



The Activist News

Citizens for Limited Taxation

The Commonwealth Activist Network

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The Massachusetts Taxpayer Activist's Newsletter

January 2003

State faces major fiscal crisis – again Now taxpayers can *choose* to pay more!

We have been here, after Proposition 2½ in 1981, after Dukakis in 2001. It's either a long-overdue tax cut, or years of overspending followed by an economic slowdown, but the rhetoric is always the same: civilization is ending as government spending is reduced to levels that seemed adequate just a few years ago!

This time we taxpayer activists and fiscally conservative politicians have two weapons: the message sent by the Libertarian almost-repeal of the income tax in November (with 46 percent of the Yes vote), and the CLT- House Republican bill passed last year which allows liberals and some naive taxpayers to pay a higher income tax rate when they file in April.

We will use them both to avoid another tax hike this year, but for the first time, all those opponents of Question 4 in 2000 – our income tax rollback – can put their money where their mouths are.

How many times did we hear that they “didn’t need or want a tax cut”? So immediately following our win in that election we decided to file a bill that could make everybody a winner – even the million voters who voted against the tax rollback.

Our “Voluntary Tax Check-off” was included in the budget passed by the Legislature last summer. This year taxpayers will find a check-off box on their income tax return forms. If selected, they can continue to pay their income tax at the old rate of 5.85 percent – they won’t be forced to take a tax cut they “didn’t need or want” while the rest of us will pay the lower 5.3 percent rate.

Part of our bill includes the requirement that the Department of Revenue will release statistics indicating how many chose the

check-off option, and how much additional revenue it took in. We’re looking forward to those numbers being released later this year. Will it be the hypocrisy factor, or an additional \$400-\$600 million for “the most vulnerable among us” and of course “for the children”?

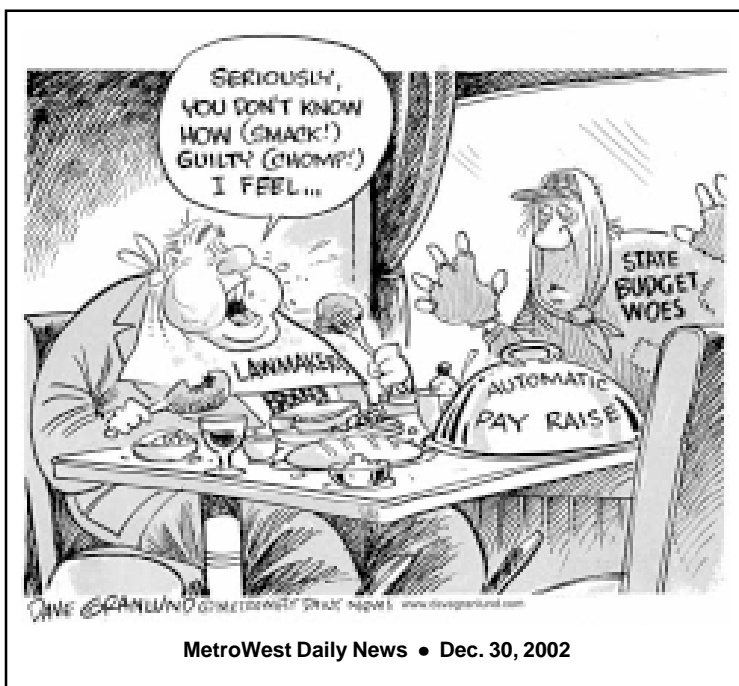
Sometimes even voters make mistakes

In 1998, voters passed Question 1, an amendment to the Massachusetts Constitution which now gives legislators a mandated

pay adjustment every other year based on changes in media household income. This will usually be a pay RAISE, as it is this year. Some legislators have decided not to take it in the midst of fiscal chaos, but the constitution cannot be changed back without the approval of the Legislature so we are stuck with the amendment likely forever.

We can however, avoid making a much worse mistake in 2006. State Senator Stanley Rosenberg (D-Amherst) has filed a proposed constitutional amendment to kill the initiative petition process. (See *Eagle-Tribune* columnist Taylor Armerding’s column on Page 5) CLT will fight against it during the hearing, we

will fight it on the House and Senate floor, we will fight it in two consecutive constitutional conventions, and we will fight it on the ballot. If it makes it onto the 2006 ballot and voters foolishly approve it, the citizens’ initiative petition process will be virtually dead. We will keep you informed and let you know when to call your senators and reps.



MetroWest Daily News • Dec. 30, 2002

“The reasonable man adapts to the world; The unreasonable man persists in trying to adapt the world to himself. Therefore, all progress depends on the unreasonable man.” – George Bernard Shaw



Beacon Hill Happens

And we quote . . .

Prediction: no fun in 2003. “Next year, depending on whether the economy gets worse, everything will be on the table, Rep. Gale Candaras (D-Wilbraham) said. This includes program cuts and tax increases. **‘It is no fun not having any money,’** she noted.” - *Springfield Union-News*, Oct. 31

Don’t blame us: “Several lawmakers opposed to a {Medicaid drug} lower reimbursement rate said the rate cut contained in the budget was poorly thought out. **‘It was clear we had no idea what we were doing,’** said Representative Daniel E. Bosley, a Democrat from North Adams.” - *Boston Globe*, Sep. 6

Legislative pay raise: **“‘If I were to give up this money, I have no control over where it goes,’** said Rep. Anne M. Paulsen, a Belmont Democrat. **‘At least if I take it, I can decide if it goes to a food pantry or other charity.’”** - *Boston Globe*, Jan. 9 (Gee, Rep. Paulsen, that’s how *we* feel about our *tax* dollars.)

And why they deserve said pay raise: “Veteran lawmakers, still smarting from Romney’s inaugural address, in which he chid-

ed them for irresponsible spending, rubbed their hands in anticipation yesterday as they predicted that the honeymoon with the new governor is about to end. **‘Let him have more power to make cuts. We’ll step aside and let him take some of the blame,’** a House Democrat said.” - *Boston Herald*, Jan 10

On the other hand: **“‘I’d rather go in and cut the budget myself rather than give away my power and have the governor say, ‘I had to fix the mess that was made by the previous legislatures.’”** Rep. John Binienda (D-Worcester), opposing Gov. Romney’s request for further budget-cutting authority. - *Boston Herald*, Jan. 14 (But when he had the chance in last year’s budget debate, they left it to Gov. Swift to make \$300 million in cuts to balance it!)

He got the message!: **“‘Partly, I think, the voters were giving Beacon Hill the referendum equivalent of the middle-finger salute.’”** Senate President Tom Birmingham, on the meaning of the 46 percent “Yes” vote on repealing the income tax. - *Boston Globe*, Dec. 26

“Hey, it’s not *our* fault”: (emphasis and postscript was added by CLT)

January 13, 2003
His Excellency Mitt Romney
Governor of the Commonwealth of Massachusetts
State House
Boston, MA 02133

Dear Governor Romney:

We are in receipt of your legislative proposal (to allow you to make cuts in the Fiscal Year 2003 budget) . . .

Members of the House acknowledge that the fiscal turmoil caused by the chaos in the stock market, violence in the Middle East, the social unrest in Venezuela, the nuclear belligerence of North Korea, plummeting consumer confidence, and the palpable risk of terrorism at home continue to make our economic, social, and political conditions tremendously challeng-

ing and unpredictable. These conditions present a severe test of our collective skills, wisdom and resolve. You can rest assured that the members of the House take our responsibilities seriously and that they are ready to confront the very difficult choices which lie ahead . . .

Sincerely yours,
Thomas M. Finneran
Speaker of the House

P.S. Not to mention crime in the Crimea, famine in Africa, killer bees in Brazil, earthquakes in India, drought in Australia, floods in Europe, ice in Antarctica, rain on the plain in Spain, and the occasional legislative leader stuck upside down at the Blarney Stone in the County Cork . . .

“Government cannot make man richer, but it can make him poorer.” – *Ludwig Von Mises*

“The hardest thing in the world to understand is the income tax.” – *Albert Einstein*

“The government deficit is the difference between the amount of money the government spends and the amount it has the nerve to collect.” – *Sam Ewing*

“There is no worse tyranny than to force a man to pay for what he does not want merely because you think it would be good for you.” – *Robert A. Heinlein*

Quotes from National Taxpayers Union calendars



The Outsiders' Track

By Barbara Anderson

In the category **Man Bites Dog ... uh, Cat**. Did you hear about CLT member **Chris Mirarchi** who got charged the new prescription tax for his cat's medicine? No, this is not a joke. He had to get some medicine that was not available at his vet's so he had a prescription, and was charged the \$1.30 tax. **Louella**, see the politicians. Hiss at'em, Louella.

CLT member **Marc Plante** has a great idea! "A potentially easy fix would be to use a budget from a previous year, say 1998, where the state budget was at \$18 billion. We obviously survived through 1998, as we are currently in 2003. All of the programs are already laid out, and it would also leave \$4 billion for adjustments (salaries, employees – if they are necessary) to our current time."

Jerry's back. Nostalgic talk-radio fans can hear **Jerry Williams** again on WEZE 590 AM from 3-4 PM weekdays.

Rare sighting of almost extinct species. Even though he was the only senator to take the pay raise this year, **Sen. Guy Glodis** (D-Worcester) is a breath of fresh air in a Legislature that has seen very few conservative Democrats since CLT's good friend **Jack Flood** left the House. Keep an eye this year on him, **Sen. Steven Baddour** (D-Methuen) and **Rep. Barry Finegold** (D-Andover); they may be major assets in **Gov. Romney's** attempt to save the commonwealth. When conservative Democrats teamed up with Republicans in 1981, the combination saved Proposition 2½.

You can utilize information from the only state agency created by an initiative petition when you visit the **Division of Local Services** website (you can get there through ours – see the next item). DLS was created by Prop 2½ to oversee its implementation and you can find tax data on your community there.

Chip Ford's www.cltg.org website has become THE place to go for the latest taxpayer information, and a context that makes sense of it, to the degree that is possible. While a very serious CLT service for our activists, the media, and taxpayers in general, we use it and Chip's daily e-mail membership Updates to have some fun, too. Drop in anytime.

Citizens for Limited Taxation invited members and activists to join us on Nov. 13th for our annual buffet dinner and a celebration or wake depending upon the outcomes of the previous week's election. As it turned out, we celebrated: a new governor who in the heat of the last election debate, vowed that he would not raise taxes; the success of twenty candidates supported by CLT's 2½ PAC; the passage of the **Ron Unz's** English language initiative and the almost-passage of **Carla Howell's** Question One to re-

peal the income tax; and the awarding of our **Warren T. Brookes Award** to CLT's first executive director, columnist **Don Feder**, whose new talk show is expected to begin this spring on WEZE 590 AM.

Local Taxpayer Groups: Activist **Norm Paley** sent a Jan. 16 report from *The Scituate Mariner* that State Rep. Frank Hynes has filed a bill "allowing communities that operate under the Community Preservation Act to broaden its function to include more than the three specified areas of community housing, open space acquisitions and historical preservation. If such a law passed at the state level, Town Meeting and Selectmen could vote to allow the 3 percent CPA surcharge to apply to the police

and fire departments and schools as well, easing the burden on those departments should they suffer from what state aid cuts may come through." Well, if that ain't a kick in the behind to the open spacers, affordable housers, and historical preservers.

Tim Leahy and the **Spencer Taxpayers Association**, and other curious minds want to know: why aren't local taxpayer groups being invited to the meetings of local officials and **Lt. Gov. Kerry Healey** about local aid cuts? The SPA filed a formal request with both the town and the governor's office to be part of the discussion. We encourage other groups to do the same.

CLT was honored recently by the **National Taxpayers Union**, when it elected me to its board of directors. NTU works on federal tax cuts, exposes waste in Washington DC, and supports taxpayer groups across the country. Its website can also be reached through CLT's, as can Americans for Tax Reform (see **Chip Faulkner's** ATR report on Page 5).



CLT founding executive director Don Feder is presented the Warren T. Brookes Award by current director Barbara Anderson at CLT Annual Banquet



Excerpts from Barbara Anderson's columns

The Boston Globe

Oct. 26, 2002 • Vote Yes to Get Rid of Waste

We have high income and property taxes; the total per capita tax burden is the 4th highest in the nation with correspondingly high per capita spending. Yet as soon as there is a slight revenue shortfall, the first move by the Legislature is to cut services for the handicapped, then start drafting a new tax package. Meanwhile, the “business as usual” of pork, patronage, pension abuse and peculiar priorities continues.

There are plans on Beacon Hill to raise the income tax again, to hike the sales tax and gas tax, to change Proposition 2½ and allow higher property and auto excise taxes. There is, however, still no plan to deal with the exploding Medicaid issue, which is the gorilla in the living room of budget discussion.

As boomers age, we will be unable to afford rising Medicaid costs and vital services while still allowing Beacon Hill’s “business as usual.” Taxes would become so high that productive citizens and businesses would leave. A “yes” vote on Question 1 demands dramatic change.

The Salem News, Lowell Sun and Tynytown Gazette

Nov. 8 – If we can get through next year without new state taxes, we will have forced the government restructuring that all candidates talked about, and won’t need a tax increase in the next three years of Romney’s administration. Massachusetts will have survived this fiscal crisis and it will be time to roll the income tax rate down to 5 percent as the voters demanded just two years ago.

Nov. 18 – Yes, it’s possible that voters sometimes don’t know what they are voting on. However, legislators from the glass House who pass multi-billion dollar budgets without having read them shouldn’t throw stones. We citizens shouldn’t have to duck rocks from politicians who voted to require gun locks on antique muskets at historic reenactments, and to cut reimbursement rates to pharmacies below cost, then insisted they hadn’t known what was in those bills.

Nov. 27 – It’s so obvious, always, that none of us will live forever, yet I think most of us don’t look that reality right in the eye until something happens or we reach our mid-fifties, whichever comes first. Ray Bradbury has written a wonderful new novel “*From the Dust Returned*,” about the Elliots, an extended family that does tend to live forever and therefore has accumulated wisdom to impart. One of them talks of “the small voice that asks of the dead who arrive for admission at the gate of paradise: ‘In your life, did you know enthusiasm?’ If the answer is yes you enter the sky...”

Dec. 16 – And the question, asked by Americans in general, is this: whom do we trust?

Economic advisors who focus on interest rates, economic cycles, and even tax rates are missing the point: this is not a crisis of “consumer confidence,” but of citizen confidence...

You want us to invest? In what companies, headed by which executives, audited by what watchdogs, overseen by what federal agencies, defined by what new definition of the American Dream? Capitalism works, as a concept; short-sighted greed



Chip Faulkner (R) presents the 2002 Citizen for Limited Taxation Award to Newton Taxpayers Association leader Len Mead at CLT's annual banquet in November

makes no sense at all.

Here in Massachusetts, state and local leaders are running around in circles, some asking for taxpayer dollars for a) affordable housing and b) open space that no one can build on, while Mayor Menino threatens investors who might provide affordable housing with rent control.

Jan. 7 – Of course I am concerned that Governor Romney has no plans to oppose the new tax on prescriptions, or what the pledge-breaking Jane Swift called a “pharmacy assessment.” No one is even talking about the equally obscene tax on nursing home beds, probably because one must have a dying relative who is trying to pay for his/her own care to be aware of the injustice of taxing these responsible people. With the other new tax on Massachusetts estates, there seems to be a plan to balance the state budget on the backs of the sick, the dying and the dead.

Having expressed my left-over outrage, let me get to the “unprecedented opportunity” part: new can-do governor, exciting choices for cabinet secretaries, a few good legislators joined by new state representatives who won open seats and support tax limitation.



Voters too wise to fall for this bill

By Taylor Armerding

You probably didn't realize it, but one of the first things you need in the year 2003 is to be saved from yourself. But that, you see, is because you are vulnerable to manipulation.

This favor comes courtesy of state Sen. Stanley C. Rosenberg, D-Amherst, yet another in a long line of selfless legislators willing to put themselves on the line, to stand up, to fight for us, the hapless, helpless, clueless average voters of Massachusetts.

Rosenberg has filed a bill that would make it much more difficult to file citizens' initiative petitions to create or amend laws. Instead of requiring 72,000 certified signatures of registered voters to put a question on the ballot, his bill would require 100,000 – nearly 50 percent more.

We, in our clueless state, might think the good senator is actually making this portion of the democratic process more difficult but hey, sometimes the serfs must suffer a little pain so that, in the words of the Boss to Cool Hand Luke so many years ago, we can “get our minds right.”

We are apparently under the delusion that voters should occasionally have a direct hand in passing laws, especially when legislators won't pay any attention to them. We are under the delusion that the barriers to initiative petitions should not be insurmountable.

Of course, if you listen to Sen. Rosenberg, you will be reassured that this is not an attempt to disenfranchise those who seek to pass laws by popular vote. This is all because of a national study that has concluded that initiative petitions are open to manipulation by wealthy special interest groups.

Horrifying, isn't it. Who knew?

But, having observed things like this for several decades, I suspect Sen. Rosenberg's bill has less to do with us being manipulated, and more to do with the fact that, in last November's elec-

tion, initiative petitions ordered drastic reforms in a bloated bilingual education program that has been a colossal failure, and came uncomfortably close to dumping the entire state income tax. I suspect it has more to do with “the people” wielding something more than symbolic power.

It also makes me wonder if he has ever attended a Town Meeting, or even a hearing at the Statehouse.

News bulletin to Sen. Rosenberg: EVERYTHING in politics is open to manipulation. That's why the Statehouse is crawling with lobbyists, and not just those representing the straw man of “wealthy” special interests. There are plenty there in behalf of labor unions and tree huggers as well. That's why you see poor kids in wheelchairs dragged to hearings on human services budgets.

Initiative petitions are no more manipulative than any political campaign, including the most recent one that resulted in Sen. Rosenberg's re-election. Every campaign is an effort to limit and control the information voters receive. Every campaign seeks simple slogans to define complicated issues. When it is done in his behalf, I suspect Rosenberg would call it “good political strategy,” or simple “educating the voters.”

Ultimately, this is yet more political doublespeak on the intelligence of voters. When politicians win, they are filled with effusive praise for the wisdom of voters, who were “too smart to be fooled” by the campaign of the other guy.

So, senator, which is it? Are we smart or stupid? If we're smart, then there is no need to “tweak” the initiative petition process to save us from manipulation. If we're stupid, then maybe your own election results need to be tweaked. Maybe you shouldn't even be in office, if you were placed there by people too dumb to know any better.

After first year, FMG a growing success

By Chip Faulkner

CLT's Washington DC-based ally, Americans for Tax Reform (ATR), started a project in 2001 entitled: “Center-Right Coalition meetings in the States.” ATR wants to encourage individuals and/or organizations ranging from conservative to moderate to meet periodically and exchange ideas. The basic requirement for participation is that everyone is working to limit the role of government in our lives.

The president of ATR, Grover Norquist, called CLT that fall and asked us to organize meetings in Massachusetts. (Grover, you may remember, gave a memorable speech at a CLT dinner a few years ago.) CLT decided that his project sounded interesting and was worthy of a shot. We agreed to host and organize the meetings in the Bay State.

We held our first meeting on the second Friday morning of that December and have met the second Friday of the month ever

since – hence the name the Friday Morning Group (FMG).

Individuals are invited who represent center-right causes/organizations or who can contribute ideas and policies that highlight conservative to moderate issues.

One FMG attendee, Charles Chieppo of the Pioneer Institute, was recently appointed policy director for the state's Administration and Finance department. The director of another think-tank, David Tuerck of the Beacon Hill Institute, has recently published a report on Metro Area and State Competitiveness.

A guest speaker is featured at each meeting. For example, last fall Lincoln Tamayo, who promoted the bilingual education abolition ballot question, gave a well-received presentation. The range of issues varies widely and has included taxes, fees, small business concerns, encouraging people to run for office, national politics, and constitutional issues.



Jeff Perry (R-Sandwich) is one of the new state reps who won in November with the assistance of CLT's 2½ PAC. He recently send us a news release from his office, with information we thought you should have.

While we do not in general support passing tax burdens from

one group to another, and we thought this was a horribly complicated way to bribe seniors to vote for overrides, seniors might as well take advantage of it: We know we will when our turn comes, and of course CLT members wouldn't take the break then vote for an override anyhow!

Senior Circuit Breaker Property Tax Relief Program for Seniors Begins

The key elements for tax year 2002 are as follows:

- The taxpayer (property owner) or spouse, if married filing jointly, must be 65 or older at the close of 2002.
- The taxpayer must own or rent residential property in Massachusetts and occupy the property as his or her principal residence.
- The assessed value of the property cannot exceed \$425,000.
- The taxpayer's "total income" cannot exceed \$42,000 for a single filer who is not the head of a household, \$53,000 for a head of a household, or \$63,000 for taxpayers filing jointly.

For purposes of the Circuit Breaker, "total income" is the taxpayer's Massachusetts adjusted gross income (AGI) increased by various amounts that may have been excluded or subtracted when originally calculating the Massachusetts AGI. These amounts include, among others, social security retirement, pensions and tax exempt interest and dividends. The total income figure is then reduced by certain exemptions including those who are 65 by the end of the year (\$700 per senior) and the exemption for blindness (\$2,200).

A senior citizen that meets the above guidelines may be eligible for a tax credit which equals the amount by which the sum of their property tax bill and half the total of their water & sewer bills exceeds 10% of their total income, up to a maximum credit of \$790 in 2002. I am sure this sounds somewhat confusing, so I will provide an example from the Massachusetts Department of

Revenue that may help.

Mary Jones is a 70-year-old widow who owns her home at 1 Main Street. It is assessed at \$300,000. Her current property taxes are \$4,300 per year. Her water bill is \$400 per year. She gets a pension from her deceased husband's job and Social Security for a total annual income of \$41,000. Taking Mary's property tax bill (\$4,300) and half her water bill (\$200) gives you a total of \$4,500. This exceeds 10% of her annual income (\$4,100) by \$400. In April of 2003, when Mary files a state income tax return for 2002, she would get a credit of \$400, the exact amount by which her taxes and water bills exceed 10% of her income.

It is important to note that you cannot receive the credit if you are a dependent of another taxpayer or if you receive a federal or state rental subsidy. In addition, you cannot receive the credit if you are married filing separately or if you rent from a landlord who was not required to pay real estate taxes.

Some lower income seniors may not currently file a state income tax return because their income is insufficient to require filing a return. Seniors who have no income tax liability may still file for the sole purpose of receiving a credit. Conversely, others required to file may have their liability reduced by an amount equivalent to the credit they qualify to receive.

More information can be obtained from the Massachusetts Department of Revenue Customer Service Bureau at 1-617-887-MDOR or tollfree at 1-800-392-6089.

CLT members write

My wife and I will be contributing half of our state tax savings from our earnings to your organization.

This suggested funding should work well. It places a feeling of something "owed" to the sponsoring organization, and both parties get rewarded: the sponsoring organization gets rewarded with the proportional amount that they save the taxpayer.

Due to our current financial situation (used car purchase), we will be contributing about 55% of the amount we will give you this year, which is about \$100.

Send a message to our corrupt legislators: Listen to your citizens and get your hands out of our pockets!

Marc P. - Tewksbury

I just wanted to send a great big 'THANK YOU!' for the Libertarian endorsements. You folks are the best: you never let party labels stand in the way of endorsing those who would treat the taxpayers most fairly.

I received a packet in the mail yesterday and will be returning it with another contribution. It is always money well-spent supporting CLT. It's almost a guarantee that the money will return to the contributor many times over in tax savings.

Jim S. - Watertown

Barbara -- please forgive my past transgressions. In college, I marched in Boston against Question 3 (Dukakis tax repeal) in the late 80's. I'm ashamed, and am older and wiser now. Good luck: keep up the fight.

Peter M. - Wilbraham

Even though I start this year unemployed, (since October 22, 2002), you are our only sane voice in this insane state. As long as you are there for us I will be here for you however small it might be. Your voice is the only one that makes a difference. How can we not support you?

Dave C. - Billerica

