

Voters Suckers for Tax Cut Plans

VOTERS are suckers for tax cut promises which generally turn out to be illusionary and disappointing.

This was demonstrated in the recent referendum on removal of state taxes on federal income taxes. Democratic legislators made a majority of voters believe their plan for higher taxes was better.

Of course, they had help from public employee unions which hope to obtain more pay and more benefits if more taxes are collected.

For several years, a rising economy in Oklahoma has boosted total amount of money available for state government by millions of dollars annually. The latest report shows a growth of \$194 million, making more than a billion dollars available for legislators to spend.

Yet, officials and legislative leaders continue to talk "poor mouth" when it comes to reducing taxes or practicing economy. Their statements seem to imply the state is on the verge of economic collapse.

Like labor union bosses, public

spenders always want "More!" They are encouraged by those who expect to benefit in salaries, juicy state contracts or sales of products and services to the state.

Some 40 years ago Oklahoma voters approved a one cent sales tax for a specific purpose and need. Now the state tax is two percent and many municipalities collect an additional two percent sales tax.

This is significant, because there is a clamor in Washington now for what is called a "Value Added Tax," (VAT). In actuality, it would be a national 10 percent sales tax on designated products.

Advocates are promising "a major rollback in Social Security and income taxes" in trying to win support for their plan, which is to collect more taxes for Congress to spend to hire more bureaucrats.

The notion that taxpayers might pay less taxes in total brings to mind the former governor who fooled Oklahomans into thinking part of their taxes would be shifted to "fat cats" — until they found out

that they were the fat cats themselves.

The value added tax would be somewhat hidden because, instead of collecting it at final point of sale only, a portion would be collected at each step in processing or handling. Retail prices would be increased by 10 percent. The customer would pay the entire tax.

Moreover, customers would pay state and municipal sales taxes on total prices of products, including value added taxes. This gimmick may have been thrown in to win support of state and local spenders.

Politicians may orate grandly about tax cuts, but rarely explain that citizens are expected to make up the difference and more. A real tax cut is about as unlikely to happen as effective inflation control in an election year.

The National Association of Business Economists recently reported that in the 1978 session Congress passed 140 inflationary bills, compared to only 28 with deflationary impact.