

# Newsletter of the LCHR and BRCHR

Louisiana Council on Human Relations and the  
Baton Rouge Council on Human Relations

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This newsletter will contain two articles. The first one will be a reminder of the annual awards program for the Baton Rouge Council on Human Relations. The second article will concern Governor Jindal's tax revision proposal.

## **BR Council to Hold its Annual Award Program Honoring Maxine Crump and Dr. Richard Haymaker**

In 1978, the Baton Rouge Council on Human Relations began recognizing Baton Rouge citizens who have helped to achieve the goals of the organization: to eliminate prejudice and discrimination and to foster better human relations. Usually two persons are chosen each year to receive humanitarian awards.

In 1993, the Council decided to name its awards after the late Fr. Elmer S. Powell, former Pastor of St. Paul the Apostle Catholic Church, and the late Rabbi Marvin M. Reznikoff, former spiritual leader of Liberal (now Beth Shalom) Synagogue. Both served on the Board of Directors, made significant contributions toward improving human relations in the Baton Rouge community, and were made life members of the Council.

The 34<sup>th</sup> Annual Powell-Renznikoff Award Program will be held on April 25th at the Wesley Foundation of Campus Ministry at 748 Harding Blvd., Southern University. Dinner will be served at 6:30 p.m. with the awards ceremony beginning at 7:00 p.m. Both are open to the public. The two awardees for this year are Maxine Crump and Dr. Richard Haymaker.



Maxine Crump



Richard Haymaker

Maxine Crump is a native of Maringouin, Louisiana and is a LSU Alumnae. After the law suit filed by Dr. Dupuy Anderson in the fall of 1964 forced desegregation of LSU, Maxine entered LSU and became the first African American female to reside in women's housing on the LSU campus.

Maxine Crump has more than 25 years of dedicated service in radio and television broadcasting. She has worked in news, public relations and media development and began her broadcast career as an announcer with WXOK and WFMT radio. She was the first black female reporter in the WAFB TV newsroom where she worked in news for 15 years. She worked 8 years in local programming in Ascension for APTV and produced her own program called Ascension on the Move. She is also president and CEO of Dialogue on Race Louisiana and owner of Success Communication.

Maxine has participated in the production of many public service video projects and television and radio commercials. Most notably she produced the video for the Baton Rouge Town Meeting called "What Color is Community."

Maxine has logged many community service volunteer hours through the YWCA by serving on the board and as its president for three terms. She expanded the YWCA's "Dialogue on Race" series to make it more structured. She is also the trainer of facilitators for the dialogue series. Maxine currently works with MPower Group working as Project Director for the Microbusiness Network of Louisiana, a statewide association of Micro enterprise organizations that help train those who

want to start a business with under 5 employees. Maxine Crump, one of the founding members of the Baton Rouge Blues Foundation is an emeritus member of the Foundation.

**Dr. Richard Haymaker** has worked for decades on humanitarian causes. He has served as a board member of both the Louisiana and Baton Rouge Councils on Human Relations.

In October 1992, a Japanese exchange student living with the Haymaker family was confused about the address of a party. He mistakenly knocked on the wrong door and was shot and killed by the resident. The killing of his host-son spurred Richard Haymaker to become a leading social activist in the area of gun control and violence prevention. This particular incident received a wide range of media coverage, both locally and nationally. Dr. Haymaker's personal papers on these activities are archived by the LSU Library – 10 file boxes as a special collection. A google search for "Haymaker LSU library" will lead to the site containing an index.

He visited Washington, DC at the invitation of President Bill Clinton and was inspirational in getting the Violent Crime Control and Law Enforcement Act, (commonly referred to as the Assault Weapons Ban) passed by the US Congress in 1994.

Dr. Haymaker's leadership and untiring work with the Louisiana Council on Human Relations and Baton Rouge Council on Human Relations are well known to the Council members. He has served as president of the BRCHR and secretary and Web Master of the Website for both organizations. Haymaker has recently moved to the Northampton, MA area where he can enjoy playing with his grandchildren.

Haymaker is retired from the Department of Physics & Astronomy at LSU.

## **The Proposal to Change the Taxing System in Louisiana**

Governor Jindal's proposal to change the way Louisiana citizens are taxed have received much attention in recent months. This proposal seems to be a moving target so it is not easy to draw a good aim on it. The newspapers have included an article nearly every day during the last few weeks on this topic. We will give some comments pertaining to taxes in general. Following this will be somewhat of a summary of various newsletter articles. Finally, a few personal comments will be given.

### **What is Fair?**

It is said, there are two things for certain, death and taxes. Taxes are not a new concept. We read in Luke 2:1 "And it came to pass in those days, that there went out a decree from Caesar Augustus, that all the world should be taxed." This occurred over 2,000 years ago.

Concerning this taxation, Luke 2:2-5 reads "And this taxing was first made when Cyrenius was governor of Syria. And all went to be taxed, every one into his own city. And Joseph also went up from Galilee, out of the city of Nazareth, into Judaea, unto the city of David, which is called Bethlehem; because he was of the house and lineage of David."

It appears that this tax being levied was a property tax. Our focus here will be mainly concerned with sales and income taxes. However, to understand how a particular part of society is being impacted, an assessment should be made on the complete array of taxes being levied. But before we leave the Bible, let's see what Jesus had to say about taxes. I guess we can ask the question "What would Jesus do?" All three of the synoptic gospels (Matthew 22:15-22, Mark 12:13-17 and Luke 20\_26) give account of the question being asked by the Pharisees and the Herodians with the purpose of trapping Jesus. The question was should the Jews pay taxes to the Roman government? The response by Jesus is well known by Bible students. Jesus asked them to show him a coin. He then asked them whose name and inscription were on it. They answered "Caesar's." Jesus' response was: "Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's." We see that Jesus did not

advocate that we should dodge paying our taxes. The question we might be asking today might have to do with what is fair when it comes to paying taxes. There are lots of opinions on this question. There is even an Internet Website called FairTax.org. This site advocates dumping the national income tax and replacing it with a national retail sales tax. Does this sound familiar? When changes are proposed in the method of taxation, everyone wants to know "How will this affect me?" Since the Governor proposed changing the way taxes are levied, everyone has been trying to assess how they will be affected. If they believe it will result in them paying more taxes, they oppose it.

## **The Proposal and Reactions**

The Governor proposes to eliminate the state's income and corporate income taxes and raise the state sales tax to 5.88 percent. The proposal is to eliminate about 200 exemptions. The case that the Governor is trying to make is that by replacing income taxes with sales taxes, it will encourage more businesses to come to Louisiana creating more jobs. Still, everyone is trying to assess if this will result in them paying more taxes or less taxes. As examples, no income taxes are taken out of the income received by retired teachers. The unemployed pay no income taxes and those with low income jobs pay very little income taxes. So, if the income tax burden is shifted to a sales tax burden, they will probably be thinking that they are going to get the short end of the stick.

## **What is in the Newspapers?**

We have examined more than a dozen articles from the newspapers and websites to include the Advocate (Baton Rouge), the Time Picayune, TownTalk (website), the Shreveporttimes.com website, and even the Daily Press from Hampton, Virginia. People are talking and opinion polls are being taken. When the Governor made his tax proposal, he stirred up a hornets nest. We will look at what three different groups are saying; the typical citizen, businesses, and politicians. The newspapers have been giving a daily update. The typical citizen, to include the group mentioned above, has not been too concerned about the statistics. Businesses wanted to crunch the numbers to see if the change would be an

advantage or a disadvantage. Politicians wanted to examine the polls so they can see how support or opposing it will affect them being re-elected.

The report is that the typical citizen has been saying "it is not broken so don't try to fix it." The Governor says the plan will be revenue neutral. But reports are circulating that the total amount of taxes collected will be several billion dollars less than is presently being collected. Already school systems have been seeing the number of dollars allocated per child dropping. Colleges are struggling to meet their payrolls. The indication is that the cost of medical insurance may be increasing, partially because of the way the Governor decided to opt out of some parts of the "Obama Care" plan and not to take full advantage of available federal funds. In this regard, on April 23<sup>rd</sup> at 12pm, the organization Together Baton Rouge will lead a gathering of hundreds of faith, community and healthcare leaders on the front steps of the State Capitol for a press conference and rally around the theme "Negotiate, Mr. Governor." The purpose of the event is to encourage Governor Jindal to begin formal negotiations over the terms by which the State will accept \$15.8 billion in federal funding to provide healthcare to nearly 500,000 of our uninsured citizens through Medicaid expansion.

The typical citizen probably doesn't have a lot of details concerning how fiscal matters of the State are being handled but the perception of many is that things are getting worse, not better. For those who say this is a regressive tax, unfairly burdening the low income and certain other groups, certain exemptions are proposed to blunt this criticism. The plan includes rebates for low and middle income residents and retirees who make less than \$60,000 a year in retirement income from sources that are not currently taxed, such as Social Security, state pensions and military retirement benefits. However, the details of how this would be implemented are not given. The plan also retains sales tax exemptions on food, medicine and residential utilities that were put into the state constitution by the Stelley Plan.

Businesses are saying that the Governor has not provided a lot of details of his proposal so they are finding it difficult to make a good assessment and determine if it will help them or hurt them. Businesses are undoubtedly considering the large purchases they make so increasing sales taxes does

not sound too good. Then, if they are selling goods, they would be increasing their prices because of the extra taxes and this might have a tendency to decrease their sales.

Politicians are looking at the polls being taken. The polls show there are more against the plan than for it. Various groups have been lobbying them to vote against the plan. This includes various religious groups. A typical group is Together Baton Rouge which has had groups of clergy, black and white, giving press conferences and expressing its opposition in several news articles.

## **The Governor Delays His Plans**

The newspaper reports say the Governor has been “reading the tea leaves.” He recognized that he did not have the support to get the plan passed, so he has decided to delay it. But the Governor indicates that he is not giving up on his plan. The governor instead is asking lawmakers to phase out the income tax over several years. After announcing that he would not push the plan at this time, in his address to the State Legislator, the Governor said “Let’s get rid of the income tax. Send me that bill.” Thus, the tax swap issue is not dead. Some of the Governor’s supporters are trying to stand by him, but most of them do not seem to be willing to go down with the ship.

## **Crunching the Numbers (By John Mikell)**

When Governor Bobby Jindal dropped his controversial plan to eliminate the state income tax on the first day of the Legislative session he did so only after he knew it would fail. Jindal had insisted his plan would be “revenue neutral,” that the \$3 billion dollars lost from ending the income tax would be replaced by an increase in the state sales tax over a broader tax base. Most critics focused on the plan’s failure to achieve revenue neutrality or how the expanded sales taxes would negatively affect businesses or the jaw-dropping logic of eliminating \$3 billion from a budget already facing a \$1 billion deficit. But the most powerful protest

came from two delegations of Louisiana clergy who hand-delivered letters to the state capitol opposing Jindal’s plan because it would place an unfair burden on the state’s lower income citizens. They felt the plan was “regressive.”

Taxes have been defined as “non-penal, compulsory transfers of resources from the private to the public sector based on predetermined criteria without a specific benefit received.” Governments use different kinds of taxes and vary tax rates to distribute the tax burden or redistribute resources. Tax systems, the type of taxes chosen and how the collected revenue is distributed, reflect the values of a society and under a democratic government indicate the public’s vision of the type of community in which they choose to live. Supreme Court Justice Oliver Wendell Holmes, Jr said “Taxes are the price we pay for a civilized society.”

Two of the primary taxes chosen by the people of Louisiana are income and sales taxes. Jindal wanted to replace the former with an increase of the latter (plus an increase of the “sin tax” on cigarettes). It is important to understand how each tax would affect Louisiana’s residents.

Taxes can be classified as regressive, progressive, or proportional. Regressive taxes result in lower-income citizens paying a higher percentage of their income in taxes than higher-income citizens. Taxes considered progressive result in higher-income individuals paying a larger percentage of their income in taxes than lower-income citizens. Proportional taxes charge all citizens the same percentage of their income.

Under a regressive tax, such as a sales tax, everyone pays the same dollar amount. On a purchase of \$100, everyone pays \$4 if the sales tax rate is 4%. Such a tax becomes regressive when income levels are added to the equation. For example, if a person with a \$10,000 annual income pays \$2,000 in sales

taxes over a year that represents a 20% rate. For an individual with a \$50,000 income paying the same \$2,000 of sales taxes represents a 4% tax rate. And someone earning \$100,000 paying the same \$2,000 in sales taxes has a tax liability of 2%. Of course, the more money people have the more they spend so the final sales tax bill for the \$100,000 income earner would doubtless be more than \$2,000 but he would have to be a real spendthrift to end up paying \$20,000 in sales taxes to reach the 20% rate of the first example. And since everyone needs a certain amount of food and clothing the choices of whether or not to spend are extremely limited for lower-income individuals. Governments acknowledge the regressive impact of sales taxes by often exempting food, drugs, and other necessities from sales taxes.

Under a progressive tax, such as an income tax, the more an individual earns the larger percentage of income he is required to pay in taxes. For example a person earning \$10,000 might be required to pay a 10% tax resulting in a \$1,000 tax bill while a \$50,000 wage earner might be assessed a 15% tax rate resulting in a \$7,500 tax bill. If an income reaches \$100,000 the tax rate might rise to 20% with \$20,000 due in taxes. As always governments tend to mitigate and can reduce the progressivity of income taxes with a variety of tax exemptions, credits or waivers.

Proportional taxes, such as a flat tax, charge everyone the same percentage of income. For example whether someone earns \$10,000, \$50,000 or \$100,000 each might be charged a 20% tax rate. The respective tax burdens would be \$2,000, \$10,000, and \$20,000.

Not surprisingly the Federal government uses all three tax classifications. The federal income tax is progressive. The federal payroll tax (Social Security and Medicare) is proportional because everyone is taxed at 12%. The payroll tax is also regressive because payroll tax liability stops after wages reach

\$106,800 therefore wage earners over that amount pay less than 12% in payroll taxes.

Three days after Jindal abandoned his own tax plan he urged legislators to pass legislation eliminating the state income tax “without restrictions.” He no longer cared about “revenue neutrality.” It was clear from the start he never cared about fairness.

(The authors are James E. Cross and John Mikell.)

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