

Taylor believes prosperity, not taxes, can fund changes

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ANNAPOLIS — Maryland House Speaker Casper R. Taylor Jr. is offering fellow lawmakers what he termed a "daring" plan for change as the state moves toward the 21st century on a wave of prosperity.

When the General Assembly meets in January the House will consider about 16 proposals including bills that would:

- Dedicate part of the state sales tax to mass transit.
- Create a special technology and business court to attract more high-technology businesses to Maryland.
- Require the state to spend more and make it easier for parents to save more for education.

Mr. Taylor also wants the state to make health care more affordable by subsidizing insurance coverage for more of the working poor and by making insurers more accountable.

His program does not call for increasing any tax. It calls for new tax credits as incentives for companies to do research and development in Maryland.

And, in concert with Senate President Thomas V. Mike Miller Jr.'s priorities, it calls for repealing the state's inheritance tax, increasingly decried as unfair double taxation that puts property heirs in Maryland at a disadvantage and pushes people to move to other states.

Heirs now pay from 0.9 percent to 10 percent depending on their relationship to the deceased. Gov. Parris N. Glendening, Democrat, is supportive of ending the inheritance tax although he has not yet said it will be a priority. Eliminating the "death" tax would reduce state revenue by about \$50 million a year, but could benefit the economy and state coffers by keeping wealthy older residents in Maryland.

Details and dollar amounts were not available yesterday afternoon for several of Mr. Taylor's plans, so it's difficult to estimate the total cost.

But Mr. Taylor said he hoped to set aside \$50 million for mass transit in the first year by earmarking one-tenth of one cent from the states' five-cent-per-dollar sales

tax. Annually revenue dedicated to mass transit would increase by another \$50 million each year — as the amount reserved for such projects increased — to one full cent of the five-cent sales tax over 10 years.

Mr. Taylor also wants the state to commit about \$3 million to help subsidize commuter service from airports in Cumberland, St. Mary's County and Salisbury to Baltimore-Washington International Airport.

About \$46 million from the state general fund would go to help local public elementary and secondary schools meet new educational needs. About \$35 million would be used to "bridge" disparities among jurisdictions until the state revises its education funding formula. Up to \$11 million would go to six rural counties and Baltimore city, the most economically distressed of the state's 24 jurisdictions.

Higher education would get a boost through a new investment plan that would allow parents to save money for college tuition tax-free until it is spent.

Mr. Taylor also wants to make Maryland's existing tuition savings plan more attractive by making a partial guarantee that participants' investments will meet college expenses.

Mr. Miller said he was supportive of the tuition savings proposals but that he could not assess Mr. Taylor's spending plans — including those for education, which is his own priority — until the state knows more about what will be needed to improve the state's colleges and universities, help local schools and pay for transportation needs, especially replacing the Woodrow Wilson Bridge.

Mr. Taylor said he believed the cost of creating a Technology and Business Court Division within Maryland's Circuit Courts to help protect intellectual property would be minimal because it would require few new judges.

The first state that creates an "intensified niche of protection for electronic commerce" — as Delaware did by creating courts and special laws to attract corporate headquarters — will benefit richly from the move, Mr. Taylor said.

Lt. Gov. Kathleen Kennedy Townsend has put together a group to recommend new laws in that area, he said, adding that she is working closely with him and Chief Judge Robert Bell on the project.

The speaker's proposal would also:

- Create universal health insurance coverage by expanding access to the working poor and "uninsurable" by using existing public funds and charge on a sliding scale; and cover 12,000 more children by making them eligible if their household income is within 235 percent rather than 200 percent of the federal poverty level.

- Tighten requirements and increase public responsibilities of nonprofit health care corporations in return for tax breaks they get from state.

- Eliminate loopholes that have left some health care providers unpaid by allowing insurance and managed care plans to count the administrative cost of subcontractors as health care.

- End the practice of excluding coverage for disabilities if the patient has had them since birth.

- Make drug treatment available to any parent whose children are at risk of being put in foster care.

- Raise fees on businesses for filing corporate documents to help pay for computerizing the state's corporate registration system.

- Reaffirm a defendant's right to a speedy trial, thus making some prosecutors take cases to court more quickly.