

MEMORANDUM

9/10/85 Tue 9:17:39

TO: PETER SPARBER
FROM: FRED PANZER
SUBJECT: CLARENCE MITCHELL TAX TESTIMONY

Enclosed is the statement of Maryland state senator Mitchell, who as you know is president of the National Black Caucus of State Legislators.

I'd like to do a two things with it:

A) Subsidize its distribution as a press release of the NBCSL.

B) Convert it into a booklet, as we did with the Sam Howard statement.

What do you think?

Option A

Y N

Option B

Y N

Attachment
5.40



THE NATIONAL BLACK CAUCUS OF STATE LEGISLATORS

206 Hall of States Building, 444 N. Capitol St., N.W., Washington, D.C. 20001
(202) 624-5457

President
Senator Clarence M. Mitchell, III
Maryland

Vice President
Rep. Wilhelmina Delco
Texas

Secretary
Rep. Calvin Smyze
Georgia

Treasurer
Senator David Holmes
Michigan

Executive Committee
Senator John Bass
Missouri

Rep. Phillip O. Berry
North Carolina

Rep. Mary Bland
Missouri

Rep. Walter Brooks
Connecticut

Assem. Willie B. Brown
New Jersey

Speaker Willie L. Brown
California

Rep. Marcia Coggs
Wisconsin

Rep. Philip Curle
Missouri

Rep. Joe A. Delpit
Louisiana

Assem. Arthur O. Eve
New York

Senator George Fleming
Washington

Senator John Ford
Tennessee

Rep. Walter Furnace
Alaska

Senator Joseph L. Gallber
New York

Senator Bill Greene
California

Senator Regis Groff
Colorado

Rep. Arthur Hamilton
Arizona

Rep. Aaron E. Henry
Mississippi

Rep. Carl Hines
Kentucky

Senator Jerry Jewell
Arkansas

Senator Emil Jones, Jr.
Illinois

Rep. Ray Jordan
Massachusetts

Rep. Norman Justice
Kansas

Rep. Yvonne Kennedy
Alabama

Rep. Carolyn C. Kilpatrick
Michigan

Rep. Alvin King
Tennessee

Senator Tom Mead, Jr.
Iowa

Rep. C.J. McLin
Ohio

Senator Carrie Meek
Florida

Assem. Gwen Moore
California

Senator Carolyn Brown Mosby
Indiana

Senator Richard Newhouse
Illinois

Rep. Dave Richardson
Pennsylvania

Senator Robert Scott
Virginia

Rep. Randy Staten
Minnesota

Rep. Juanita White
South Carolina

Rep. Freddie Williams
Oklahoma

Senator Terry Williams
Utah

Rep. Robert C. Wright
Pennsylvania

Delegate Larry Young
Maryland

TESTIMONY OF CLARENCE M. MITCHELL, III FOR THE SENATE FINANCE SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT SEPTEMBER 10, 1985

Reesa A. Motley McMurtry
Executive Director
Famela D. King, CPA
King, Miller & King CPA
Accountant
Linda Spooner, Esq.
General Counsel

I am Clarence M. Mitchell, III, state senator from Maryland, and president of the National Black Caucus of State Legislators. I appreciate the opportunity to have my written testimony on extension of the temporary increase in the cigarette excise tax included in the Committee's record.

I represent an organization made up of 388 black state legislators in 42 states with a collective constituency in excess of 26 million people. We operate at the grass-roots level, and we formed as a caucus because we felt the larger body, the National Conference of State Legislatures, was not addressing some of the specific issues peculiar to our legislators and constituents.

We found that there was a need for some vehicle to give special attention to those issues that concern black Americans from the state perspective. We have been in existence since 1977, and we are beginning to emerge. We have an office on Capitol Hill in the Hall of the States building. You will continue hearing from us that you might have the benefit and advantage of our thinking from the state perspective on the various issues you will be considering.

NBCSL

"A National Network For Political Equality!"

Testimony of Clarence M. Mitchell, III
Senate Finance Subcommittee on Taxation
and Debt Management
September 10, 1985
Page Two

I think it is especially important that you understand we have, across the board, taken a position that nuisance taxes or luxury taxes or those taxes which impose a heavier burden on low-income people and the poor in our society are grossly unfair.

The concept of fairness has always been synonymous with progressivity. A progressive tax is generally considered fair because it is based upon one's ability to pay -- the tax burden increases as income increases.

Excise taxes, however, are not progressive. Indeed, they are regressive -- actually taking a smaller percentage of income as income increases and, therefore, placing a larger tax burden on working families and the poor rather than the rich. What little fairness an individual gains from our progressive income tax code, is often cancelled out by the regressive excise taxes levied by the local, state and federal governments.

Tobacco taxes, liquor taxes, sales taxes are not fair. They are regressive and they hurt people who in the past, to a large extent, had not been heard from. They were unorganized and they were on the avenue of least resistance. They didn't raise the hue and cry that comes from the more affluent in our society.

Excise taxes were originally intended to be luxury taxes on the wealthy. However, that has long since ceased to be the case. For example, the excise taxes on jewelry and furs, which are true luxury items, were repealed in 1965. The federal excise taxes which remain are levied primarily on items with inelastic demand. These items, including telephone service, gasoline and automobile tires, in addition to cigarettes, are used by all income groups everyday.

MEMORANDUM

9/10/85 Tue 9:17:39

TO: PETER SPARBER
FROM: FRED PANZER
SUBJECT: CLARENCE MITCHELL TAX TESTIMONY

Enclosed is the statement of Maryland state senator Mitchell, who as you know is president of the National Black Caucus of State Legislators.

I'd like to do a two things with it:

A) Subsidize its distribution as a press release of the NBCSL.

B) Convert it into a booklet, as we did with the Sam Howard statement.

What do you think?

Option A

Y N

Option B

Y N

Attachment
5.40



THE NATIONAL BLACK CAUCUS OF STATE LEGISLATORS

206 Hall of States Building, 444 N. Capitol St., N.W., Washington, D.C. 20001
(202) 624-5457

President
Senator Clarence M. Mitchell, III
Maryland

Vice President
Rep. Wilhelmina Delco
Texas

Secretary
Rep. Calvin Smyze
Georgia

Treasurer
Senator David Holmes
Michigan

Executive Committee
Senator John Bass
Missouri

Rep. Phillip O. Berry
North Carolina

Rep. Mary Bland
Missouri

Rep. Walter Brooks
Connecticut

Assem. Willie B. Brown
New Jersey

Speaker Willie L. Brown
California

Rep. Marcia Coggs
Wisconsin

Rep. Philip Curle
Missouri

Rep. Joe A. Delpit
Louisiana

Assem. Arthur O. Eve
New York

Senator George Fleming
Washington

Senator John Ford
Tennessee

Rep. Walter Furnace
Alaska

Senator Joseph L. Gallber
New York

Senator Bill Greene
California

Senator Regis Groff
Colorado

Rep. Arthur Hamilton
Arizona

Rep. Aaron E. Henry
Mississippi

Rep. Carl Hines
Kentucky

Senator Jerry Jewell
Arkansas

Senator Emil Jones, Jr.
Illinois

Rep. Ray Jordan
Massachusetts

Rep. Norman Justice
Kansas

Rep. Yvonne Kennedy
Alabama

Rep. Carolyn C. Kilpatrick
Michigan

Rep. Alvin King
Tennessee

Senator Tom Mead, Jr.
Iowa

Rep. C.J. McLin
Ohio

Senator Carrie Meek
Florida

Assem. Gwen Moore
California

Senator Carolyn Brown Mosby
Indiana

Senator Richard Newhouse
Illinois

Rep. Dave Richardson
Pennsylvania

Senator Robert Scott
Virginia

Rep. Randy Staten
Minnesota

Rep. Juanita White
South Carolina

Rep. Freddie Williams
Oklahoma

Senator Terry Williams
Utah

Rep. Robert C. Wright
Pennsylvania

Delegate Larry Young
Maryland

TESTIMONY OF CLARENCE M. MITCHELL, III FOR THE SENATE FINANCE SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT SEPTEMBER 10, 1985

Reesa A. Motley McMurtry
Executive Director
Famela D. King, CPA
King, Miller & King CPA
Accountant
Linda Spooner, Esq.
General Counsel

I am Clarence M. Mitchell, III, state senator from Maryland, and president of the National Black Caucus of State Legislators. I appreciate the opportunity to have my written testimony on extension of the temporary increase in the cigarette excise tax included in the Committee's record.

I represent an organization made up of 388 black state legislators in 42 states with a collective constituency in excess of 26 million people. We operate at the grass-roots level, and we formed as a caucus because we felt the larger body, the National Conference of State Legislatures, was not addressing some of the specific issues peculiar to our legislators and constituents.

We found that there was a need for some vehicle to give special attention to those issues that concern black Americans from the state perspective. We have been in existence since 1977, and we are beginning to emerge. We have an office on Capitol Hill in the Hall of the States building. You will continue hearing from us that you might have the benefit and advantage of our thinking from the state perspective on the various issues you will be considering.

NBCSL

"A National Network For Political Equality!"

Testimony of Clarence M. Mitchell, III
Senate Finance Subcommittee on Taxation
and Debt Management
September 10, 1985
Page Two

I think it is especially important that you understand we have, across the board, taken a position that nuisance taxes or luxury taxes or those taxes which impose a heavier burden on low-income people and the poor in our society are grossly unfair.

The concept of fairness has always been synonymous with progressivity. A progressive tax is generally considered fair because it is based upon one's ability to pay -- the tax burden increases as income increases.

Excise taxes, however, are not progressive. Indeed, they are regressive -- actually taking a smaller percentage of income as income increases and, therefore, placing a larger tax burden on working families and the poor rather than the rich. What little fairness an individual gains from our progressive income tax code, is often cancelled out by the regressive excise taxes levied by the local, state and federal governments.

Tobacco taxes, liquor taxes, sales taxes are not fair. They are regressive and they hurt people who in the past, to a large extent, had not been heard from. They were unorganized and they were on the avenue of least resistance. They didn't raise the hue and cry that comes from the more affluent in our society.

Excise taxes were originally intended to be luxury taxes on the wealthy. However, that has long since ceased to be the case. For example, the excise taxes on jewelry and furs, which are true luxury items, were repealed in 1965. The federal excise taxes which remain are levied primarily on items with inelastic demand. These items, including telephone service, gasoline and automobile tires, in addition to cigarettes, are used by all income groups everyday.