

# Point of View

## To Be Equal

### TAXES SOAK THE POOR

by John E. Jacob

Historically, the tax structure was used to help equalize incomes, as well as to raise revenues. But now it looks like the nation's tax structure — state and federal alike — is a regressive instrument that widens income inequality.

A recent analysis of federal taxes made by the Congressional Budget Office says that the poorest tenth of American families will wind up paying twenty percent more of their earnings in federal taxes than they did a decade ago. Meanwhile, the richest one percent will pay almost twenty percent less.

And this comes at a time when the vast majority of Americans — 80 percent according to the CBO — have lower real incomes than they did back in 1977. That's because wages didn't keep up with inflation.

The lowest federal tax rate moves up from eleven percent to fifteen percent next year. Higher social security taxes and excise taxes also add to the burdens of the typical family to a far greater extent than for affluent families.

So the net result of the Reagan tax revolution was to cut taxes for the wealthy

while taking more from low and moderate income families. The rationale was that by cutting taxes for the wealthy, they'll invest more. But national savings and investment rates are down, not up.

And while the Administration correctly claims that even with lower rates, the percentage share of the tax



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burden paid by the affluent is higher, that's because their share of the national income has risen so much.

The problem of regressive taxes is compounded by the fact that most states have tax structures that soak the poor.

While the federal tax reform virtually exempted most of the working poor from federal income taxes, state and local tax collectors continue to squeeze revenues from those least able to pay.

Even before federal tax re-

form, poor households paid more in state and local taxes than they did in federal taxes. In more than half the states with income taxes, the point at which a family of four starts paying taxes is more than \$5,000 below the poverty line.

The poorest twenty percent of all taxpayers pay a higher share of their income in state and local taxes than do the next 60 percent of

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the population — the middle class.

Almost all states have some form of sales tax, and that impacts poor families disproportionately, since they have to spend all they earn. The poorest fifth of all families pay three times as high a percentage of their income in sales taxes as do the wealthiest five percent of families.

Taxing the poor is unconscionable. By definition, poor people cannot afford to have their small incomes driven still lower by taxes. The federal tax reform last year recognized that to some extent by removing the working poor from the income tax rolls and by enlarging the earned income tax credit, which rebates money to poor families to compensate for payroll taxes they have to pay.

State and local governments should follow that lead. There should be a major push to remove poor people from their tax rolls. It would be easy to do and not reduce total revenues by enough to matter much.

One way would be to establish an income floor below which no taxes would be collected. That floor should be above the poverty line, which is unrealistically low. And it should include a mechanism for rebating sales taxes, much as the federal earned income credit operates to rebate payroll taxes.

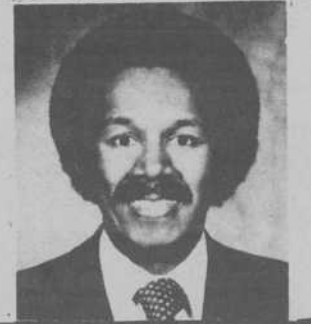
Beyond that, states should seek to replace reliance on regressive sales taxes with broad based, progressive income taxes, thus reducing the total tax burden on moderate income families.

NNPA FEATURE

## COPING

by

Dr. Charles W. Faulkner



### The Psychology of Racism: Why Whites Abuse You

Much of the ugliness and depth of racism is directly caused by the passivity of blacks who allow whites to abuse them but do nothing to express their dissatisfaction with the abuse. Thus, whites become dependent upon this as an emotional "coping" mechanism that saves them but destroys blacks.

Blacks tend to expose themselves to the insults and to the other physical and emotional abuse but respond only by thinking to themselves, "I wonder why whitey was so rude to me, I haven't done anything to him/her." What is the white person thinking or responding to when they insult you?

Think now about that person in your life (brother, sister, the kid next door, your child, or maybe the bum on the corner who sometimes speaks to you). You actually get a kick out of telling that person what to do, pushing him around or seeing him jump at your every command. Even though you won't admit it (and possible, don't realize

it), you get a feeling of power, of being in charge, or of being somebody when you are around that person who has sunk in your perception to the level of an "inferior," of a pushover, of a "chump." When everyone else ignores you, when the boss gives you hell, and when you feel depressed, you can always depend on getting a powerful boost to your ego by telling your "inferior" to do something, anything, and have that person quickly obey your every command. In fact, you have even developed a need for this boost each day because it makes you feel like a normal (if not superior) human being again.

Imagine, now, that you have had a particularly bad day. The boss criticized you, your spouse argued with you, you failed an exam and lost a basketball game. Damn! You're mad. You're tense. You're nervous. You need relief.

So you look for some way of relieving your stress and feeling good about yourself

again. You would like to push someone around and degrade them. If you make them feel bad, you would feel powerful. You can't tell the person how much you dislike him because he will fire you. You can't talk back to your spouse because you won't win the argument. Who can you abuse? Who is "weak" to fight back? The black person is the perfect victim because he won't fight back.

This is essentially the mind set of most white people. It represents acute neurotic behavior that is confronted with an almost "evil" coping mechanism using blacks as an emotional punching bag. The shameful aspect of this phenomenon is that most whites have abused blacks for such a long time that their behavior is automatic. Few whites realize that the only reason they maintain even a semblance of normality is because they can take out their frustrations on blacks without any fear of retribution.

## From Capitol Hill

By Alfreda L. Madison

### Busing Opposition and Neighborhood Schools Emphasis Mean Resegregation

The court ruling in Brown v. Board of Education, that separate schools for Black and White children are unconstitutional and that racially segregated schools cannot be equal, caused people to believe that equal education for Black children was on the horizon. Thirty-three years after the Brown decision the same racism that gave rise to segregated schools still dominates our schools.

The Lawyers' Committee on Civil Rights recently published a report entitled "Fulfilling Brown's Promise, The Second Generation Fight for Educational Opportunity" which gives a deplorable pic-

ture of continued segregation in the American schools. The report shows that Black children are still subjected to discrimination in education. Many of them are denied equal access to academic programs and services offered to White children. Even though Blacks may be in the same schools with White children, their progress through primary and secondary grades is hindered by practices such as ability grouping. They are treated differently by teachers, administrators

and counselors. Blacks are more harshly disciplined for the same offense. Black children are suspended at a higher rate and for a longer period of time than White children. Black children are either pushed out or they drop out of the educational system that should be the means for their transition to successful, productive adult lives.

The northern and western school systems now focus on what many lawyers and edu-

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## STRONG, BLACK Community

