

Anniston Star

Tax cuts, just for fun

by The Anniston Star Editorial Board

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Sometimes it is hard to figure out what Alabama's legislators are trying to do.

State Sen. Zeb Little, D-Cullman, is leading the way for a package of tax cuts that will "help Alabama families that are struggling with this economy," he said.

He and a handful of fellow Democrats are proposing bills that include a host of ideas ostensibly designed to assist Alabamians. Among the proposals is to remove the state sales tax for the next 18 months on new cars and SUVs built in Alabama. Though this tax is already ridiculously low (2 percent), its removal would help the state's car industry, the senators believe.

The senators also propose to give Alabama residents half-off admission and lodging at state parks, which would allow more to see what sorry shape some of the parks are in thanks to a lack of funding. They also want to reduce the interest rate on money that banks borrow from the state treasury — if those banks are lending to state businesses and individuals. Here we have a state starved for revenue, and legislators want to take away this source?

Additionally, the senators want to allow the Retirement Systems of Alabama to invest in a homeowner-lending program run by the state, and to give homeowners about three months' notice before they could lose their homes to foreclosure. That's an idea that has merit for people "struggling with this economy," as Little told the Birmingham News.

However, the other ideas are mostly window dressing that allow their sponsors to ignore the real problems, which are (a.) the state needs more money, and (b.) Alabamians need real help.

In this economic crisis, 33 states have bitten the bullet and raised taxes to keep from cutting essential services. In Alabama, increasing property taxes is a near impossibility. And an increase of the income tax at the upper level might work, but legislators have no stomach for it, particularly in an election year.

Increased "sin taxes" — tobacco and liquor — would bring in more revenue than doing away with the state sales tax on new car sales. However, a close look at sales-tax exemptions would be a better idea. There are exemptions today that favor special interests rather than the state as a whole. These need to be analyzed, and if they do not benefit most Alabamians, they should be dropped.

Most important, these Democrats and others on Goat Hill should remove the state's grocery sales tax. That would truly "help Alabama families that are struggling with this economy," and the revenue loss could be offset by doing away with the state income-tax exemption for federal income taxes paid. Those who get this exemption are not among the struggling.

Forget the other ideas — except the extension of foreclosure notice □ — remove the grocery sales tax and the federal income-tax deduction.

That would truly help Alabamians.