

Point of View

To Be Equal

WHAT KIND OF TAX REFORM?

By John E. Jacob

It is generally agreed that there will be far-reaching tax legislation in 1985, and support is building for reform of the tax system to raise more revenue in a fairer way.

But what's fair to one person may be very unfair to others. Advocates for the poor have to be especially watchful that tax reform doesn't degenerate into yet another round of soaking the poor. The 1981 tax reform wound up doing just that—squeezing more from the poor while providing windfalls for the affluent.

That tax cut, combined with drastic cuts in federal domestic spending, took some \$17 billion from poor people between 1983 and 1985, while affluent families in the \$80,000-and-up brackets got \$55 billion worth of tax benefits.

The same tax legislation, even though it was modified the following year, vastly increased special tax gains for

the poor have risen while those for the affluent were cut. One recent study showed that in 1978 a family at the poverty line paid \$269 in combined income and social security taxes.

But in 1984, that same family at the poverty line paid over \$1,000 in



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income and social security taxes — a jump from 4 percent of that family's income in 1978 to over 10 percent this year.

The reason is that Congress tilted the cuts toward higher income brackets and didn't take such simple steps to

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wealthy individuals and corporations. Three of those items — the accelerated cost recovery system, preferential treatment for capital gains, and the investment tax credit — will cost the Treasury over \$50 billion in 1984.

Without considering whether such tax breaks are economically justified, we can question their fairness. The capital gains tax was cut to a maximum of 20 percent, which is actually lower than the marginal tax rate and social security tax rate paid by a working head of a family of four who earns \$12,000 a year.

And fairness is the issue when taxes paid by

protect the poor as increasing personal exemptions, standard deductions or the earned income tax credit.

So we have to wonder just how concerned Congress will be for poor and low income taxpayers when it considers more sweeping tax reforms. Some of the reform ideas now surfacing suggest that "reform" could wind up hitting the poor again.

An overly complicated loophole-ridden, unfair tax system should be reformed, but unless low income families are shielded, reform could wind up being another way to soak the poor.

Letter To Editor

Dear Sir:
The article written and published on April 19, 1984, "Church Mother of the Week" was truly an honor. It means more to me than I am able to express. I am grateful to you, for your part in bringing this about. It is with a deep sense of appreciation that I acknowledge to you a sincere Thank You.

With Warmest Regards,
Clara V. Edden (Church Mother)
Pastor: Elder Leon Smith
New Covenant Church of God In Christ

Editorial

Recently, Treasury Secretary Donald Regan related that because of the huge federal budget deficits the present Social Security system will have to be reevaluated in the late 1980's in order to determine whether all retirees should receive benefits from the system.

Regan told NBC-TV's "Meet the Press" that we "will have to rethink why we have Social Security and what do we want it for."

Regan, who obviously has never been poor and who does not have to give a second thought about where his retirement benefits are going to come from (the federal government, of course), has little or no regard for those of us who will have been feeding money into the system for forty years and have been looking forward to retiring on the meager benefits provided by the present system.

The Secretary seems to be appealing to those wealthy individuals who are able to invest in Individual Retirement Accounts, Tax Sheltered Annuities, and other tax-free treasury notes and/or government bonds.

Many Blacks and most Whites cannot afford to invest in the types of retirement income-producers mentioned above. If Mr. Regan's remarks are taken seriously and acted upon favorably by the legislative and executive branches of our government, most Blacks will be left without any income at all in their old age.

How about that person who has raised a family on a rather meager income and can afford only the retirement that will come from what little Social Security he/she has paid in?

As reported in statements following the interview, Regan stated something to the effect that regardless of the savings a person has accumulated or how much he/she receives in the form of retirement benefits from their work agency or corporation, they can still get Social Security benefits. It seems that the government is saying that those who have worked over the years and have paid into the Social Security System will not be able to get the money back that they have paid in. If this money were given back to those of us who have paid into the system for many years, perhaps we could invest this money and provide for our own retirement. However, if the plan is to keep the money without any thought of giving any that has been paid in back to those who paid in, then we think this could be considered government robbery.

What will our top government officials think of next?

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PEOPLE, PLACES and POLITICS

By Joe Neal



The Democratic State Convention, which was held in Reno May 4, 5 and 6 is now history. I am sure you have been waiting for a report from me as to what went on at the convention.

As you probably read or heard, I started out on the 4th of May not being a delegate to the State Democratic convention, even though members of my precinct had nominated me to represent them. My name was removed from the state delegate list. I did not know the reason until I appeared before the state credentials committee and was told it was a mix-up at the county level where my name was misplaced. Efforts were not made to correct this at the local level.

It would seem even to the inexperienced observer that there was a conspiracy to keep Nevada's black state senator from attending the state convention. A clue to such a conspiracy may be found in the comments made to me by the local Democratic party. He said to me that I get a lot of money for my own campaign for reelection because he is "coming after me." I was somewhat baffled by the "gentleman's" comments. After all, the only thing I had done was participate in the man's defeat and had gone from not being a delegate to the state convention to being a national delegate in San Francisco in July. Yes, the hands that picked cotton will participate in picking the Democratic nominee for the presidency. It is the prophesy of Jesse Jackson. However, I kinda get the impression that the county chair of the Democratic Party does not want that prophesy fulfilled.

Did you know that there was someone who tried to stack the state convention again and was caught? The Hart people were too organized and had computerized the names of all the people who had attended their precinct meetings and the county convention. If you had not attended either, you were not supposed to be a state delegate. That individual had about eighteen of twenty people challenged by the Hart folks. Can you imagine having paid to bring eighteen unqualified people to the state convention and at the same time not wanting your state senator to attend?

This individual does not have any powers anymore. They pushed number one son in the Labor caucus for delegate to the national convention and he lost out to a preacher who was in attendance for the first time. Then they pushed number one son for a delegate on the floor and both candidates, the preacher and number one son, lost. The preacher could have won if this individual's number one son had not been in the race at this point. Labor could have elected a black delegate and we could have had two delegates from our area, the other one being yours truly. The most this individual could get for number one son was an alternate. An alternate position in this year's Democratic nomination is like sitting at the table, but you can only eat when no one else shows up!

This individual was so out of tune with this year's music that has been created by Jesse Jackson, that it is time to introduce the individual to the Wendy's commercial. No, not "Where's the beef!" but rather, "Please, step aside, step aside, please step aside." But this is too polite for them.