

# Tax system fair; changes needed

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ST. PAUL (AP) — Minnesota's overall tax system has improved since 1985 but more changes are needed to make the system fairer for moderate-income citizens, according to a study by Minnesota Citizens for Tax Justice.

"State legislators deserve to be congratulated for taking steps to make the tax system more fair," Douglas Kelly, policy analyst for the tax research group, said Thursday.

The study compared the total state income tax, excise and property tax burden in 1985 and 1989 of five income groups, but divided the top income group into three categories.

Wayne Cox, executive director of the group, called for a five-bracket income tax system, which would in-

crease taxes by \$94 million. He said the tax increase would finance spending needs as well as a \$30 million enrichment of income-related property tax relief programs to help moderate-income Minnesotans.

The state currently has two income tax brackets of 6 percent and 8 percent. Cox advocated a five-bracket system with the rates ranging from 4 percent to 8.9 percent.

According to the study, taxpayers in the lowest income bracket, with an average income of \$11,034, paid 7.8 percent of their income for all state taxes in 1985 and now pay a slightly smaller amount of their income, 7.7 percent, for state taxes.

There was also an improvement, in the eyes of the tax research group, in the situation for the highest income

families, where the average income even fairer," said Cox. "Right now, families making \$25,000 a year pay the same percentage of income in taxes as do families earning over \$700,000 annually. That outrage needs to be corrected."

Taxpayers in four other income levels pay a higher percentage of their incomes than the highest income group, according to the study. The study showed that 20 percent of the taxpayers with average incomes of \$38,225 paid 10.1 percent of their incomes in state taxes in 1989. Another 20 percent of the taxpayers with average incomes of \$59,950 paid 10.4 percent of their income in state taxes.

According to the study, 15 percent of the taxpayers with average incomes

was about \$700,000. That group accounts for 0.7 percent of the taxpayers. They paid 6.6 percent of their total income for state taxes in 1985 and now pay 9.6 percent of their income for state taxes.

But Cox said he was distressed that the highest income group now pays the same percentage of their income for state taxes as the second lowest income group, with average incomes of \$25,614.

"We need to make our tax system of \$77,433 paid 10.9 percent of their income in state taxes and 4.3 percent of the taxpayers, with average incomes of \$135,981, had the highest state tax burden, paying 11.2 percent of their total income for state taxes.

## Minnesota Legislature

# Abortion and workers' comp top agenda

ST. PAUL (AP) — The stage was set Thursday for a clash on the House floor between opposing sides in the abortion debate.

In other legislative action:

—A revised package designed to lower workers' compensation costs by 10 percent for Minnesota employers and increase benefits by 10 percent for higher-paid injured workers was approved by the Senate Employment Committee.

—Minnesota's overall tax system has improved since 1985 but more changes are needed to make the system fairer for moderate-income citizens, according to a study by Minnesota Citizens for Tax Justice.

A bill that would ban abortions of viable fetuses, except to preserve the life or health of a woman, was sent to the floor on a divided voice vote by the House Health and Human Services Committee.

"We are protecting viable, unborn children," said Rep. Kris Hasskamp, DFL-Crosby, chief author of the measure.

Health and Human Services Committee Chairman Paul Ogren, DFL-Aitkin, told committee members there was no need for lengthy debate on the proposal because Minnesota Citizens Concerned For Life, the powerful anti-abortion lobby, planned to have the measure

debated on the House floor regardless of what the committee did.

"They have the votes, in this committee, in this body," Ogren said after the hearing. Asked if MCCL had power to subvert the legislative process, Ogren said, "Yes, they do."

Jackie Schwietz, MCCL's co-executive director, said the MCCL wasn't subverting the process.

"We want an opportunity just like anybody else" to have their issues debated and voted on, she said. "There's a lot of support in the Legislature to ban that horrible process of killing babies after 20 weeks."

Under the measure, doctors asked to perform an abortion on a woman believed to be in at least the 20th week of pregnancy would have to determine whether the fetus were viable. A fetus would be considered viable if it were at the stage of development when there was a "reasonable likelihood of sustained survival of the fetus outside the womb, with or without artificial aid."

If the fetus were viable, abortions would be prohibited except to preserve the life or health of the woman.

The bill would require physicians who perform abortions of viable fetuses to use the method most likely to preserve the life and health of the fetus. A second physi-

cian also would have to be present to provide medical care to a child if there were a live birth.

The workers' compensation bill, sponsored by Sen. Florian Chmielewski, DFL-Sturgeon Lake, was sent to the Senate Finance Committee on a 7-4 vote. Chmielewski also was chief author of two similar workers' compensation bills which Gov. Rudy Perpich vetoed during the 1988 legislative session.

However, the vetoed bills would have cut benefits to future injured workers by 16 percent and did not include the 10 percent increase in benefits to workers who earned more than \$26,000 annually before being injured.

Four DFLers and three Independent-Republicans voted for the bill while the four "no" votes were cast by DFLers.

Chmielewski said he does not expect the full Senate to vote on the bill until just before the May 22 adjournment. He predicted that he would have more than 40 votes or far more than the necessary 33 votes for passage.

In other action Thursday, Wayne Cox, executive director of Minnesota Citizens for Tax Justice, called for a five-bracket income tax system, which would increase taxes by \$94 million. He said the tax increase would finance spending needs as well as a \$30 million enrichment of income-related property tax relief programs to help moderate-income Minnesotans.

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