

Tax bill reminds Wallis of tea party

By MARGIE BAUMAN

President Tim Wallis of Doyon, Limited, is taking a critical view of Senate Bill 35, saying it's made of the same stuff that brought on the Boston Tea Party.

Wallis sees the legislation, to provide for taxing developed land within the Unorganized Borough, as another classic case of taxation without representation.

He reminded the Tanana Chiefs Conference in convention at Fairbanks March 16, of some colonists in Massachusetts who took a dim view of such tactics back in 1773. They disguised themselves as Indians and proceeded to dump a sizeable amount of British tea into Boston harbor.

"What they're trying to do in Juneau now is exactly what they (the colonists) were fighting against back then," Wallis said.

"People in Juneau will be assessing, taxing your property and deciding how to spend it. Most of those people come from urban areas; people from rural areas will not have much say in this," Wallis said.

As Wallis spoke he offered delegates to the convention copies of a memorandum on the bill prepared by Bill Timme, Doyon's attorney.

The memorandum notes that "There is a possibility that the tax as proposed is in violation of the equal protection clause of the U.S. Constitution.

"It would appear that the state would be treating one type of property differently than other property of similar character," Timme said.

"The only property which is being taxed is property in the

unincorporated borough. No tax is levied by the state on identical property in incorporated boroughs this tax cannot be said to be substitute for such borough taxes since the assessment rate varies borough to borough.

"While variances in the millage rate is acceptable from one borough to the next, the fact that it is the state which is acting as the taxing authority may require the tax to be struck down unless all land in the state is subject to it," Timme said.

"Likewise," he added, "the tax is being imposed on property which is located in an area in which the majority of the taxing body."

Timme also questioned the validity of the special fund that would be set up for deposit of taxes collected under that legislation. The special account would be within the state's general fund.

"The state constitution says that when you tax someone you cannot set up a special fund," Wallis said.

The Timme memorandum said the section of the legislation regarding the special fund would require close scrutiny

Shifting the Tax Burden

Timme said the proposed tax structure "Is basically one which will shift the tax burden to Native enterprises for Native services provided in the rural areas."

"However, the decisions as to the tax rates, exemptions and use of the funds will be made by a body, in excess of 75 percent of whose members are elected by persons neither subject to the tax nor the intended recipients of its benefits.