

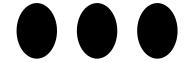


# Tennessee State Senate Passes No Income Tax Bill

On Wednesday, Holmes would probably say that the Tennessee <u>state Senate</u> behaved in a most "uncivilized" manner by passing 28-5 a <u>bill</u> that would amend the Tennessee Constitution to forever prohibit the state legislature or municipalities incorporated in the Volunteer State from instituting an income tax or a payroll tax.

#### SJR 0018 would:

prohibit the general assembly from levying any tax upon personal income or payroll or any tax measured by personal income or payroll, except that the general assembly will be authorized to levy a tax upon incomes derived from stocks and bonds that are not taxed ad valorem.



While there have been many similar attempts made in recent years, the ever accelerating momentum propelling this latest proposal would indicate that the law finally looks destined for enactment.

The legislation's chief sponsor is <u>Senator Brian Kelsey</u> (R-Germantown). Representing an affluent Memphis suburb, Kelsey reckons that his bill is the proper tonic for the economic ills plaguing Tennessee and the rest of the nation. "This is going to help us bring in jobs to Tennessee," he said. "We can say not only do we not have an income tax, but we'll never have an income tax."

He commented to the Nashville daily, *The Tennessean*: "Not having a state income tax has already brought jobs to Tennessee," Kelsey said. "(The amendment) will help make us the No. 1 state in the Southeast for high-quality jobs."

There are detractors, however. One of the five Senators who voted against the measure, Democratic Sen. Beverly Marrero of Memphis, believes the proposed amendment would hamstring future assemblies, subordinating their will to the will of the current legislature. Besides, said Marrero, "I think it is bad ... for Tennessee."

The other four Senators voting against the proposal were Democrats Ophelia Ford (D-Memphis), Reginald Tate (D-Memphis), Thelma Harper (D-Nashville), and Douglas Henry, also a Democrat from Nashville.

A majority of voters in the Volunteer State reportedly are anxious to approve the measure, but there is a vocal bloc of citizens who feel otherwise.

A press release issued by Jim Von Bramer, a member of <u>Tennesseans for Fair Taxation</u>, predictably casts the measure in the familiar glow of class warfare:

Permanently blocking an income tax lets the wealthiest Tennesseans walk away from paying a fair share of state and local taxes forever while the rest of us pay much more of our income on food taxes and the basic necessities we buy from our local retailers. Our state budget gap will likely only grow as the federal budget shrinks. We are headed into a dark place, and now the state Senate says we should throw away our flashlight.

Approval of the measure by the Republican-controlled State Senate was expected, as is a corresponding vote in the <u>State House</u>, where the GOP is also the majority party.

Although at the end of the day he voted in favor of the proposed constitutional amendment, the Democratic leader of the State Senate, Jim Kyle of Memphis, argued against the bill during debate on the Senate floor and continued his criticism in a press conference held afterward.

"The Department of (Economic and Community Development) under Republican and Democratic administrations has never promoted the income tax as a reason to come to Tennessee," Kyle said. "I've not known many employers, large employers, really that are concerned with whether their employees are paying an income tax or not," he continued.







Senator Kelsey, his cosponsors, and a majority of the Senate disagree with Kyle's take on the likely economic boon the measure would facilitate. "I think this is definitely going to bring in jobs," Kelsey said.

"I think jobs are always a positive, and if there are other issues that we need to take up, like cutting spending, we can do that as well."





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