burden in the nation, shouldn't we have a little more civilization than we're getting here?

## June

Remember how mother spent her own money for the nursing home, instead of going on Medicaid, because we chose not to hide it? Here in Massachusetts, some politicians want to charge people like her a tax on their self-payment. If that bill passes here, I'd advise Massachusetts seniors to contact an estate lawyer and refuse to be

Speaker Tom Finneran was guest-hosting with Peter Blute on WRKO last month, and people were calling in with questions. Deftly, the Speaker avoided answering or insulted all of us by making ridiculous suggestions. One caller asked about a particular wasteful program and Finneran actually suggested that he call his state legislator, and if that didn't work he might want to do an initiative petition — as if the Speaker hadn't just killed three of them that had already passed.

There was no chance for callers to argue. Eventually, though, the

victimimized by the Greedy Government.

## July

The dog days of summer have come to Beacon Hill: those mangy political critters are lying around waiting, like the rest of us, for someone to get the budget done.

## July

Part of the nursing home tax was typical redistributionist too: an assumption that any old, sick, dying person who can pay for himself can darn well pay more to help subsidize someone else's care, while the state subsidizes — pork bill again — passive recreation trails and swamp clean-ups.

Personally, I think we tax-payers should get our recreation by actively chasing the politicians who voted for these things down a passive recreation trail and into a swamp.

## July

The majority vote to adjourn the constitutional convention instead of voting on the Defense of Marriage Act was indefensible, and politically stupid if voters are paying attention. Senate President Tom Birmingham, who presides over the convention, might have helped his gubernatorial race if he had gone to the microphone and given the speech of his life in opposition to banning gay marriage. He'd have shown leadership and courage, which aren't bad qualities in a candidate. Instead, he and his 107 followers, both Democrats and Republicans, made it clear they

were afraid to stand up on a controversial issue.

## July

By the way, state spending was not cut to the bone as we were told, or even the next layer of fat. The bottom line budget number seems lower because some Medicaid spending was taken "off-budget" using creative bookkeeping like that used by Enron. This health care spending is considered different now because it is funded by that new tax on nursing home beds, paid by residents who had saved up for their own independent golden years.

A new Beacon Hill low: tax the dying and disabled self-payers, then pretend the spending doesn't count in order to make the budget look smaller than last year's when of course it is larger.

producer called me, and I stayed on for 20 minutes. Finneran kept changing the subject from his raising the income tax rate against the will of the voters to queries about how I occupy my time: why don't I do something about health care costs or run for state representative myself?

Why don't you do something about peace in the Middle East, Mr. Speaker, or run for President? My job is fighting for taxpayers like me, just as your job is getting the state budget done responsibly: balanced and on time.



Telegram & Gazette • Jun. 13, 2002



## CLT's Radio Ad

*CLT ran a radio ad on WRKO AM-680 from July 8-17 on the Howie Carr Show and The Blute & Ozone Morning Show. The text of our ad follows:*

**This is Barbara Anderson.**

**Summertime, and the livin' is easy – for Beacon Hill politicians who used their overspending problem to raise our taxes by over a billion dollars.**

**Now they've increased spending again higher than last year's! – and also proposed almost a billion dollars in new pork projects.**

**Can't you spend your share of the tax hike on something more important than renovating a government golf course in Weston?**

**Higher income taxes, a retroactive capital gains tax hike, taxes on nursing home beds and prescription drugs, more sin taxes, fees and tolls – piled on top of the 5th highest tax burden in the nation.**

**For pensions, perks, and pork for Beacon Hill politicians.**

**Governor Swift has pledged to veto the tax increases. We must help sustain her veto or we'll be paying higher taxes every year.**

**If you voted for the income tax rollback or the charitable deduction, the Legislature has declared you incompetent and overturned your vote.**

**It's time to fight back.**

**Call Citizens for Limited Taxation at 508-384-0100 – or visit our website at CLTG.ORG. That's CLTG.ORG.**

Citizens for Limited Taxation

***The Activist News***

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***"Biggest Tax Hike in State History" is imposed!***