

## INSIDE MAINE



*Karl Trautman*

# Taxes: It's about who pays

A few weeks ago, I moderated a Sun Journal debate in Lewiston on the tax-cap initiative. There were many good questions asked by the citizens who attended. But there was one that stuck in my mind: "If Palesky fails, what issues will be mandated to quell the extreme frustration of the Maine taxpayer?"

This question was significant because it directly addressed some of the strong emotions that have been brought up around this initiative. And I believe that exploring these emotions is where you will find the essence of the debate.

The strongest emotions come from the people who fear they will lose their job. The opponents claim that municipalities will be forced to cut essential services. Librarians, school employees, firefighters and police officers will be laid off if the initiative passes. The interest group, Citizens United To Protect Our Public Safety, Schools and Communities, claims that the initiative will cost local government at

least \$530 million a year in revenues. The city of Lewiston estimates that it would lose \$19 million to \$25 million per year in property tax revenue. The city of Auburn estimates it would lose \$27 million per year in property tax revenue.

There are also intense feelings of helplessness as property taxes continue to rise in many parts of the state. Some senior citizens face a choice between selling their houses or getting by with less in order to pay their property taxes.

The interest group Tax Cap YES! points out that property taxes in Maine are the highest in the nation as a percentage of personal income. The mill rate for Lewiston is \$27.70, while it is \$29.38 for Auburn. The tax cap would roll it back to 10 mills or 1 percent of value plus the cost of allowable debt.

Unfortunately for the proponents, I believe Palesky will be defeated. Why? Because the fear of job losses will outweigh the anger over increasing property taxes. Having a job is one of the most fundamental concerns that a person has. Moreover, a public sector job is often more stable than a job in the private sector and can provide health insurance.

As of Sept. 30, \$876,000 has been raised to defeat the tax cap. The proponents have raised only \$460,000. Moreover, most of the money raised since July has been by the opposition. This shows that the momentum is with the opposition.

Back to the debate question over taxpayer anger. However, instead of answering the query, I suggest changing the target. How about a new question? This time directed toward private businesses

SEE INSIDE PAGE D4

10/24/04