

State and National

Amnesty tax period nears end, penalties to increase

By ALAN MARTIN

The state of North Carolina is going to lose a small measure of its Southern hospitality Dec. 2 when the amnesty period for paying back taxes ends, and the Department of Revenue will pursue offenders with renewed vigor and harsher penalties.

The amnesty legislation provides for a 90-day period ending at midnight December 1, 1990, according to Dewey Sanders, project manager of tax amnesty at the N.C. Department of Revenue. Anyone who files and pays their

back taxes by this date will be excused from all criminal, civil and filing penalties.

Anyone who failed to report or underreported the amount of taxes they owed can file amended returns and pay the tax by the Dec. 1 deadline, thus avoiding late filing fees of up to 25 percent of the tax owed. Debtors will be required to pay interest of 9 percent per year, he said.

Beginning Dec. 2, 1990, the criminal penalty for tax evasion increases from a misdemeanor, with a possible

prison term of two years and indeterminate fines, to a felony with a possible prison sentence of five years and up to \$25,000 in fines, Sanders said.

The one-time amnesty period was created by the legislature to give past offenders "one last chance to get right with the state before the penalties become more severe," Sanders said.

The new tax legislation also allows for increased detection and enforcement of existing laws and deadlines for paying taxes. "In essence, after the deadline (Dec. 1) the penalties for tax

evasion are increasing, and the state says the chance of cheaters getting caught is also going to increase dramatically," said Richard Hill, a certified public accountant (CPA).

The legislature funds 135 additional employees in the compliance and enforcement divisions. "This will include new auditors, tax collectors, enforcement officers and clerical support staff. We will also be improving and updating our computer system to help detect cheating," Sanders said.

"The honest citizen who struggles

with the tax forms and pays his taxes every April deserves the justice of us pursuing those citizens who gain financially from being less honest," he said.

Most CPAs who do tax work have probably had numerous calls from concerned cheaters and several new clients who want to file for amnesty, Hill said. He has handled several requests for more information from people who have evaded taxes in the past and want to apply for amnesty but are still loath to call state offices, he said.

It is hard to estimate now how effective

the program is going to be and how many cheaters will comply. In other states that have held a similar amnesty period, the number of applications has increased dramatically in the final week, Hill said.

Sanders confirmed this observation. "We have accepted 5,006 applications and generated \$11,672,775 in revenue as of Nov. 27. However, the inquiries and bulk of applications have risen in the last couple of days. We have 10 incoming phone lines and people are having a hard time getting through to us all day long."

House agrees to salary raise, ban on speaking fees

By KARI BARLOW

The U.S. House of Representatives approved a pay raise of almost 30 percent for its members on Nov. 16, but some N.C. lawmakers say the public doesn't understand the rationale behind the increase.

The pay raise was actually a part of the Government Ethics Reform Act of 1989 that has been developing all year, said Rachel Perry, press secretary for Rep. David Price, D-N.C..

Under this plan, members of the House and federal judges will receive a cost of living raise of 7.7 percent in 1990 and a 25 percent increase in 1991.

The \$89,000 salary of congressmen will increase to about \$125,000.

However, most lawmakers claim the plan's critical point was the ban on honoraria or speaking fees.

In 1991, members of the House will be banned from receiving speaking fees from special interest groups. This provision will take effect after the new

House is elected in 1990.

The raise actually serves as a replacement for speaking fees, Perry said.

The ban on honoraria will not have a negative effect on House members, Perry said.

"I do not expect members of Congress to make fewer speeches because they're not getting paid for it."

In an age where ethics have come under much scrutiny, many lawmakers said this type of plan was long overdue.

"It's a wide range and complex legis-

lative package," Perry said. "I think there's been a great deal of concern about the ethics problem. There is no question that Congress needed to tighten up their ethics rules."

David Murray, press secretary for Rep. Cass Ballenger, R-N.C., said, "The press and others have made it a pay raise vote when in reality it was an ethics vote and hidden in that vote was a pay raise."

Ballenger had hoped to amend the plan and eliminate the pay raise, but he

did not have that option, Murray said.

Basically, House members knew the pay raise would not go through unless tied to an ethics package, he said.

Another significant provision in the plan was the elimination of the grandfather clause which allows congressmen elected before 1980 to convert their campaign funds to personal use upon retirement, Murray said.

In 1993, any campaign funds raised after the plan was adopted cannot be converted to personal use, he said.

Some members of Congress voted against the entire plan because they opposed the pay raise.

Rep. Howard Coble, R-N.C., voted against the pay raise because he thought too many other fiscal problems needed to be addressed, said Ed McDonald, press secretary for Coble.

Rep. Charlie Rose, D-N.C., voted against the bill because constituents in his district voiced dissatisfaction with the pay raise, said Keith Pitts, legislative director for Rose.

Board to review 911 service charge

By JENNIFER BLACKWELL

The Wake County Board of Commissioners is considering a proposal to charge Wake County telephone customers as much as 22 cents on their monthly phone bill to pay for the 911 emergency system.

Wake County recommended a 16-cent fee to cover the county's cost, while the city of Raleigh requested a 22-cent fee to help cover the city's cost, said Sharon Spence, governmental affairs director for Wake County.

The Board of Commissioners held a public hearing on Nov. 20 to investigate the proposal. The commissioners referred the matter to staff for more research and recommendations, Spence said. The proposal will come before the Board again Dec. 4.

The commissioners referred the matter because of questions concerning Raleigh's additional fee request and use of the fee, according to Commissioner G. Herbert Stout. Raleigh wants to use the money to pay for initial costs from the creation of the system, but some commissioners feel the money

should be used just for ongoing costs.

"I personally don't think it's appropriate" to use the funds to pay for past costs or computer equipment, Stout said.

The referral probably will result in a reduction from the 16-cent request, he said.

Since the 911 service is now paid for through tax revenues, the question facing the board is whether to pay for the 911 service out of property taxes or to transfer the cost to telephone bills, he said. The proposal is "a fair way to offset the costs of 911 (since) it is an extremely valuable service," Stout said.

The fee would cover the installation cost of the 911 system, recurring monthly fees and line charges and possibly some capital costs, including an automatic number identification system and automatic locator identification system, according to Spence.

The charge would be applicable to 210,000 lines that are serviced by the Wake County 911 system, including about 6,200 lines in surrounding counties that are not paying for the service since they do not pay Wake County taxes. Residents of Cary and callers with the prefixes 528 and 544 would not be affected since they are served by a different emergency system.

The 16-cent fee would raise \$33,403 a month while the 22-cent fee could raise \$45,700.

The proposal is a result of legislation

by the N.C. General Assembly authorizing local governments to impose this fee. In order for the fee to be adopted, legislation requires that the county hold a special election or a public hearing. The hearing last Monday satisfied this part of the bill.

"I think that cities and counties are having to look more at user fees; this is a type of user fee for the 911 system," Spence said. The county has received a few complaints from people about the new plan, but the proposal "on the whole has been pretty well accepted."

If the proposal were turned down, there would not be any change in the 911 system, she said.

If the proposal is accepted, it will go into effect after a 120-day waiting period, said Stout.

Several other counties, including Rowan, Moore, Orange, Pender and Craven, are considering similar proposals.

The proposal will come before the Orange County Board of Commissioners on Dec. 4, said Ellen Liston, assistant county manager. The requested fee of 50 cents reflects that Orange County has to buy a lot of necessary equipment, in addition to paying ongoing costs, she said. The cost would probably be reduced after the first few years.

"The reception has been very positive — it's a very good program," Liston said.

Strike in Czechoslovakia may predict national reform

By JANNETTE PIPPIN

Czechoslovakia is the latest link in a chain of eastern European countries to denounce Communist Party rule, and many specialists say Monday's strike is a strong indication that the country could have a completely restructured government by early 1990, if not sooner.

"There is fast-paced change, and though there may be some leftist, socialist group remaining, the current government is going to be reshaped so that Communist Party rule is gone," said Christiane Lemke, UNC visiting professor and specialist in eastern European affairs. "With the opposition, there is a new quality of resistance to the old Stalinist rule."

On Monday, sirens sounded and church bells rang in Prague and other major cities throughout the country to mark the start of a two-hour general strike. During that time, a crowd of 200,000 swelled into Wenceslas Square and the streets of Bratislava, the industrial mining center of Ostrava on the Polish border, demanding an end to the Communists' 40-year monopoly on power.

Shaken by shouts of "We don't want you anymore!" and 11 straight days of demonstrations, the government has ousted party leader Milos Jakes and three other party hardliners and has lifted most forms of press censorship. But the pro-democracy opposition is still calling for the end of one-party rule and for free elections.

"Especially in Czechoslovakia where there has been such strong governmental oppression, the opposition has tremendous momentum right now and can force political reform," Lemke said. "This means freedom, guarantees of civil rights and free elections."

Prospects for reform in Czechoslovakia are good right now, Lemke said, because there are people outside government with notions of democratic reform, and the opposition groups, underground for the last 10 years, have emerged because of similar pro-democracy movements in Hungary, Poland and East Germany.

The pro-democracy movement is linked to developments in surrounding countries, according to Doug Seay, Eastern European policy analyst for the Heritage Foundation in Washington.

"With the rapid changes in places

like Poland, Hungary and East Germany, Czechoslovakia couldn't help but follow. Under the circumstances, a strike is very effective."

The underground opposition reared its head Nov. 20 in a massive protest, the largest ever in the communist nation, as demonstrators shouted "It's the end, Milos!" referring to party chief Jakes. The peaceful protest dispersed after being barred from Hradcany Castle, a national symbol and residence of President Gustav Husak.

But, despite small government appeasements, the demonstrations have only heightened and there is still a call for democracy.

"My personal opinion is that there will be an end to Communist Party rule," said William Harkins, professor at the Columbia University East Central European Institute. There is a motivational factor that was not seen in the other movements, he said.

"The Prague Spring Movement in 1968 promised a brilliant future of liberalism and economic prosperity, and then the Communists came in and betrayed the people. This time they won't let them take their victory."

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Chapel Hill prepares for holidays with candle lighting, town parade

By JULIE CAMPBELL

Chapel Hill and Carrboro are getting into the Christmas spirit as the area gears up for the Christmas parade, which starts at 10 a.m. Saturday in front of the Morehead Planetarium.

Sherrie Powell, communications manager at the Chapel Hill-Carrboro Chamber of Commerce, said about 100 groups would participate in the event, which is promoted as "A Dickens of a Christmas."

Fifteen commercial floats sponsored by area businesses and some "home-

made" floats will participate in the parade, she said. "There will be some walking groups, decorated horses, dance groups, bands, baton twirlers, scout troupes and more. Clowns from all over North Carolina will be there."

The floats in the parade will be competing in a float competition, and they will be judged on Christmas spirit and originality, she said.

The UNC Marching Band is the only group from the University that will participate. "I tried to get groups like sororities and fraternities to enter the parade, but I was not contacted by any

UNC group," she said.

Marching Band Director James Hile said the whole marching band would participate in the parade. "I think only about 50 members were in it last year."

The band started practicing for the parade when the UNC football season ended, and it will play a medley of Christmas tunes, he said.

UNC groups and any other area organizations can participate in Saturday's parade by calling Powell at the Chapel Hill-Carrboro Chamber of Commerce.

Powell said there would also be a candle lighting ceremony Friday night at the post office on Franklin Street.

"We will hold candles and sing. Hot cider and cookies will be served."

Merchants put lights around their doors and windows and agreed to wait until Friday night to illuminate them. "This is the first year businesses have done anything like this," Powell said.

Seats from page 1

spot closer to the floor at the end of the court.

The push for additional Smith Center seats began in spring 1989, Frye said. "It was decided last semester that the athletic department would ensure we had 2,000 seats in the lower level."

The 120 new seats, plus an additional 50 or more seats to be added later at "various locations in the lower level," will put the total above 2,000, she said.

Frye also described some measures that will be taken to allow for the 50 future seats. "They'll take out some of the armrests in some of the rows and scout seats together."

Jack Archey, basketball co-director of Carolina Fever, said the extra seats would not affect the position of Fever members. They will keep their 100 seats behind the band.

Both Frye and Archey thought the additional seats were beneficial to students.

"There would be extra tickets for the students," Archey said. "I'm sure a lot of students are happy about that."

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