

increase. As well as I can remember last year it was some fantastic amount of 50 or 60 cents (in Baltimore City).

So you see that reform is achieving its purpose. It is taking some of this burden from those people on a fixed income who have to support their properties that they have earned and paid for. Now I think if you look at it this way it simplifies itself. The property tax is very basically a tax on what you have accumulated—the saving, the equity that you have in your home. An income tax is a tax on what you are accumulating.

To give you an example of how different this can be to different people, take the case of a person who has a very nice home that was purchased during his or her productive years and which is assessed at maybe \$17,000 or \$18,000, and a person of that type who is making almost nothing in current income. Property tax escalation puts that person out of business. He can't meet it. He has to sell that house.

On the other hand, take the advantages if you rely totally on the property tax experienced by a person who is making a lot of money per year, and who is stashing his money away for the future and living in a very modest dwelling and has many children in the public school system, yet who is in a position where (with counties) relying on the property tax he's not paying his share of the load. Take a person who is saving his money to buy a farm later on, who has three children in the public schools at a cost of maybe \$1500 a year, who is paying only \$300 in property taxes. That person under tax reform is going to pay his share of the load, as well as the person who is on a fixed income, unable to meet the rising costs of government and keep his home that he has accumulated and paid for with his taxes during his productive years.

That's what tax reform is about. It's not to throw a lot of new taxes on the people—it's to transfer the burden of taxation from the property tax entirely from the local government as it has been, to partially on the State government—on other forms of taxation that will help to equalize and balance the efforts of all our citizens.

Now you've heard many people say the graduated tax is terrible. Well, the graduated income tax has been in effect in this country for a very long period of time. It's a Federal system — we don't graduate ours like they do theirs—and some of the people who complain most violently about what this mildly graduated State tax does to them don't take into consideration that what they pay in additional State income