

Number One:

Without tax reform, the State is in fact telling local governments to sink or swim by their own devices.

With tax reform, the State will return sufficient revenues to local governments to help them to meet the needs of their citizens.

Number Two:

Without tax reform, our counties will be forced to increase property taxes to outrageous proportions. Remember, local governments receive over 90 percent of their revenue from property taxes alone. For instance, Baltimore County would be forced to raise its property tax 62 cents per \$100 assessed valuation to gain the equivalent State aid afforded by the new tax program.

With tax reform, the burden on the property owner to pay the lion's share of local government needs will be relieved, and ultimately the State's share of the property tax can be completely eliminated.

Number Three:

Without tax reform, the flat 3 percent levy on earned income will continue, making no distinction between people living in luxury and those on a level of moderate subsistence. Everyone pays the same rate regardless of circumstance.

With tax reform, the flat 3 percent levy is replaced by a form of graduated taxation, similar in principle and philosophy but not as harsh as the Federal system.

Number Four:

Without tax reform, the poorer counties are unable to meet modern standards and Baltimore City becomes entrapped in such financial distress that its unfair and most regressive earnings tax becomes a necessity.

With tax reform, the less affluent counties are helped along by their more prosperous neighbors, and the City of Baltimore receives sufficient aid to enable it to abandon the earnings tax and other oppressive alternatives.

Number Five:

Without tax reform, the matter of providing adequate police protection for their citizens is left pretty much up to the local subdivisions, already sorely pressed to meet even minimum requirements.