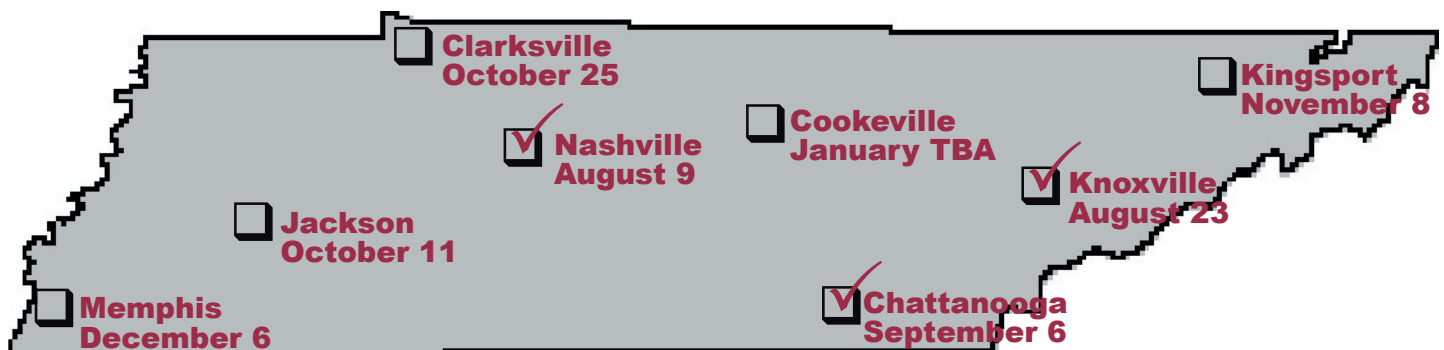


# Fair Tax News

a publication of  
Tennesseans for Fair Taxation

Summer 2003 2918 Magnolia Ave., Ste. 150, Knoxville, Tennessee 37914 (865) 524-4424

## TFT Launches Bold New Initiative with Workshop Facilitator Trainings Across Tenn.



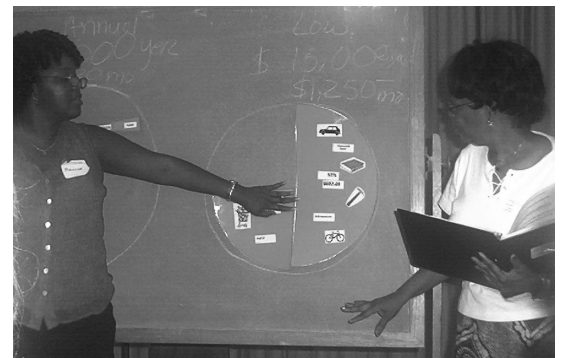
Record numbers of supporters will be talking and walking tax reform in the coming months. Grassroots Educators' workshops have recently been held in Nashville, Knoxville, and Chattanooga, resulting in 37 trained facilitators, who are ready to take the tax reform message to people that need to hear it. This number will become even more impressive as five more sessions happen over the next few months.

"We were totally impressed with the training," said Diantha Pare of Oak Ridge the Knoxville training she attended. Members were even more impressive, quickly taking to grassroots education techniques and the three tax reform workshops like Volunteer shoppers to border states!

Join the party! Here's two ways you can get involved.

First, if you're willing to be a grassroots educator and conduct three to five workshops a year, then sign up for a workshop training today! As part of your training, you'll learn one of three fun and engaging tax reform workshops plus you'll receive your own facilitator's handbook and workshop kit. Call 888-671-5188 for details.

Second, if you aren't the type to speak before groups, you can still play an important role by helping schedule workshops in your community. Are you involved or do you have contacts with groups like the PTA, county commission, neighborhood association,



singles club, your church? Can you make a call and schedule a workshop for TFT? Research leads? There's a lot you can do to help.

With so many newly trained workshop  
"Workshops" continued on p. 2

**TFT Annual Meeting**  
**Saturday, September 20th - Nashville, TN**

See page 2 for more.

*This newsletter is dedicated to the memory of Shirley Keller*

**Workshops** (from p. 1)  
facilitators, our biggest challenge is scheduling enough workshops to keep them busy! So please help out, become a part of this exciting, grassroots education effort! Call 888-672-5188 today!

By now, a few of you may be thinking, "What's the rush? Isn't tax reform a



As the Chair sees it . . .

In preparing TFT's testimony before the Tax Structure Study Commission, one reality, to my mind, eclipsed all others: *the striking evidence that for more than a year a clear majority of Tennesseans, in excess of 60%, supports passage of comprehensive & balanced tax reform.* This includes reduction or elimination of oppressive sales taxes and enactment of a progressive income tax with generous front-end exemptions (e.g., \$30,000 for a couple). Various reputable public opinion surveys have validated this reality.

We simply cannot permit the 15% or so of the radical government haters to sustain the belief that most Tennesseans are dead set against tax reform when the exact opposite is the truth. Among other things, we need to reach out to an ever-larger segment of the 60% plus who say they are with us and convince them to speak out. Together we can win this battle!

John G. Stewart  
Chair

## Annual Meeting Promo

long way off? Don't believe it! Even if the state legislature and governor squeak one more dismal budget by next session, will the need and support tax reform be less likely? Not a chance. We have a less than a year to get people activated to show and tell state candidates running for office in fall 2004 that tax reform is an issue they better support.

Tax reform is brewing. We need to line up the cups and start pouring the message now so we'll be ready to serve up statewide support when the state legislature wakes up again! In other words, we need tax reform advocates to help spread our message NOW to ensure victory when, not if, tax reform comes back front and center.

*Special thanks to Glenn Phillips who is hand making 60 wooden easels for each facilitator.*

## In Memory of Shirley Keller



### TFT Panel Demonstrates Need for Equitable, Efficient and Adequate Tax System.

By Brian Paddock

The Tennessee Tax Structure Study Commission listened attentively on July 31<sup>st</sup> to TFT's testimony about the need for an equitable, efficient and adequate tax system. John Stewart, Chair of the TFT Board, started with a description of TFT and its statewide and long-term efforts to work for a modern tax system in our state.

Dale Gray, Executive Director of MANNA, a anti-hunger group, followed with charts which graphically showed the unfairness of Tennessee's present reliance on sales taxes and the heavy burden placed on lower income families by the tax on groceries.

The confusion and burden on businesses

caused by our out-of-date business tax laws was addressed as well, with telling examples, by TFT Treasurer Polly Marsh, a certified public accountant who prepares business tax returns.

Addressing the inadequacy of the present system, attorney Brian Paddock drew heavily on the recent "Shredding the Safety Net" report on the effect of the most recent round of budget cuts on vital public services, particularly K-12 education. Paddock asked the Commission to keep track of the property tax increases and reductions



in local government services that are occurring following the reduction in "state shared revenues" previously sent to cities and counties (*see p. 9 for more*).

*"TFT Testimony" cont. on page 10*

## Fair Taxation is a Moral and Religious Issue

By Rev. Herman Lawson

Why are tax reformers in Tennessee finding inspiration from a tax law professor from Alabama?

Alabama, like Tennessee, is facing a severe budget deficit. Yet, to the amazement of many, Alabama's conservative Governor Bob Riley (R) has chosen a very different course of action than our governor in dealing with fiscal crisis. He convened a special session of the state legislature, proclaimed that the budget problems could not be solved by cuts alone, and proposed comprehensive tax reform.

Alabama has a very regressive income tax, which starts at \$4,000. Riley's proposal seeks to replace this regressive system by raising the income tax threshold to \$17,000 and raising property taxes and income taxes on those who aren't currently paying their fair share, like the very wealthy

and the timber industry.

Wait just a moment! A conservative Republican governor in a southern state is pushing for tax reform? Deja vous? Not quite. Enter Susan Pace Hamill.

The University of Alabama professor took a sabbatical to earn a Master of Theological Studies degree. In her thesis, "An Argument for Tax Reform Based on Judeo-Christian Ethics," she argued that Alabama's tax system violated moral and spiritual principles. Governor Riley, a devout Baptist, read her work and has acknowledged that it influenced his reform plan that has Protestant, Catholic and Jewish support, is up for public referendum on September 9, and has garnered the attention of many, including policy makers in Tennessee.

In their effort to hear different points of

view, Tennessee's Tax Structure Study Commission invited Ms. Hamill to come speak in Nashville in July. From the start, Hamill minced no words, "Tennessee's tax system stinks. Not as bad as Alabama's, but it stinks." She spoke of over-reliance on the sales tax, which hits lowest incomes hardest, or in her words "takes a bigger slice out of a smaller pie." She emphasized the need for a balanced tax system similar to what TFT proposes.

Hamill argues that fairness and adequacy of taxes is a moral issue. She insists that for those who claim Judeo-Christian beliefs this argument is more valid and compelling than economic reasons. If taxation is enforced but results in only minimally meeting society's needs, injustice is apparent.

According to the Bible, we are judged  
*"A Moral Issue" cont. on page 10*

# Everything Old is New Again

By Jane Crowe - community organizer, Solutions

After working as a community organizer at Solutions for almost a year, I have come to realize that we have revisited many of the same issues throughout our twenty-year history.

As new campaigns develop in 2003, we can see how the history of the social justice movement in Knoxville repeats itself. For example, *Solutions* joined with community groups and concerned citizens to prevent the closure of the Burlington Fire Hall this year. In 1983, *Solutions* halted an attempt to close six inner-city fire halls, including Burlington.

We had to renew our campaign in 1987, but we succeeded once more in blocking the closing of five fire halls. Why were these fire halls slated for closure in 1983, 1987, and again in 2003? Budget cuts on the local level

due to state fiscal crises are to blame for reduction of essential services, such as fire protection, childcare, mental health, and education. When government revenues fall short, lower income communities and people of color are always the hardest hit.

When we trace the origins of ongoing fiscal problems at the local and state level, the decades old tax reform campaign becomes a focal point. In the 1980s, *Solutions* joined other groups statewide to work toward the long-term goal of a state tax system that would eliminate the tax on food and distribute the burden of generating revenue more fairly. These joint efforts resulted in the formation of Tennesseans for Fair Taxation (TFT).

Twenty years hence, I sit around the table with fellow activists from TFT

and other social justice organizations to discuss how the same regressive state tax system continues to punish our most economically vulnerable citizens. Without true tax reform, we will continue to keep having the same conversations about shrinking state revenues and increasing burdens on low-income families.

I look forward to the day when fair taxation is a reality in our state and across the country. Perhaps when this day comes, we will be discussing how we can build our community infrastructure, rather than spending our energy on keeping the walls from completely tumbling down.



## Announcements from our Coalition Members



**Public Issue Forum (PIF)** is co-sponsoring “A Living Wage for Memphis City Employees and Contractors” on Sunday, October 12, 3 p.m., at the new Central Library, 3030 Poplar Ave. Contact: pblanke1@midsouth.rr.com.



**Tennessee Conference on Social Welfare** is asking Tennesseans to call and fax Washington ASAP! Welfare Reform Reauthorization (TANF and Child Care) will likely come up in the US Senate in September. In order to benefit Tennessee’s Families First Program, state flexibility and additional child care funding must be addressed. Both Senators Alexander and Frist need

to hear your support. Contact info at [www.senate.gov](http://www.senate.gov). For details about this bill contact TCSW at [tcsw@tds.net](mailto:tcsw@tds.net) or (615) 313-9980.

**Tennessee Citizen Action** celebrates Monday, Oct. 23 in Nashville. Contact: [tnca@tnca.org](mailto:tnca@tnca.org) or (615) 227-7569.

**Tennessee Health Care Campaign (THCC)** reports good news for TennCare



enrollees and provides because the State has reached an agreement with the TN Justice Center on several lawsuits. This means: 40,000 enrollees who were terminated from TennCare can re-apply due to wrongful

termination. Benefit reductions and increased cost sharing for 261,000 TennCare standard enrollees will be withdrawn. Enrollees will have no limits on medically necessary home health care. Children under 21 years will be provided medical, behavioral, and developmental screening and treatment services, including dental and vision.

**Tennessee National Organization for Women (NOW)**



will hold it’s 2003 State Conference “New Voices, New Visions,” Saturday, Oct. 11 in Nashville. Contact: 615- 269-7141 or [tennesseanow@comcast.net](mailto:tennesseanow@comcast.net)

## TFT Files Tax Relief and Reform Act

By Dick Williams

Proposed by TFT and incorporated into Senate Bill 1013 by Senator Roscoe Dixon (D., Memphis) and House Bill 1858 by Representatives Mike Kernell, Henri Brooks, Larry Turner, and Katherine Bowers (each D., Memphis).

- Complete elimination of the state and local tax on grocery food
- Complete elimination of the state and local tax on nonprescription drugs
- Reduction of 2% on the state sales tax on other items (leaving tobacco and other “sin” taxes at their current level)
- Complete elimination of the Hall income tax on dividends & interest
- Establishment of a two-tier graduated income tax with a \$15,000 deduction for single taxpayers and \$30,000 for a married couple with an additional deduction of \$2,500 for each dependent. Details of this graduated structure are found on our website.

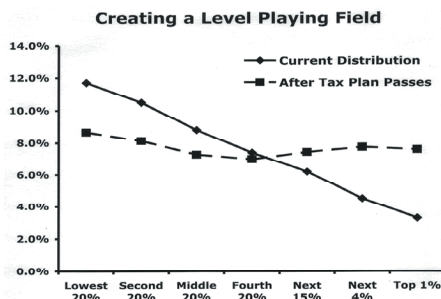
The benefits of this better path to fiscal sanity in Tennessee are striking:

### No Tax Reform Means More Tax Increases in 2003

So much for the legislators who proudly pat themselves on the back for voting against tax increases. Truth be told, they only passed the buck to local government.

Failure by the state legislature to pass tax reform—again—means that many Tennesseans are facing property tax increases. Counties and cities throughout the state have been grappling with either cutting funds to basics like K-12 education or raising property taxes, or both!

- 80% of Tennesseans will pay less taxes with our plan;
- We will have a more level playing field as taxation is more evenly spread;
- No cuts! Our bill this year would



have raised adequate revenue an additional \$830;

- Planning for the future instead of running hard just to stay behind;
- State income tax can be deducted from federal taxable income. Tennessee taxpayers would have saved about \$700-million in federal taxes this year. In other words, more than 80% of the additional state revenue would have been paid for by federal tax savings.

Folks in the following communities will be paying from 3.5% to 28.3% more taxes. *Municipalities/Cents Increase:* Barlett/15, Germantown/40, Kingston Springs/10, Lookout Mt./39, Memphis/5; *Counties/Cents Increase:* Bledsoe/7, Cannon/54, DeKalb/36, Grainger/26, Lincoln/20, Maury/25, Moore/14, Roane/31, Robertson/9, Rutherford/29, Shelby/25, Sumner/45, Williamson/22.

## Legislators Shred the Safety Net

What did our state legislators and governor in 2003 Legislative session do to pull Tennessee out or chronic fiscal crisis? They gave us:

- Nine-percent across-the-board cuts to most state government programs and services.
- Tax increases to home and property owners around the state because cuts to state-shared funds had to be made up somewhere;
- Tuition hikes a public universities;
- Layoffs of hundreds in already hard economic times;
- Cuts to environmental funds, neither loss of funds nor the damage may ever be reversed;
- Reduced services to children, the disabled, the indigent and seniors

### TFT's Spending and Analysis Committee Hard at Work

The Spending and Analysis committee, co-chaired by Mary Mastin and Martha Wettemann, spent several months delving into projected budget cuts and the negative impact they would likely have on the state. The TFT think-tank then used its research to create a report entitled *Shredding the Safety Net (SSN)*, which was released in conjunction with TAP and TPOPP.

The *Shredding the Safety Net* news conference in Nashville, along with public forums in Memphis and Knoxville, were used to bring attention to the adverse effects that cutting an already under-funded budget will have on areas like public education, children's services, the environment and jobs.

Read the full report at [www.yourtax.org](http://www.yourtax.org).

## Acting Locally



### By-bye safety net...

Memphis member joined with coalition partners and allies, Public Issues Forum and the Tennessee Alliance for Progress to sponsor July town hall meeting about the 9% budget cuts. The forum was organized to bring public attention to the human toll of the budget cuts.



### Commission goes west...

The Tax Structure Study Commission came to the campus of Memphis State in mid August to hear from West Tennesseans. Lewis Donelson, the grandfather of tax reform and longtime TFT supporter who served on the very first tax structure study commission in 1972, reminded the group that it was long past time to put a fair, equitable and economically sound tax structure into place. "I make a whole lotta of money and don't pay much tax at all," commented Donelson. He went on to explain that this wasn't fair because working families who made much less than him also paid much more taxes. He made no bones about it: we should have a system where those with his wealth pay a little bit more in taxes to share more equally in the tax burden and put the state on solid fiscal ground.



### Number three and climbing...

In January, members in Jackson joined with members in six other cities to release a new report from the Institute on Taxation and Economic Policy. The report shows that Tennessee has gone from bad to worse – climbing up to number three in the rankings of the "Terrible Ten" most regressive tax structures in the nation.



### Jackson On the Mend from May Tornadoes...

Members in Jackson report that the community is still recovering from some of the worst tornadoes in the town's history. Mary Tyler, of coalition partner Area Relief Ministries (ARM) explains that the tornadoes hit the poorest communities, demolishing hundreds of homes and destroying buildings that housed the very agencies that would respond to such a disaster. In addition to several churches, the Red Cross, United Way, and 911 response center were wiped out. One of the most tragic losses was AME Mother Liberty Church, a spiritual center for many in the black community, including Jackson LOC chair, John Bond. If you are interested in providing financial or other support, please contact ARM at (731) 423-9257.



### Organizing drive begins...

In June, the board approved the Strategic Plan after months of thoughtful evaluation and planning. The new plan sets in motion a strong focus on building the base of support for tax reform through public education, outreach, and the formation of new local organizing committees (LOCs). Clarksville will be the focus of the next LOC organizing drive with the goal of forming an LOC by early 2004.



### NLOC members break the bad news: Tenn. sending millions to DC...

Members in Nashville leafleted last-minute tax filers at two post offices on April 15. Most folks were surprised, and many were not happy, to hear that Tennessee taxpayers were sending \$700-million to the feds that could have stayed in Tennessee—if we had tax reform! Members handed out 300 fliers and talked to dozens. Their efforts also ran on the local CBS evening news.

### Budget cuts bad news for Tennessee's environment...

With the "ominibus" bill pending, the mood was more blue than green at Nashville's Earth Day celebration on April 19. With the support of Bruce Wood of BURNT and Beverly Feinstein of Community Shares, Martha Wettemann, Becky Clark, Donna Clark and Susan McKay handed out 500 leaflets describing Tennessee's poor environmental statistics, how pending cuts to vital programs would make things worse – cuts that wouldn't be necessary with tax reform.

### Food for thought...

## Acting Locally

TFT fed legislators a tasty snack for “Annual Bread Day” in March. Members distributed a flier that showed how much a family of four spends in sales tax for their daily bread. Using conservative figures of two loaves a week @ \$1.50 per loaf, a family can expect to pay \$13.65 in sales tax, annually. Now think about what they might eat with that bread: peanut butter, jelly, eggs, luncheon meat, tuna, mayonnaise, mustard, etc. It doesn’t take a mathematician to figure that each year Tennessee families pay hundreds of dollars in sales tax, alone, on food. Biblical scripture was also printed on the TFT leaflet because, ironically, Bread Day is sponsored by a group which cites

### Chattanooga

#### Chattanooga LOC forming...

The Chattanooga community is awakening with the emergence of a locally based TFT chapter. East Tennessee organizer Perry Redd has been meeting with small groups over the past several months to establish an active TFT group in Chattanooga. Though there are many Chattanooga-area supporters of Tax Reform on the TFT mailing list, we have not had an active group there for some time.

Chattanooga will launch its Kick-Off meeting on October 4<sup>th</sup> from 2 PM to 5 PM at Chattanooga’s beautiful downtown Coolidge Park. The meeting will be a picnic/meeting designed to welcome new activists and start lining up grass roots action in support of Tax Reform. All TFT supporters from around the state are invited to join us to make the event a smashing success.

### Oak Ridge

[House party](#)

[LTE campaign](#)

### Knoxville

#### Panel laments shredding of safety net...

In early June, members in Knoxville organized a public forum at West Knox High School. With radio, print, and television outlets present, panelists from the Sierra Club, TSEA, KTEA, the UT Faculty Senate and our own John Stewart made presentations detailing the damage done to our state by this year’s budget. A partisan audience contributed more ammunition to charges that without tax reform, every year may be like this one— a year where the safety net was shredded for thousands of Tennesseans.

#### Stewarts are in the house!

This summer, John and Nancy Stewart provided the grassroots fund-raising efforts a shot in the arm by hosting a Community Shares house party for TFT and Iams Nature Center. Over 40 people attended the dinner which featured the usual food and drink, but also a successful pitch to the crowd for their support. *Brian, you were there, I couldnt make it... fill in the details please*

#### General meetings.. A new East Tennessee tradition...

Church of the Savior is playing host to a second regional general meeting in less than a year. At the time this newsletter is going to press, dozens of members from Knox, Anderson and surrounding counties are converging on the church ready to spread the news about tax reform. Both major political parties will be sending their local chairs to provide our members with a glimpse of how they hope to tackle the real fiscal problems facing our state. Local members and staff will share with the gathering our vision of long-term growth and stability provided by progressive changes in the structure of our tax system. These meetings will soon be happening twice a year, stirring the local pot of interested people and keeping them informed on our work

### Tri-Cities

[ITEP eemt](#)

[upcoming house party](#)

### Investing in Youngsters Pays Big Dividends

by Don Peterson

How would you like to get back five dollars for every one dollar you invested? In addition, cut the juvenile crime rate; lessen the cost of our penal institutions in the process; lower the school drop out rate; have a healthier populace; and last but not least have more productive tax paying citizens. That is what Early Childhood Education is all about.

In Tennessee we are lagging far behind our sister southeastern states. We only have several hundred four year olds in this program when we should have many thousands.

It is a treat to visit the classrooms where we do have four year olds enrolled. They have two classes: one in language and one in arithmetic. The children are very enthusiastic about their environment. When they go on

to kindergarten they are generally well ahead of the five year olds coming directly into the school system.

It is also a program that involves the parent(s). They must keep up with the child's initiatives. This undoubtedly helps both parent and child.

Early Childhood Education is a voluntary program. No one is forced to participate, but the enthusiasm for the program has no lack of those who want to attend. There are over 12,000 candidates that are known at this time.

Some youngsters are so dysfunctional when they first enter the program, they don't even know their proper names. They have been called "hey, you." Their vocabulary is so minimal it may be lower than 100 words. When they leave to go into kindergarten

their vocabulary has become many thousands of words. This is the kind of citizen Tennessee needs. This is the kind of citizen Tennessee wants. Being able to properly fund Early Childhood Education and properly nurture our future is what tax reform is all about.

*Don Peterson is a veteran grassroots lobbyist serving on the boards of both TFT and AARP/Tennessee.*



### Talking Tax Reform - Common Ground and Common Sense

By Chris Daley

On July 15th, the Tennessee Tax Structure Study Commission meeting was held in Chattanooga. Many topics were discussed, but one simple point cut through the day's agenda: until the public shows a will for a significant change in the tax structure of this state, it won't happen. The logic of tax reform from a justice and economic development perspective can not win out until office holders perceive a strong political will from the public for tax reform.

This suggests we don't necessarily have to convince our legislators to pass tax reform, we need to convince our neighbors. How can each of us connect the value of tax reform to our neighbors

in a real life way? Perhaps we can ask some questions or share some of our experiences about paying optional fees for our kids to go to school in a crowded classroom or being you are not on TennCare. Has your neighbor ever been out of a job and collected unemployment? Do they like to go to state parks?

There are hundreds of ways to connect the value of what we receive, or could receive, from state government. And there are many ways to casually underscore the unfairness of food taxes; "I can't believe I had to pay an extra 25 cents for milk in state taxes. I wonder how a family with more kids than us manages to pay for it all??"

Without arguing politics, or appearing like an extremist, Tennesseans can communicate in simple, ordinary, commonsense ways that tax reform just makes sense and is the right thing to do. Our audience is a lot closer and easier to reach than we might think.

Chris Daley is...

**Help Schedule a  
Workshop in Your  
Community!**

## Understanding the Streamlined Sales Tax

By Dick Williams

In an effort to raise needed revenue for governmental services and “level the playing field”, several states and non e-commerce interests are pursuing the streamlined sales tax effort. What is streamlined sales tax and why has it gained so much attention?

State governments and private sector entities have gotten together to try to simplify and modernize sales and use tax collections, which have become increasingly complex and avoidable as more and more business is done across state lines and over the Internet. In theory, streamlining would simplify the tax code and make taxing e-commerce manageable thereby preventing the loss of states’ sales tax revenues.

To begin to simplify, or “streamline,” the currently complex tax situation states must agree upon the definition of things such as food, clothing, and non-prescription drugs so that they are uniformly defined. This is especially important for those categories of items that likely would be either exempt or have a different tax rate. Streamlining does not mean that all states, or even all jurisdictions within a state, must have the same rate. Each locality can set its rate, within State law, but must use the common definitions and publicize its rate through the appropriate clearinghouse.

Some tax policies that complicate matters would simply be done away with under a streamlined agreement. These include sales tax holidays and multi-tier tax rates like Tennessee’s \$3,200 local option cap. Once simplification measures were taken, the only thing left would be to know what the sales tax was based upon in the location of the customer. That could be done with a ZIP-code based database, such as used by the Sales Tax

Clearinghouse (<http://www.taxch.com>).

Once a certain number of states adopt these agreements, the plan would go to the Supreme Court and/or Congress, for either a new court ruling or new bill passage. This is likely to be several years away.

This year, the Tennessee Legislature passed legislation to move in this direction and bring us into the discussion (Public Chapter 357). As adopted, no tax changes will take effect until after the 2004 legislative session.

The major supporters of this effort are those who realize that governments need to raise additional revenue (although some may unrealistically feel this will solve the problems or prevent other tax reform) and traditional retail interests that now feel the pinch of unfair competition. Most of the opposition appears to be coming from the no-new-taxes crowd and those who benefit from not having to charge the tax.

For more in support of...  
[www.streamlinedsalestax.org](http://www.streamlinedsalestax.org)

Against... <http://www.state.tn.us/taxstructurestudycommission/Isaacson%20-%20Taxation%20of%20e-commerce.pdf>



*Dick Williams is a long-time board member representing Common Cause of Tenn. on the TFT Board.*

## How to Write a Letter to the Editor

Did you know that next to the Front page, the Editorial page is the most read page in the newspaper?

With dailies and weeklies now reaching people through online publication as well as hard copy, newspaper readership has increased from a few years ago. There has never been a better time in the history of Tennessee Tax Reform to write a letter to the editor (LTE).

Whether you are a wordsmith or a wordsmuck, it matters not. YOU can and will be published if you follow a few simple rules of thumb:

- 1) Keep it simple – 250 words or less; concise; pick one theme and stick to it; stress one angle.
- 2) Write what you know and what you believe.
- 3) Use facts to support your opinion, but sparingly and make sure they are accurate or you lose credibility.
- 4) Use humor and personal experience, if applicable.
- 5) Submit with your name, address and telephone number
- 6) If at first you are not published, try, try again;
- 7) When you are published, keep submitting.

On-line Resources:

- For facts to support your letter, visit [www.yourtax.org/facts](http://www.yourtax.org/facts)
- To submit letters by email to newspapers across the state, visit [www.yourtax.org/action/editors.php3](http://www.yourtax.org/action/editors.php3)

**61% of Tennesseans now support tax reform. That number will grow with every letter to the editor and each educational workshop.**

## The Members Who Make it all Happen

# Thanks to our volunteers grassroots fundraisers!

Our Spring 2003 fundraising drive was a huge success, raising more than \$34,000 and renewing nearly 100 individual memberships. THANKS for your support!

In addition to a warm thank-you to all who gave financial support, special appreciation goes out to the many members who worked behind the scenes to make the giving possible.

These efforts included planning and hosting house parties in Nashville, Knoxville and Oak Ridge; making dozens of phone calls as part of our phonathon and major donor campaign; and stuffing envelopes for key fundraising mailings.

### Hats off to:

Jerry Bone  
Virginia Coleman  
Mary Lou Cowan  
Ron Davis  
Al Denny  
Courtney Dollar  
Charles Dudney  
Allison Early  
Karen Franklin  
Tony Garr  
Jane Garron  
Anne Hablas  
Pat Harmon  
Claudia Lever  
Diantha and Victor Par  
Osan Parker  
Bob Peelle  
Glenn and Carla Phillips

Theresa Reed  
Judith Ruskin  
Phil Schoggen  
Attica Scott  
Mac Simpson  
Hubert Smith  
Fred Sweeton  
Robin Toth  
Martha Wettemann  
George White  
Paula Williams

A very special thanks to the members who graciously opened their homes to host a house party.

John and Nancy Stewart  
Gene and Penny TeSelle  
Donald and Elaine Trauger

**A Moral Issue** *(from p. 3)*  
by how well we treat “the least of these.” When we fail to meet the education, healthcare, and other needs of our citizens, we are denying them of the hope of improving their livelihood. This failure is our moral and spiritual condemnation. In Jesus’ parable, we are placed with the goats and not with the sheep.

Another side of this moral argument is seen when we note the over taxing of some to the under taxing of others. If higher income citizens are assenting to a system whereby they are not paying their share to meet society’s needs, are they not being guilty of greed? Are they not guilty of “worshipping mammon?” Jesus said in Matthew 6: 24, “No one can serve two masters, You cannot serve God and wealth.”

Susan Pace Hamill is right. She is a prophet for us on this issue. It is up to all of us who consider ourselves people of faith to follow her lead and spread this message. It is up to us to use this powerful argument, which God has made clear to her, to bring a more just society to Tennessee.

## Looking for your name?

If you’ve been a TFT donor for some time, you’ve probably become accustomed to flipping to the back of the newsletter to find your name among hundreds of other donors. Although we will continue to thank our donors by listing their names individually along with the hundreds of other supporters, we’ll be doing it in the Annual Report we send to all donors at the end of the year instead of in the newsletter. - Thank you.

## TFT Testimony *(from p. 3)*

pointed to the evidence that we have a long term structural defect in our tax system and we are not simply in a cyclical downturn in revenues. Miller’s graphs showed that TFT’s Tax Relief & Reform Act (introduced by Senator Dixon) would lower taxes for 80% of Tennesseans. The bill ends the food tax, reduces the sales tax, ends the Hall income tax. Replacement revenue comes from a two step progressive income tax which would affect only couples with \$30,000 or more, yearly income. (For single filers the first \$15,000 of income is exempt.) The bill dramatically improves fairness by spreading the tax burden equally in proportion to ability to pay. It also would increase revenues modestly so

that we could begin to pull Tennessee out of last place or next to last place in almost every area, including education and other public services.

Perhaps most interesting to the Commission was John Stewart’s presentation of the analysis of independent polling data showing that more than 60% of Tennesseans support tax reform which includes an income tax combined with repeal of the sales tax on food and which would generate more money for education.

The Commission will meet again in Knoxville on September 25th.

*Brian Paddock is an attorney who on the board of Save Our Cumberland Mountains.*

## The Members Who Make it all Happen



### Support TFT and Community Shares at Your Workplace

Put your charitable dollars to work for tax reform and Community Shares\* through Workplace Giving Campaigns (WGC). WGC are happening around the state and will continue through December, including at Tennessee Board of Regents Schools statewide, the State of Tennessee and other governmental agencies, and several private businesses.

Designate Tennesseans for Fair Taxation on your gift-giving form (both the form and code should be supplied to you at the WPC meeting held at your workplace). If your employer does not have a workplace giving campaign, or has one but does not include Community Shares, please contact Susan McKay at [susan@yourtax.org](mailto:susan@yourtax.org) to see about gaining access. Thank you!

\*TFT is proud to part of Community Shares (CS), a federation of 42 nonprofit, grassroots organizations, all of which work to address the root causes of problems that we as individuals and communities face.

## House Party How-To

By Nancy Stewart

TFT members at the Leadership Retreat in March participated in a workshop where they shared experiences in recruiting members and donors to the TFT cause.

In the belief that membership must be grown one person at a time, members learned how to host house parties and small events for membership recruitment. Such informal face to face encounters provide opportunities to ask questions and get a sense of the sort of people who are working for tax reform in Tennessee. Raising money also can be accomplished in such settings. The personal touch is what counts.

Participants learned how to plan and organize house parties and other small, personal gatherings. The session was taped and is available for use on a computer, DVD, or in video format. Copies are available from the TFT office at no charge.



### Tennesseans For Fair Taxation Offices

#### State Wide Office - Knoxville

Brian Miller, Executive Director  
[brian@yourtax.org](mailto:brian@yourtax.org)  
Jill Murphy, Grassroots Fundraising  
Coor.  
[jill@yourtax.org](mailto:jill@yourtax.org)  
Charlie Dudney, Bookkeeper  
[charlie@yourtax.org](mailto:charlie@yourtax.org)

2918 Magnolia Ave., Ste. 150  
Knoxville, TN 37914  
Phone: 865-524-4424  
Toll-free line: 888-671-5188  
Fax: 865-524-4496

#### Middle & West Tennessee Office

Susan McKay, Community Organizer  
[susan@yourtax.org](mailto:susan@yourtax.org)

1103 Chapel Ave.  
Nashville, TN 37206  
Phone: 615-227-7584  
Fax: 615-227-7551

#### On-line at [www.yourtax.org](http://www.yourtax.org)

#### Volunteer Web Design Team

*Special Thanks to the Web Design Team that helped TFT completely revamp and upgrade our web site.*

Josh Reynolds, layout & design

### TENNESSEANS FOR FAIR TAXATION BOARD of DIRECTORS 2002-2003

#### Executive Committee:

John Stewart, Chair (individual)  
Beverly Dorsey, Vice Chair (LWV/  
Memph.)  
Tony Garr, Secretary (THCC)  
Polly Marsh, Treasurer (individual)  
Rachael Bliss, At-large member (indi-  
vidual)

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Martha Wettemann (TSEA/Davidson Co.)  
Dick Williams (Comm. Cause/Tenn.)

# Thanks for Your Support!

## Member Organizations:

ARC of Tenn.  
Catholic Charities of Tenn., Inc.  
Catholic Public Policy Commission  
Church Women United  
Common Cause of Tenn.  
Community Rehab Agencies of Tenn.  
Cumberland Center for Justice & Peace  
Cumberland Countians for Peace & Justice  
JONAH  
Justice, Peace, Integrity of Creation  
League of Women Voters / Knoxville  
League of Women Voters / Nashville  
League of Women Voters / Oak Ridge  
League of Women Voters / Tenn.  
MANNA  
Mid-South Peace and Justice Center  
Nat'l. Alliance for the Mentally Ill of Tenn.  
National Assoc. of Social Workers  
National Organization for Women  
Professional and Technical Empl. Union  
Public Issues Forum  
Save Our Cumberland Mountains  
Solutions to Issues of Concern to Knoxvillians  
St. Mary's Catholic Church / Jackson  
Tenn. Conference on Social Welfare  
Tenn. Education Association  
Tenn. Health Care Campaign  
Tenn. Industrial Renewal Network  
Tenn. Net. for Community Econ. Dev.  
Tenn. State Employees Assoc.  
Tenn. State Empl. Assoc. / Davidson Co.

## The Simple Facts ...

- Any tax system that makes the working low- and middle-income families pay more taxes as a portion of their income than the wealthiers in our state is UNFAIR!
- Without fundamental reform in Tennessee, the unjust sales tax will continue to go up, placing an even heavier burden on lower- and middle-income families.

Why is Tennessee's tax system so unfair? Tennessee has one of the highest sales tax rates in the nation and Tennessee taxes food. (33 states don't) Since upper-income people spend only a small portion of their income on food and other taxable items, the high sales tax places a much heavier burden on those who can least afford it, making it hard for middle- and lower income families to feed, clothe and provide for their children.

## Our Mission

Tennesseans for Fair Taxation works to create a more fair and progressive tax structure in Tennessee that ensures adequate revenues for the benefit of all Tennesseans. TFT works through education, coalition building, and grassroots organizing among diverse groups and individuals.

## What can you do to help?

**Schedule a workshop in your community...**

**Tennesseans for Fair Taxation**  
2918 Magnolia Ave., Ste. 150  
Knoxville, TN 37914

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