

MARYLAND TAXPAYERS ASSOCIATION

Week of Mar 23 - Spring...maybe, hopefully!

If you wish to no longer receive these emails, please reply with the simple message "unsubscribe."
If you wish to be added to our email list, please send your email to info@mdtaxes.org and request that you be added. Be sure to check out www.mdtaxes.org

A WORD ON TAXES

Government needs taxes and fees in order to do its work. Ideally, government should stay within its bounds. **Taxes should be high enough to cover government operations, but low enough so as not to stifle the creative energies of the people.** The people are comprised of many individuals, each with their own special abilities and needs. Taken together these individuals are the sources of our nation's success, not government.

Today, taxes are too high. Regulations, a form of taxation, are too inhibiting. The middle class is losing ground. Reform is clearly needed at all levels of government. Our state and nation need to get back that prosperous, producing and thinking economy that we once had. Both major parties need to recognize this. The future only bodes well if they both commit to righting the balance of government to the people. Government must recognize and stick to its true purpose. It must loosen its shackles to unleash that good old American ingenuity that will benefit all.

Government must recognize that lower taxes and less regulation can actually bring in more government revenue as well as more and better jobs for the people. For years, we have seen the lofty estimates claiming higher revenues for tax increase proposals to fund ever-expanding government programs. These static estimates are always wrong. Human actions and reactions never seem to be taken into consideration. History proves that trimming and cutting is better. Check out the 1920s under Coolidge, the 1960s with Kennedy and the 1980s under Reagan. Let's tell our elected representatives to work for us, not the other way around.

THE WEEK AHEAD...

Lower taxes? SB884 (Mar 24, Budget & Tax) would **lower taxes for all individuals with taxable income above \$30,000 to 3.8%**. This lower rate is so much better than the graduated income tax rates MD has moved to since FY2008. Remember though that the Piggyback income tax averages 3.0% for the counties/city. Altogether rates would still be higher than neighboring Virginia. The lower income tax states generally have the best economic growth and the no income

tax states fare even better. It depends on what is favored, high economic growth with more jobs or the opposite. For the past eight years, it is clearly the latter that has been chosen, however misguided. The fiscal note for the bill claims that the state will lose more and more revenue each year. This projection appears to be a static solution, not one that takes into account human behavior, like moving or starting a business.

SB924 would **allow county boards of education to seek private financing**, subject to specified limitations. On the face of it, this seems dangerous, effectively creating another financing authority for which taxpayers will be liable.

Note: There is scuttlebutt that some form of **Rain Tax repeal** will pass. It would be the Senate President, Mike Miller's bill. As the Governor's bill was rejected, he is now supporting this bill. This is fine. (It is hard for the majority to change course from the previous eight years.) It does mitigate the counties' obligations to some extent; however, it remains for the counties to decide whether to lower the rain tax, and by how much. Notice that the EPA's mandate still stands.

There are two bills regarding **Smart Meters**, HB508 and HB516 (Mar 26, Economic Matters). The first would allow customers to purchase and install an analog meter. The second would require written notice before installing Smart Meters. Additionally, it would prohibit electric utilities from charging customers additional fees for opting out. Results seem not to be in for Smart Meters. Some consumers are paying much more while others pay less. There has been some negative reports regarding safety of the new meters. Consumers need to be sold on what they are buying.

Finally, this session has seen proposals for quite a few **commissions** to study this or that. 1) SB497 (Mar 26, Ways & Means) would establish a commission to review **MD's Use of Assessments and Testing in Public Schools**, and 2) SB258 (Mar 25, Environment & Transportation) would establish a commission on **Climate Change**. On the first, most parents and teachers would probably agree that far less is better. On the second, most Americans/Marylanders simply do not accept the likelihood of major climate change. There are also too many reports of the castigation of scientists that disagree with the government environmentalists. Galileo comes to mind.