

# The Carolina Review: Tax Bill

**MORE TAX, NO TAX...** "If you're writing a column about the legislature, you'd better get over here. Ken's dropped a bombshell," chided one senator.

Indeed, Senate stalwart Kenneth Royal, D-Durham, had introduced, without warning, a bill "to be entitled 'An Act to Enact the North Carolina Anti-Recession Public Works and Tax Equity Act of 1983.'" Translated, "Four per cent sales tax—no tax on food."

Until last Friday, drunk drivers and a big tax on their alcoholic drink seemed to be the only talk in Raleigh. Behind the scenes though, lawmakers were grappling with a growing list of state needs, real or imagined. In the various appropriations subcommittees, legislators were hearing from everywhere that more money was needed for everything.

The Departments of Commerce, Natural Resources and Community Development, and Human Resources, all have been calling for capital monies to build, rebuild, and repair deteriorating water and sewer systems across the state.

Transportation officials have for months been discussing an almost certain loss of federal matching funds if more roads money isn't found.

In education, leaders from every segment have been wringing their hands.

Most lawmakers were just shaking their heads "no."

"To be truthful, I don't know how we're going to find the \$100 million just to lift the salary freeze," complained one senator last week.

Rep. Jay Huskins, D-Iredell, found a way—a one per cent increase in the state sales tax, forty per cent of which would go to the general fund. At least \$100 million of that added revenue, and probably more, could be used for state employee raises. Not surprisingly, Huskins' bill has not snowballed. Although anything is possible when state employees are lobbying for money, few legislators

have really warmed up to increasing sales taxes for a pay raise (spending that would continue year after year).

Ken Royal's bill is different. It takes away, but it gives back. Royal would add another one per cent on the state sales tax (3% to 4%), but eventually he wouldn't tax food at all. The bill also increases the motor vehicle sales tax by one per cent (2% to 3%) and increases the vehicle sales tax limit from \$120.00 to \$300.00.

The senator's secret is to add the extra one per cent right away, then remove the food tax gradually, over several years. The formula makes for big money now—\$230 million this upcoming fiscal year and \$200 million the next. Later, as the food tax totally expires (1986-87), the new revenues would fall to a still respectable \$135 million.

Royal's new money could be used immediately in non-recurring (one-time cost) expenses like water and sewer treatment plants, new schools, highways and bridges, and overdue building repairs.

Friday, senators were talking about Royal's bill.

"It's good because it addresses a problem we haven't even been able to look at seriously with the money situation, local capital needs in the schools and water treatment. I like it."

"His idea has a lot of merit. If it didn't have a lot of merit, Ken royal wouldn't have offered it."

"It's going to get a lot of support because it's doing away with the food tax."

"A lot of people have said we need some money to address these needs, but he's the only one to offer something."

"It's a good idea, no matter who offered it, but the fact that Royal did...well, that sure won't hurt it."

Interestingly, Ken Royal kept this bill to himself—running it by a few close associates and working closely with a couple of finance people in the legislative fiscal research office. Apparently, not even the governor or

lieutenant governor were aply forewarned. The lawmakers just found it on their desks Friday morning. "This is the kind of stuff a governor's race is made of," someone said.

"No," Royal laughed, "this is a no-run-again deal."

## Vernon James Is Recognized

On Friday, January 21, 1983, Representative Vernon James was presented a plaque for outstanding contribution by the N.C. Soybean Producers Association and the N.C. Soybean Industry. This award was presented at the annual meeting of the N.C. Soybean Association.

In addition to being appointed chairman of the Agriculture Committee, Rep. James has been appointed vice chairman of the Constitutional Amendments and Water & Air Resources Committees; and a member of the Commercial Fishing, Public Utilities, Rules and Transportation Committees; also the Appropriations Base Budget and Appropriations Expansion Budget dealing with Natural and Economic Resources.

The 29-member House Agriculture Committee held its first meeting on Tuesday, January 25, 1983 with Chairman Vernon James, presiding. This meeting was to acquaint the new committee with the North Carolina Department of Agriculture. Members of the Department of Agriculture were present and Commissioner Jim Graham spoke briefly. There was a slide presentation on Developing New Domestic and Overseas Markets for North Carolina Farm Products.

On February 1, 1983 the House Agriculture Committee will have NCSU Chancellor Poulton, Dean Legates and Dean Curtin as their guests. They will inform the Committee of some of the pressing needs facing the University.

There are many issues facing this General Assembly. The most complex issue is trying to find the funds to support the budget items. There are long meetings of the Appropriations Committee each morning and afternoon.

It seems a certainty that the Safe Roads Act will pass as this is much needed legislation.

## Pregnancy Counseling

GREENSBORO—Persons facing the problems of an unplanned pregnancy can receive free counseling services from The Children's Home Society on a new toll free number at 1-800-632-1400.

The toll free line was added to make the services of The Children's Home Society more available to all individuals who may need them.

"By having a toll free number, it saves the young person the cost of a phone call and doesn't leave a record on their phone bill," said Betty Gibson, assistant executive director of the agency. "It's a question of confidentiality and makes the already available services more accessible."

Although young women will be the primary users of the new number, there are many young men who may want to talk to someone to find out what their options and responsibilities are.

Many times, a young woman may think she is pregnant and just need someone to help her sort out her alternatives. Last year, The Children's Home Society was contacted by 409 persons seeking counseling about a problem pregnancy.

Caseworkers do not attempt to make decisions for young women, but inform them of all their choices and help them feel comfortable about the alternative they choose.

Persons calling the toll free number will reach a caseworker in Greensboro who will talk to the young person and make a referral to the nearest area office of The Children's Home Society. A staff member in that area will

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# Lifesaver Says Student Safety Is A Top Priority

RALEIGH—Col. Charles A. Speed, executive director of N.C. Operation Lifesaver, has long said that the grade crossing safety program's top priority is protecting the hundreds of thousands of Tar Heel pupils who ride school buses.

His view was reinforced earlier in the school year when trains narrowly missed hitting buses at Apex and Pelham and on Jan. 14 when 32 students were injured in a bus-train collision near Jacksonville.

"School buses in North Carolina cross railroad tracks more than 20,000 times a day," Speed said, "and the potential of many multiple-fatality collisions occurring is frightening."

"A simple, but very valuable, lesson can be learned from the near misses in Wake and Caswell counties and the tragic accident in Onslow," he continued. "That lesson is that the grade crossing is the most dangerous place on the highway, where trains cannot stop in time, but buses and other vehicles can."

"It is incumbent on all of us—educators, parents, students and public officials—to make sure every school bus driver in North Carolina comes to a full stop, looks both ways, and listens before driving across the tracks," Speed said.

The former commander of the N.C. Highway Patrol urges officials in all 143 school districts to permit "We STOP At RR Crossings" bumper stickers and "STOP At All Railroad Crossings" dashboard labels to be placed on their buses.

"These devices are free and are constant reminders to bus drivers and the motoring public that state law requires school buses to stop at grade crossings," Speed said. They are available from him at: Box D-25801, Raleigh, NC 27611-5801; telephone 919/787-5739.

Speed recommends other specific measures to strengthen school bus safety at grade crossings.

"One is to make sure that every bus driver views the excellent slide presentation, 'Precious Cargo,' at least

once a year. It is available from traffic safety educators in the N.C. Division of Motor Vehicles," he said.

"A second measure is to conduct programs on grade crossing safety in the schools," Speed said. "Every year, shortly before school starts, I send letters to all superintendents advising that

our Operation Lifesaver films and speakers are available without charge. Some take me up on this, but many do not. The offer is always open."

In the meantime, bus drivers, parents, teachers and others should tune in to the state's educational network on Jan. 27 and Feb. 3 at 8:35 A.M.

and on Feb. 24 at 1:45 P.M., he said. "Three of the best films we use in Operation Lifesaver will be shown on those dates."

Finally, Speed said that officials in the Charlotte-Mecklenburg schools have had an extensive bus safety program under way since last summer. "What they have done should be done everywhere," he said.

## New IRS Service For State Taxpayers

GREENSBORO—North Carolina taxpayers who need answers to their tax questions at any hour of the day may use the new Internal Revenue assistance program, called "Tele-Tax."

The recorded information service is available to taxpayers with pushbutton telephones 24 hours a day, 7 days a week, all year long, the IRS said.

To use any of the 141 tapes, the taxpayer calls one of these four numbers: Charlotte - (704) 371-6352, Greensboro - (919) 378-5172, Raleigh - (919) 755-1498, and Winston-Salem - (919) 761-3136. Recorded instructions will be given as

how to punch in the tape number desired. Access telephone numbers, tape numbers and topics are listed in Publication 910, "Taxpayer's Guide to IRS Information and Assistance," or

Publication 1163, "Tele-Tax," both free from IRS and at many banks and libraries.

Topics covered in the tape series include filing requirements, itemized deductions, tax credits,

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