TAX REVOLT

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S '73 & MASS.
PROPOSITION 13 "BEVER" HAS
spread to California ... to stir any-
one’s enthusiasm.
Continued on page 20.

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By Peter Drier

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ACTION IS NEVER" has
spread from California to Massachusetts and this state’s politicians have caught the
frenzy. Citizens’ "Taxachusetts"
pay the highest property taxes of
any state in the country except Alaska, and politicians are harping on the band-
wagon, as well as on their names in
taxpayer polls to roll back local
property taxes and put a limit on state
government spending. More than 200
years after the Boston Tea Party, they
seem prepared to throw public services overboard to protect government spend-
ing and high taxes.

In cities and towns across the state tax-
payers are forming (or expanding) local
groups to demand lower taxes. In sub-
urban Medford, for example, the Alliance
of Concerned Taxpayers persuaded the
city council to cut $300,000 from the city’s
operating budget. The casualties includ-
ed a dental clinic, the town’s branch li-
braries and some social-service facilities.

At the state level the situation is even more complicated because 1978 is an elec-
tion year. In addition, the number of seats in the state House of Representatives is
being cut from 240 to 160, so incumbents are facing each other in heated campaigns.

Conservative Republicans Edward F. King, founder of Citizens for Limited
Taxation (CLT), is running for governor
on a one-issue platform—cut state taxes.

"California spoke for the country," says
state Representative Roy Switzer, a Re-
publican from suburban Wellesley, who
introduced his own bill, Proposition 2 1/2
only days after the Jarvis-Gann amend-
ment passed in California.

His proposal, which limits property
taxes to 2.5 percent of the property’s
market value, would have a devastating effect on Massachusetts’ cities, which
have no sales or income tax and rely heav-
ily on the property tax. Boston, for ex-
ample, with a state 8 percent tax rate,
would lose about $300 million of the $441
million it raises from property taxes, says
Ray Torto, tax adviser to Boston Mayor
Kevin White.

Conservatives like Switzer and King
argue that there is already too much "fat"
in government. They point to the usual conservative enemies—expanding wel-
care rolls, high public employee salaries, unecessary bureaucracy and "frills" in
the programs. "We’ve got to shut the
door on government spending sometime,"
Switzer explains, "and now’s the time."

To counter the conservatives’ efforts to
cut overall spending (and thus public
services and jobs), Massachusetts Fair
Share, a statewide citizens’ action group,
is backing several proposals to shift the
tax burden away from low and moderate-
income families and onto business and
the more affluent.

Almost a year ago, long before Time
magazine put Howard Jarvis on its cover, Fair Share exposed the fact that many of
Boston’s biggest businesses and landlords
had not paid their property taxes. Fair Share’s "Dirty Dozen Plus Two" cam-
paign forced the city to collect almost $1.6
million in delinquent tax bills. As a result,
Fair Share netted a large following of frustrated taxpayers.

This year, Fair Share, along with the
mayors of the state’s largest cities, is back-
ing a "classification" initiative on next
November’s ballot that would lock into law the present formula that assesses resi-
dential property at a lower rate than com-
mercial or industrial property.

The business community vigorously op-
oposes classification for obvious reasons; it favors, instead, a plan to assess all
propertys at the same 100 percent rate.

Circuit breaker tax.

Fair Share’s biggest effort, however, is its "circuit-breaker" bill to provide im-
mediate cash rebates to taxpayers accord-
ing to income. Tenants and homeowners
under contract to pay more than 8 percent of their income in property taxes would receive a rebate up to $500.

Fair Share estimates that a typical fam-
ily of four, with an income of $13,000 and
property tax bill of $1,200 would get a $343 rebate. According to its calculations,
more than three-quarters of all rebates would go to those households with in-
comes under $13,000.

 Rebates for renters would be calculat-
ed by assuming that one-fourth of their
rent goes for property taxes.

The money would come from this year’s $200 million state surplus and thus
could not cut into existing programs.

After several months of intensive lob-
bying, Fair Share’s bill passed in both houses of the state legislature and is now in the hands of House and Senate committees. Gov. Dubakis, however, has said he’ll veto it when it reaches his desk.

Dubakis wants the surplus to go directly to the towns and cities to use as they
please, rather than to the states with a
strong distrust of politicians, want the
money directly in taxpayers’ pockets.

The circuit-breaker bill, meet with
Fair Share to discuss it, the organization
decided to turn the governor’s June 26
threat into a direct confrontation on the
rebate bill.

Despite a slight drizzle and the Red Sox-
Yankee game on Monday night TV, Fair
Share mobilized about 1,000 members
in the streets in Revere. More than
600 members carried the "Sign our bill or get
Fair Share’s "Dirty Dozen Plus Two" campaign forced the city to collect about $1.6 million in delinquent tax bills. As a result, Fair Share netted a large following of frustrated taxpayers.

The "circuit-breaker" bill became the focus of Public Action’s tax campaign. The bill was backed by a number of prominent politicians and was the most expensive of the year’s state races.

The result of this political maneuvering was the election of a new mayor, Michael Dukakis, a moderate Democrat. Dukakis, who had won the state's last general election in 1974, was facing a strong challenge from Republican Gov. James Thompson.

Thompson’s campaign centered on his support for a "circuit-breaker" bill that would provide rebates to property taxpayers in Massachusetts. Thompson argued that such a move would help during the state's economic downturn.

Despite Thompson’s efforts, the "circuit-breaker" bill did not pass the state legislature. However, it did set the stage for future debates on property tax reform in Massachusetts.

In Illinois, the political climate was also shifting. The Chicago Sun-Times reported that a new political action group was forming to push for property tax relief. The group, called "Illinois Fair Share," was formed by a coalition of business and labor organizations.

The group's leaders argued that high property taxes were hurting the state's economy and needed to be addressed. They were successful in getting a property tax relief bill passed in the Illinois legislature.

Illinois tax reform threatened

Political infighting threatens Public Action bill to bring down homeowners' taxes.

By David Moberg

BARRA SHALI S ANGRY AS SHE STANDS IN FRONT OF ILLI-
NOIS Gov. James Thompson’s $110,000 townhouse in the fashionable Lincoln Park
neighborhood of Chicago. In 1976, with
an income of $15,000 a year, Thompson
had paid $396.94 in property taxes on the
house—slightly more than 1 percent of his
income. Last year Schalk, a single
mother of three making $7,280 as a clerk
in a modest stuccoed bungalow—or 7.4
percent of his income.

"It’s easy to see why the governor
doesn’t think there is a problem with
property taxes in Illinois," Schalk, pres-
ident of a community organization affili-
nated with the Illinois Public Action Coun-
cil, told reporters. "But just because

Thompson hasn’t been paying his fair
share in property taxes doesn’t mean that the
governor must overcome the
determined opposition of the governor.

Although Thompson’s taxes have since
gone up dramatically, Public Action ac-
tually opposed his tax relief bill, on the
ground that it was not the political ambitious Thompson into sign-
ing the group’s proposed "circuit break-
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The Nazis rally in Marquette Park

By David Moberg

CHICAGO

The Nazis rally in Marquette Park, near their southwest Chicago headquarters July 10. Two days earlier the Supreme Court had refused the Chicago Park District’s request to stop the Nazis—estimated at 2,000 by newspapers—from marching. The Nazis had requested to hold a rally in the predominantly white park because of an earlier march there. The court ruled that the Nazis could march provided they did not shout any epithets. Police quickly stopped most of the Nazis when they tried to shout epithets.

Police estimated the counter-demonstration at 30,000. The demonstrators included the Jewish Defense League and local black groups. The number of older people was clearly supportive of the Nazis’ racist views. Several hundred young whites, mostly non-working-class types, and a sizeable number of older people were clearly supportive of the Nazis’ racist views. Some of the Nazis were parading with swastika-bearing signs. Police quickly stopped most of the Nazis, arresting 72 people.

The largest mass of counter-demonstrators—both those inside and those outside the four-block-wide integrated strip of homes between two adjacent neighborhoods—was blocked by police. The leaders of the march were distressed that police—citing the demonstrators’ lack of a permit and “projecting a threat to the public order”—had “betrayed” earlier promises about how they would march.

The march was organized from the Jewish Defense League and local black groups. The presence of the white residents—black, but mostly white; young and middle-aged, but predominantly women; tenants and homeowners; speaking Portuguese, Greek, Italian and English—fostered a sense of community. Finally, when Dukakis would not agree to meet with the group, Fair Share’s Carolyn Lucas said, “OK. All those who want direct property tax relief may leave.” More than 300 of the 400 residents in the group walked out.

But with public sentiment as much for Fair Share and groups like it agree. They try to focus their issues on corporate rip-offs and government corruption. “The conservatives want to dismantle the public sector,” says a Fair Share staff person, “to restore the ‘private sector’ mood that views all government programs as inevitably inefficient and wasteful.”

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The Nazis may lead people to ignore greater dangers.

Focusing on the Nazis may lead people to ignore greater dangers.

The Nazis rally in Marquette Park.

Marquette Park area residents shouting insults at Jewish anti-Nazi demonstrators (top). Shirtless man joins others to help black youth. Some area residents helped the black youth out of the park, while others kicked and punched them (directly above).