

November 2, 1990

**MEMORANDUM**

**TO:** Martin Gleason  
Susan Stuntz

**FROM:** Powell Adams & Rinehart  
Savarese and Associates

**SUBJECT:** LMC State Tax Strategy

This document will outline a Labor Management Committee state tax strategy for the remainder of 1990 and 1991. The strategy is based upon the information provided us in the October 1990 "Cigarette Excise Legislation Priority 1 States" document.

**Resources**

In order to shape the state excise tax debate and influence its outcome, the LMC will utilize and access existing resources as well as develop new contacts where possible. Among the resources available to the Committee are:

- LMC member unions
- non-LMC labor organizations with which the Committee has working relationships
- LMC state labor consultants
- Citizens for Tax Justice
- fair tax/citizen action groups which the Committee supports

**A Fair Tax Message**

In virtually each state, it will be essential to frame the debate as one of fair versus unfair tax policy. By expanding the discussion beyond cigarette excise taxes, the Committee will be able to access more of its resources and the program stands a greater chance of success.

In order to achieve this goal, the Committee will look to the development or update of tax studies and reports, such as those

currently being prepared for Michigan and Wisconsin, and tax conferences to provide a portion of the substantive foundation for developing our message and reaching out to labor audiences. This will supplement the tax video and support documents which will serve as the principal materials for carrying the Committee's fair tax message to labor audiences.

Citizens for Tax Justice (including its Midwest Director, David Wilhelm), the network of fair tax/citizen action groups which the Committee supports, as well as similar groups that the Committee will be seeking to develop relationships with, will be central to moving the fair tax message.

### **Labor Education and Outreach**

Developing active labor support for the LMC fair tax agenda in the states requires an extensive education effort. For this, the Committee turns to the IAQ model for guidance.

Working with the Committee's member unions and other labor organizations with which the Committee has close relations (i.e. LCLAA, CLUW, APRI, NCSC, various state labor federations and central labor councils, SEIU and TCU) Committee representatives and state consultants will develop opportunities for fair tax presentations before national, state and local labor organization audiences.

In some cases, the Committee will be looking to transfer the IAQ relationships it has built with labor organizations around the country such as in New England, Michigan and Oregon, into viable tax relationships. This initiative is particularly important given that state labor federations will be key targets for education outreach.

The Committee envisions tax presentations that are similar in nature to those done on the IAQ issue. Committee representatives will utilize the tax video and support materials in taking the fair tax message to these audiences.

Just as with IAQ labor outreach, tax presentations will vary in nature. In some instances, Committee representatives will provide the presentation. In other cases, a Committee representative will be joined by a "technical expert" such as David Wilhelm. There will also be opportunities which require a full presentation by the "technical expert."

### **Prioritizing the States**

As a first step in developing the program, we recommend eliminating from program consideration those states where:

- labor is not strong and the Committee does not have other resources which can be called upon
- industry decisions have precluded utilizing existing or potential resources.\*

Those states in which the program will be implemented are essentially divided into two categories -- those with a critical action period in the first quarter and those with the critical action period in the second quarter -- as defined by the October 1990 document.

*how did they determine this?*

The Committee's resources vary from state to state. The Committee's relative strength will dictate the extensiveness of the program in each state.

**First Quarter Critical Action Period States**

- |                 |                  |
|-----------------|------------------|
| • Florida       | • Oregon         |
| • Illinois      | • South Carolina |
| • Indiana       | • Texas          |
| • Montana       | • Vermont        |
| • New Hampshire | • Washington     |
| • New Jersey    | • Wisconsin      |
| • New York      |                  |

**Second Quarter Critical Action Period States**

- |                 |   |
|-----------------|---|
| • Connecticut   | • Minnesota                             |
| • Iowa          | • North Carolina - <i>first quarter</i> |
| • Maine         | • Ohio                                  |
| • Massachusetts | • Pennsylvania                          |
| • Michigan      | • Rhode Island                          |

During the remainder of 1990, the Committee will consult closely with the client to refine the state priority list. Clearly, the Committee will not be able to devote the same amount of time and resources in each of 23 states. Before the end of the year, the Committee will have access to the 1991 schedule of conventions and conferences of the AFL-CIO and its affiliated organizations. This will facilitate our effort to lay out the Committee's priority states for the first and second quarters of 1991.

**State-by-State Committee Resource Assessment**

**First Quarter Critical Action Period**

Florida -- Committee supports the Florida Consumer Federation and the Florida Council of Senior Citizens. There is a long-range problem because the income tax is the only fair tax alternative.

Illinois -- John O'Connell and David Wilhelm have strong relationships with the state AFL-CIO, Chicago central labor council and other key state labor leaders. Wilhelm has done extensive work with Illinois Rainbow Coalition and Illinois Public Action Council which are supported by the Committee.

Indiana -- the Committee will have a new labor consultant on the ground at the end of this month. We will need to jump start activities in December and reach out to the state AFL-CIO and key central bodies. The public sector labor movement is in flux pending the outcome of several upcoming employee representation elections.

Montana -- Committee supports the Montana Alliance for Progressive Policy. Good relationship built with the state labor movement as a result of the Committee's Initiative 115 efforts.

New Hampshire -- good relationship with the state AFL-CIO and key labor leaders. Jim Tiernan and Committee representatives will attempt to build a tax relationship off of the IAQ relationships that have been developed.

New Jersey -- Committee supports New Jersey Citizen Action. Key public employee unions such as CWA and AFSCME are approachable. Johnny Brown will be helpful within the state building trades.

New York -- activity will be coordinated through Jim Featherstonhaugh and Norm Adler. Relationships have been developed with the state AFL-CIO and the largest public employee group CSEA/AFSCME.

Oregon -- excellent relationship has been developed with the state AFL-CIO and key unions through the IAQ program. The attempt will be made to transfer this to tax issue.

South Carolina -- not a strong labor or fair tax organization situation, but economist program will be considered.\*\*

*not the issue*

Texas -- program depends largely on the outcome of the governor's race. CTJ has relationships with fair tax groups in the state. There is some relationship with various unions. Committee supports Texas Alliance on Human Needs.

Vermont -- Tiernan and Committee representatives have developed some IAQ relationship with labor in the state. The attempt will be made to turn this into tax support.

Washington -- Joe Daniels has strong relationship with key labor leaders. The Committee has been building a relationship with the Washington Citizen Action Network.

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Wisconsin -- Frank Vento and Committee representatives have built an IAQ relationship with a number of labor organizations. The attempt will be made to translate this into tax support. The Committee supports the Wisconsin Action Council.

#### Second Quarter Critical Action Period States

Connecticut -- good relationship with the state AFL-CIO on IAQ issue. Attempt will be made to build this into tax support. There is no fair tax group with which the Committee works. There are specific company problems which limit activity in the state.

Iowa -- Lowell Junkins has strong relationship with state AFL-CIO and many key labor leaders. David Wilhelm and the Committee have strong relationship with Iowa Citizen Action Network which the Committee supports.

Maine -- Tiernan and Committee representatives have built relationship with the state AFL-CIO and public employee groups.

Massachusetts -- strong long-term relationship has been built with state labor movement on all issues.

Michigan -- Doug Weiland and Committee representatives have built a strong relationship with broad cross section of the labor movement on IAQ and federal tax issues. There is a tax study underway which will be helpful.

Minnesota -- Wes Lane has relationship with some key state labor leaders. Committee has provided long-term support for Minnesota CTJ.

North Carolina -- BC&T will be crucial resource. International Representative T.J. Warren is a Vice President of the state AFL-CIO and has an excellent relationship with state AFL-CIO President Chris Scott. Wilhelm presentation at the recent state AFL-CIO convention was very well received and provides a solid foundation upon which to build labor outreach with the tax message.

Ohio -- Wilhelm has strong relationship with fair tax network. Wilhelm and Committee representatives have good relationship with key labor leaders.

Pennsylvania -- Committee representatives have contacts with key unions. Committee is looking to bring state labor consultant on board in the near future.

Rhode Island -- Tiernan and committee representatives have built strong IAQ relationship with state AFL-CIO leaders and other key labor groups.

*Assignment  
has been made  
to T.J. Warren  
by J.C. & M.D.*

\*Based on our assessment, it is recommended that the program not be taken to the following states: Alabama, Alaska, Arkansas, Colorado, Idaho, Kansas, Missouri, Mississippi, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Wyoming.

\*\*Although the network of economists is not a Committee resource, it can also be activated to shape the fair tax debate in certain states. Op-ed articles and other opinion pieces will be sought for targeted print outlets.

cc: TIIMC Representatives

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