washingtonpost.com

Miller Seeks Session To Address Md. Deficit

Tax Increases, Slots Among Proposals

By John Wagner and Lisa Rein Washington Post Staff Writers Tuesday, May 1, 2007; B01

Maryland Senate President Thomas V. Mike Miller Jr. yesterday urged a special session of the legislature this fall to close a looming \$1.5 billion deficit through a series of tax increases, the legalization of slot machine gambling and cuts to education and other programs.

Offering his most detailed forecast to date of possible tax increases, Miller (D-Calvert) said he could envision raising the state's sales tax, applying that tax to a range of services, imposing a surcharge on Maryland's wealthiest taxpayers and raising the gas tax.

Miller, who has presided over his chamber for two decades, also hedged during a wide-ranging lunch meeting with Washington Post editors and reporters about whether he would retire in 2010 as planned, saying constituents have urged him to seek a another term.

"My concern is my district," said the gregarious Miller, who represents parts of Calvert and Prince George's counties. "They may say, 'He's a jerk, but he's *our* jerk.' "

Miller also took several shots at former governor Robert L. Ehrlich Jr. (R), questioning his work ethic and ability to compromise, but predicted he would run for office again. Miller also waded into presidential politics, saying he believes former North Carolina senator John Edwards is the most electable of the Democrats.

Miller has been far more outspoken than Gov. Martin O'Malley (D) or House Speaker Michael E. Busch (D-Anne Arundel) about stark choices facing the state, seeking to gain leverage in what is sure to be a politically charged period.

During the 90-day legislative session that ended last month, Miller criticized O'Malley for not doing more to address the shortfall in the fiscal year that starts July 2008. Lawmakers left Annapolis after passing a balanced budget for the coming fiscal year that relies heavily on state reserve funds, but they did little to prepare for the deficit that will confront them when they return in January.

Miller suggested yesterday that O'Malley summon back lawmakers in October for a special session devoted to fixing the budget. If they wait until January, Miller said, debate could "suck up everything" else in the regular session.

O'Malley said yesterday that he has not decided whether to call a special session. His comments followed a 2 to 1 vote by the Board of Public Works to keep the state property tax rate at 11.2 cents per \$100 of assessed value.

State Treasurer Nancy K. Kopp (D) voted against the proposal, suggesting the rate should be raised. O'Malley was joined in voting to keep it the same by Comptroller Peter Franchot (D), who said decisions about the tax rate should be made as part of a broader budget discussion. Under state law, the three-member board must set the rate by May 1 each year.

When the legislature returns, Miller said he envisions passing three separate bills on slots, spending cuts and taxes. He said it would be impossible to get a majority of his members to vote for a package that includes all three elements.

Miller suggested raising the sales tax from 5 to 6 percent. He said lawmakers should also consider applying the sales tax to a range of services but balked at listing which services. Past proposals to tax services such as auto repairs and barbershop visits have met stiff political resistance.

Miller also proposed an income-tax surcharge on Maryland's wealthiest taxpayers, which might be terminated after three

http://www.washingtonpost.com/wp-dyn/content/article/2007/04/30/AR2007043001719 pf.... 5/1/2007

years. Among the staunchest slots advocates in Annapolis, Miller said legalization of the machines is "something that's going to happen" in the coming year.

He offered fewer specifics about potential spending cuts but said they will have to be part of the solution. "We're not going to make the state of Maryland tax hell," he said.

Miller said cuts should be considered in educat on spending, which has increased dramatically in recent years, and land preservation programs, which he called "a luxury that we'd like to be able to afford."

Miller was generally positive when speaking of O'Malley, saying his work ethic is superior to that of Ehrlich.

"He's the kind of person you wouldn't want in your law firm because he doesn't work," Miller said of Ehrlich, who recently joined a large North Carolina-based firm.

Henry Fawell, a spokesman for Ehrlich, said the former governor "is flattered that the senator can't stop thinking about him."

© 2007 The Washington Post Company

Ads by Google

Polycom FX - \$2,499

Buy a Viewstation FX with 1-year warranty and on-call tech support

www.323.tv

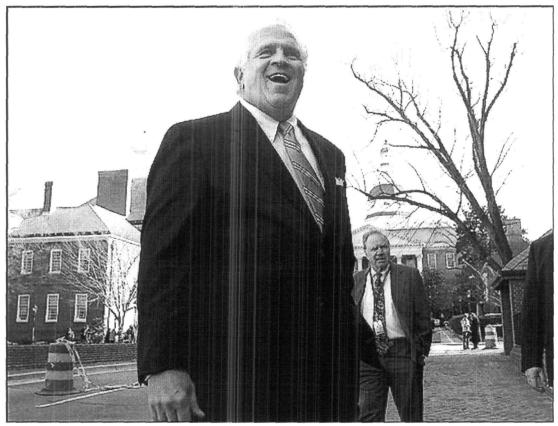




Photo Credit: By Marvin Joseph -- The Washington Post

Related Article: Miller Seeks Session to Address Md. Deficit, page B04

