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THE JONESBORO SUN

## Sales tax hike no deal for lower wage earners

To Ben Owens, the much respected former CEO of St. Bernard's Health System, the city's proposed 1 percent additional sales tax is just a "penny," "a bargain."

Owens looks at it from the perspective that the extra penny sales tax will provide for future transportation infrastructure and economic development advancements — easier travel around the city and the prospects for better and higher paying jobs.



**Out the editor's window**

CHRIS WESSEL

I can understand his thinking. We all want a better Jonesboro. And when you're wealthy, an additional penny sales tax is peanuts for all the great things it will buy Jonesboro as it races toward

more growth. But for a worker making \$27,000 a year, \$3,000 more than the per capita income in Jonesboro, that additional penny adds up to a bunch.

It's a utility bill payment, a car payment, a vehicle insurance payment, a cable TV payment, health insurance for a month, a doctor's visit or Christmas presents for the kids.

That penny is a lot when you add it on top of all the other expenses those on the lower rung of employment in Jonesboro have to subsist on. Because of the waning economy, many of those folks haven't seen a pay increase in several years. But you can bet their insurance, grocery, clothing and other basic costs have gone up. Many are one minor tragedy from bounding over the financial cliff.

That penny could literally push some over the edge.

Here's why: If you make \$27,000 a year, you probably take home about \$17,000 after taxes and health insurance, Social Security and Medicare and hope to get a nice income tax return check in May of, let's say, about \$1,000.

Someone who makes \$27,000 a year spends all the money they bring in. There's no way to save living paycheck to paycheck.

So, if you consider that a person making \$27,000 already pays 8.5 percent sales tax on everything they buy, including services like cell phones and cable, they're already paying about \$1,530 in sales taxes on that \$18,000 they bring home. When you add another penny, it climbs to \$1,710 — another \$180. That \$18,000 is now down to \$16,290.

That's no bargain for someone making \$27,000 a year, and they'll be paying that same penny as well off folks like Ben Owens.

That doesn't sound fair to me, but I can understand how it sounds like a bargain to folks like Mr. Owens.

For people living on \$27,000 a year, \$180 goes a long way toward providing the necessities. Taking that \$180 out of their pockets will have a huge impact.

Quite simply, it's not just a penny. That's a salesman's spin on trying to sell this 1 percent sales tax to voters, and everyone needs to understand its real implications.

City officials tell us that an additional 1-cent sales tax will bring in about \$160 million during the next 10 years. I'd be willing to bet that it will bring in more like \$180 million or more. Seven-eighths of one cent would go toward transportation infrastructure improvements the city says add up to about \$182 million if you take out the one already funded, which is \$15 million. One-eighth will go toward economic development, or about \$20 million during the next 10 years.

One transportation project, the relocation of Arkansas 351 through the yet-to-be-developed Greensboro Village, is estimated to cost between \$30 million and \$50 million. Let's say it's \$30 million. That brings the total project costs down to \$162 million.

City officials say that seven-eighths of a cent will bring in about \$140 million. I'd be willing to bet it will bring in closer to \$157.5 million, leaving the state and federal government to only have to pick up \$4.5 million of the tab when most of these projects involve state and federal highways.

That's not a good deal for Jonesboro taxpayers or those who buy goods and services here. We should, and probably will, get a much better deal from the state and feds on those projects — in other words, more funding. So where will the extra money go?

That's a lot more than the \$64,000 question.

Here's what I think: Mayor Harold Perrin's plans are too aggressive, overstated and overfunded by a 1-cent sales tax that hurts those on the lower rung of society the most.

I think the city needs to go back to the drawing board and come up with a more conservative approach to fund these infrastructure projects that doesn't rely so heavily on taking money out of low wage earner's pockets.

And they need to put these measures on the ballot during a state and national election so more voters cast ballots and taxpayers don't get stuck paying for an unnecessary special election.

That's what I think.

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### The First Amendment to the Constitution of the United States:

*'Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.'*



MAROULES  
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## Letters

### Not politics

Pope Francis is not engaging in politics when he speaks to Congress, to news media, to stadiums of faithful or even in his encyclical letters (like 'Laudato Si').

I am a faithful Catholic and a theological scholar. Therefore, I'd like to set the record straight on a few things, if I may:

■ When the Pope speaks on matters of faith and morals (such as contemporary social and ethical issues like care for creation, immigration reform, the need to be sensitive to the poor, unemployed and lowly, religious liberty, etc.), he isn't engaging in politics, pandering or even the espousal of his own opinion. Rather, he is bringing the Gospel out of its 2000-plus-year-old crust and into this era. He is simply keeping that which is "ever ancient, ever new!"

Do you really believe that the Pope — the leader of more than 1.7 billion Catholics throughout the world — pays attention to the U.S. political spectrum (Democrats vs. Republicans)? I doubt he knows or cares all that much, therefore when he speaks before Congress, he isn't looking to engage the Democrats and the Republicans. He is professing the truth of the Holy Gospel. This brings me to my second point:

■ For all the pundits (mostly conservatives, I might add) who continue to "bad-mouth" this remarkably interactive, compassionate, engaging and real person of faith, let me leave you with these two reminders, spoken by the El Salvadoran martyr, Blessed Oscar Romero, which might settle a lot of these inane critiques:

"There have always been [and ever will be] political implications to Christ's Gospel" (1978).

"A church that doesn't arouse any crises, a Gospel that doesn't unsettle, a Word of God that doesn't get under anyone's skin, Good News that doesn't touch the real sins of the society in

which it is proclaimed — what sort of Truth is that?" (1980)?

Anthony Maranise  
Memphis

### Not so funny

Now that the one-time darling of the Koch Brothers, the union-busting, chief cheddar-head from Wisconsin, Scott Walker, has dropped out of the Republican presidential primary, joining former Texas governor and renowned intellectual, Rick Perry, as ex-candidates, the hilarious farce known as the Republican presidential primary is down to 14 hopefuls — only one of whom, Jeb Bush, possesses qualities even minutely resembling the skills and experience needed to serve as this country's president.

Bush, however, is too left-leaning for the tea party's send-the-wetbacks-back-to-Mexico crowd nor did he visit Kentucky County Clerk Kim Davis in support of her unlawful, homophobic, I-will-license-no-lesbians stand. Maybe Jeb, unlike Huckabee and Cruz, wisely surmised such actions, if enjoined, might make himself appear to be as blatantly pandering and as guilty of unashamed grandstanding as the other two aforementioned nitwits.

Just a quick comment on Chris "Don't put the cameras on me. Put them on the audience. It's not about us. It's about the people." Christie. Talk about pandering and grandstanding! When Christie, in a move I'm sure he hoped would be perceived as spontaneous, cunningly offered up his valuable camera time to the audience, in order to show his selfless and exclusive solidarity with the "people" during the last debate, I was laughing so hard I thought I'd shake my La-Z-Boy to pieces.

How can anyone not love these Republican presidential primary candidates? Just for the comedy. I'm

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## Free market requires moral code

Life, the pope is telling us, is about more than the bottom line. This past week has given two examples of why people should listen to his big economic message even if they disagree with some of his little ones. One involves a giant automaker. The other manufactures a little pill.



**Steve Brawner**

The automaker, Volkswagen, doctored its diesel engines so they would temporarily meet EPA emissions regulations while they were being tested, and then they would emit much higher levels when actually driven by car buyers. As a result, those cars performed better on the highways while releasing up to 40 times more pollution than the legal amount. Volkswagen did this in 11 million vehicles sold worldwide.

Environmental considerations aside, the company lied and cheated its competitors and its customers. People thought they were buying a clean vehicle that ran great. Rule-abiding competitors were selling products that had a disadvantage against Volkswagen in the marketplace.

The pill manufacturer is Turing Pharmaceuticals, which bought the rights to Daraprim, a niche drug that

fights deadly parasitic infections. The drug has been on the market for 62 years and has no generic equivalent. Shortly after losing the rights, the company raised the price — from \$13.50 per tablet to \$750 each.

This is not the first time a drug has been purchased and then inflated recently. But the company's owner, a 32-year-old former hedge fund manager, seemed particularly proud of himself. He said the price needed to be raised to make the drug profitable (which would mean the previous rights holder must have been losing a ton of money at \$13.50). Frankly, the drug would be cheap at \$750, he said.

If your only guiding principle is the bottom line, then those arguments make sense. Guy's just charging what the market will bear, right? Everything he's done is legal. Under traditional laissez-faire economics, the free market's unseen hand will correct all wrongs, and somebody eventually will produce a generic version if they can make money doing it.

But humans are more than economic beings. We're also spiritual, moral and social ones. In fact, we must be for the free market to function.

The free market is the greatest anti-poverty mechanism ever created by humanity. It allows entrepreneurs

to produce goods and services valued by the marketplace, thereby creating jobs and raising a society's standard of living. Those who do this exceptionally well — people like Steve Jobs and Warren Buffett — are celebrated and richly rewarded, as they should be.

But the free market is only as good as the values of its practitioners. It can be perverted by those who, instead of producing goods and services, merely play games with money and take advantage of others. While Jobs created world-changing products, Turing's hedge fund manager produced nothing new. He just bought the rights to a pill and then jacked up the price knowing people had to pay or die, and knowing there probably won't be a generic competitor soon, if ever.

I watched a brief cable "news" segment where the host and a couple of his guests either defended the hedge fund manager or expressed ambivalence about his actions. The host said this kind of situation is preferable to having the government in charge of health care.

Which is ironic, because if the free market isn't governed by both the unseen hand and a moral code, then bigger government is unfortunately what we'll get. Two days after Turing Pharmaceutical's price hike came

to light, Hillary Clinton announced a plan to limit drug price gouging.

Supporters of a single-payer government health system can use this episode to bolster their arguments. Meanwhile, Volkswagen's actions likely will add to the regulatory burden faced by all automakers. They'll have to do more to prove they're not cheating.

In these two cases, it's all ending as it should. Volkswagen stock has tumbled, it faces fines, and its CEO, who said he knew nothing about the cheating, has resigned. Meanwhile, overwhelming public condemnation wiped the smirk off the young hedge fund manager's face, and he announced he would reduce the price hike.

That happened because humans are still spiritual, moral and social beings, instead of merely economic ones. Most of us know it's wrong to cheat, and we know it's wrong to take advantage of the vulnerable or to use the vulnerable as a tool to take advantage of society.

We're going to be governed by something. Preferably, it's a conscience. Steve Brawner is an independent journalist in Arkansas. Email him at brawnersteve@mac.com. Follow him on Twitter at @stevebrawner. © 2015 by Steve Brawner Communications, Inc.

