



The Anderson County Democrat

The Official Voice of the Anderson County Tennessee Democratic Party May 2016 Issue 17

Spring may have sprung, but it's time to get ready for Fall!

Upcoming Events... From the Anderson County Democratic Party Chair

May 7th: Jackson Day Dinner in Nashville starting at 6PM (Central). Tickets \$125.

May 26th: Party meeting at ATLC in Oak Ridge, 109 Viking Road at 6 PM.

I wish I were a gun by Scott Julius



Sometimes I wish I was born as a gun. If I was a gun then the Republican Party would look out for me. *Gasp* They'd actually vow to look after both my interests and that of my family (the NRA). I would be safe in the knowledge that my family would go out of their way to bully and bribe Congress into letting me get away with anything.

Alas, I was born as a human. A human that's sick to death of mass shootings being routine news. These mass shootings can happen any time, any where. I was in Denver once and just before I drove back to the airport, I swung by Aurora for lunch at the Aurora Town Centre Mall. Across the street is the movie theater where 12 people were killed and 70 injured (see photo by Scott Julius above) in the Aurora theater shootings during a midnight screening of *The Dark Knight Rises*.

I had a close call with a mass shooting myself. In seventh grade in Nebraska, the student who sat in front of me in English was caught

with a gun and a huge amount of ammo in his locker. To this day, I don't know how they caught him. I do recall parents and students being freaked out pretty bad. It was all over the Omaha news. That time, me and countless others were lucky. Multitudes more in this country haven't been.

In countries with strict, common sense gun control legislation these shootings are rare. In 1996, the worst mass shooting in Australian history took place at the Port Arthur Historic Site in Tasmania. A single shooter killed 35 people and wounded 23. It turned out the shooter had some significant mental disabilities. In the aftermath, Australia enacted stiff gun control legislation. In NRA free Australia, it sailed through with bi-partisan support. There has yet to be another mass shooting in Australia.

In the United States, 88% of the population supports background checks for all gun purchases. There is widespread support for even the most basic of gun control measures. Nothing happens from Congress as the NRA continues to hold them hostage. Few members of Congress have the guts to tell them no.

It's sad that Tennessee has some of the least restrictive gun laws in the country. Anderson County's own John Ragan [even bragged once about being "A" rated with the NRA](#). *"I truly appreciate the support from the National Rifle Association. It has been an honor fighting for gun rights over the last several years."*

Remember these cowards at the ballot box. I think its time to clean House (and Senate). As none of us are guns, they don't care. Neither will I if they're unemployed.

Past issues can be found at:
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Anderson County Democratic Party: Respect...Inclusion...Equality

Another tax bites the dust and again only the millionaires benefit

By Eric Keller and Pat Fain

In the rush to save the Top 1% of the moneyed population from penury, the super majority of Republicans in the General Assembly are again going to force a rise in taxes for the rest of us by phasing out the "Hall" tax.

In October 2015 state Senator Brian Kelsey(R), Chairman of the Judiciary committee, declared that the Hall tax is a "bad tax and especially hurts our seniors and those who have saved for retirement." The General Assembly of 2016 passed this bill and Governor Haslam allowed it to become law without his signature. BOTH REPRESENTATIVE RAGAN AND SENATOR MCNALLY VOTED YES. This is a tax of 6% levied on interest and dividends. There is an initial \$1200 exemption and an additional \$37,000 exemption for singles and \$67,000 for couples for those over the age of 65.

In 2014-5 this tax generated \$303 million in state revenue, of which the state keeps 5/8^{ths} and the rest goes to local governments. Oak Ridge will receive nearly \$700,000 this fiscal year. The money will be phased out completely over 5 years.

The total Oak Ridge budget is about \$46 million for this year with about \$18.2 million going directly to schools. The Hall tax is a significant source of this income. There are only two other major sources of income allowed by law that the city can access: sales tax and property tax. The state of Tennessee has the highest sales tax, along with 6 other states, in the country and Oak Ridge is at the top of that allowable at 9.075%. There is no further up available. The only tax left is property tax that has not increased in 6 years. The alternative is cutting services offered and paid for by the city, such as trash and garbage pick-up; preschool education (already unfunded by the state); closing parks; not repairing potholes, etc.

Let's look at the reality of who actually benefits from this major tax cut. The total population of Oak Ridge is about 30,000 people. Looking at IRS data for the 37830 zip code, we have a total of 14,010 households that submit taxes to the Federal Government in Oak Ridge. The IRS divides the total number of returns into income categories. For instance, the lowest is those who make \$1 to \$25,000 and the highest are those who make \$200,000 and more. It is important to note the highest income bracket has no ceiling of income- so it includes the very wealthy who might make millions along with those who make \$200,000. The highest income bracket is 3.7% of all those who turned in an income tax form to the IRS. Just below that is \$100,000 to \$199,999 at 13.8% of the total households in Oak Ridge. The bottom tier is 37.5% and is the largest percentage in Oak Ridge in terms of declared income to the Federal Government.

In looking at income and households, it is best to use per capita. This is simply dividing the total income in that bracket with the total number of returns. For instance, in the lowest tier (\$1-

25,000), we have a per capita of declared gross income of \$12,045. There are 5260 tax returns in this bracket and the total income of the lowest tier is \$63,358,000. Dividing \$63,358,000 by 5260 gives a per capita income of \$12,500 for these households. The highest bracket per capita declared gross income is \$331,788. And so forth for all the income brackets (see chart on Page Three)

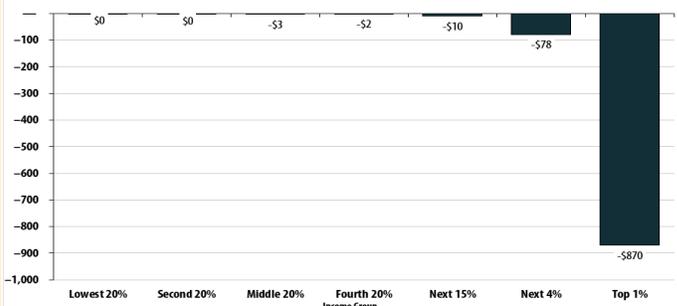
The Hall Tax is, as previously mentioned, taxed on ordinary dividends, qualified dividends, and interest. Just to be conservative, let's look at one income bracket. Those households that make between \$75,000 and \$100,000. Their per capita income is \$87,214 with only 54% in that bracket that even declare dividends and interest. The other 46% declare none. Of that 54%, their per capita income from dividends and interest is \$9,444. We multiply that by the tax of 6% which yields an unadjusted per capita tax of \$566. To be clear, we are saying that 690 households in this income bracket pay a Hall Tax of (more or less) \$566 per year.

Those households, who make \$200,000 or more, have only a few who do not declare dividends and interest. With a per capita income of \$331,788, their per capita Hall Tax is \$1,799. These are a total of 450 households out of 14,010 returns in the 37830 zip code region. Finally, the bracket of \$100,000 to \$200,000 has 67.5% of their total returns that declare dividends and interest. Their per capita Hall Tax is \$759.

One of the main arguments used by Republicans in repealing the Hall Tax is that it will help the retired community. Since the IRS does not break out how many households that declare dividend/interest income are retired- it is more useful to determine where the sources of income come from for the retired. Briefly, most retired households in Oak Ridge (take an average of all income groups) get 50% from pensions (not taxed by Hall Tax), 25% from IRA distributions (not taxed by Hall Tax), and 23% (Continued on Page Three)

Average Tax Cut in First Year of Proposed Hall Tax Cut

Figures reflect combined state/federal tax impact if implemented for Tax Year 2016



Source: Institute on Taxation and Economic Policy, April 2016

Another tax cut bites the dust...continued

Light Reading for the Political Junkie

(Continued from Page Two) from Social Security. The lower income brackets get most income from Social Security (if not all income) while the upper brackets have more of a mix. So, a reasonable estimate is the wealthier income brackets get about 7%* of their total income from dividends/interest. This refutes clearly the reasoning given by Senator McNally and Representative Ragan that repealing the Hall Tax helps most of the retirement community.

Being generous, perhaps 2000 households out of 14,010 households receive any benefit at all from a repeal of the tax, and that is a small amount relative to their income. Meanwhile, the vast majority, many who make very little, lose in city services since that state income stream is taken from them. In this case- the numbers do not lie. **The very few will benefit at the expense of the many.** AGAIN!

The desire of the Super Majority of Republicans in the legislature to repeal this tax is driven by ideology, **assisted by out-of-state ideological interest groups** that literally guide the creation of these bills. Yet science (the analysis above) does not care what people believe. It is what it is. **Why are the politicians so willing to throw so many of their people- the people they represent- under the bus to benefit so few?** As the final irony, when the wealthy no longer pay Hall tax, they lose a deduction on their federal income tax and will many times end up paying more gross taxes than if they had paid the Hall tax.

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*All data from [https://www.irs.gov/uac/SOI-Tax-Stats-Individual-Income-Tax-Statistics-2013-ZIP-Code-Data-\(SOI\)](https://www.irs.gov/uac/SOI-Tax-Stats-Individual-Income-Tax-Statistics-2013-ZIP-Code-Data-(SOI)).

1. **Breaking News!** [Ted Cruz picks Carly Fiorina as his running mate.](#) Mr. Government Shutdown himself together with the failed CEO of Hewlett-Packard who destroyed her company then bailed with a golden parachute. One more reason not to vote Republican (not that I needed another!)
2. [An interesting Washington Post article](#) on how Democrats are winning the fight to get Merrick Garland nominated to the Supreme Court. Don't worry Mitch McConnell, even if Obama doesn't get him appointed President Hillary or Bernie will. Have fun watching as Senate Minority Leader!
3. More Americans would not vote for a candidate who [strongly opposes taking action on global warming.](#)
4. Tennessee House Speaker Beth Hartwell must be desperate to find cover for going out of her way to block Insure Tennessee. [Read here](#) about the "Political Show" as TNDP Chairwoman Mary Mancini said of this so called "Task Force" to "help" Tennesseans get better access to healthcare.
5. Apparently, some [Tennessee legislators are throwing a temper tantrum](#) that their hateful trans-bathroom bill got shot down. House Majority Leader Gerald McCormick threatened "financial penalties" on companies who opposed the bill. So the Republicans attitude has become if you oppose us you will suffer? How Democratic of you.

Oak Ridge, Tennessee (37830): Fiscal Year 2013

Adjusted Gross Income Brackets	Total returns	total income	per capita income	Percent of total Income
	14010	\$846,028,000	\$60,387	
Returns = households who send the IRS their income tax				
\$1 under \$25,000	5260	\$63,358,000	\$12,045	21%
\$25,000 under \$50,000	3210	\$117,379,000	\$36,566	
\$50,000 under \$75,000	1790	\$111,195,000	\$62,120	13.90%
\$75,000 under \$100,000	1280	\$111,635,000	\$87,214	13.10%
\$100,000 under \$200,000	1940	\$266,613,000	\$137,429	31.50%
\$200,000 or more	530	\$175,848,000	\$331,788	20.50%