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Penalty Tax Proposals Increase

OLIVER Wendell Holmes once said: "I like to pay taxes. With them I buy civilization."

Today's taxpayers may be less certain about what they buy. Taxes are necessary to support government spending. Taxes also are being increasingly advocated for use as penalties.

Gasoline taxes originally were imposed to pay for better roads. President Carter suggested a few weeks ago that they be increased to discourage use of gasoline.

When good road boosters objected that this would reduce highway funds, a change from a gallon basis to a dollar basis was suggested. Motorists still could be penalized.

The President also suggested that those who own cars or trucks identifiable as "gas guzzlers" be penalized by taxes that would be rebated to those with more efficient cars.

A penalty tax was requested for industries that burn gas or oil as boiler fuel, intended to compel

them to switch to coal. A decade or so ago, government was trying to persuade industries to shift to cleaner-burning natural gas.

Tax credits as rewards for conforming to government policies might be regarded as penalties in reverse, since those who don't conform would pay more taxes. Credits have been proposed for individuals who insulate their homes or install solar equipment, and for those whose homes or office buildings and appliances are made more efficient.

As if all of these rising costs for transportation, heating and cooling were not enough, a legislator has proposed that the costs of supporting schools be shifted from property taxes to "hidden taxes" added to monthly utility bills.

Another federal tax reform is in the works, with proposals being studied to gain revenue by taxing fringe benefits, cutting exemptions and eliminating deductions.

Among new sources of revenue

suggested are taxes on free parking for employees, pensions, scholarships, sick pay and medical expenses. Deductions for state and local income or sales taxes and for interest paid may be reduced or cut out.

A spokesman for IRS said he didn't see anything wrong with an individual receiving a gift of a ham or turkey at Christmas without paying taxes on it, but he questioned whether charitable contributions should be deductible. If gifts to such institutions are made taxable, both donors and recipients would be penalized.

Citizens may feel they pay enough taxes, without penalty taxes being added to persuade them to conform to government policies. Projections indicate that federal taxes for 1978 may average \$5,797 per family.

As one person put it, "We're taxed right and left. Report our taxes right and we have nothing left."