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Press Release - Muskie Tax Proposal Would Benefit Elderly

Edmund S. Muskie

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MUSKIE TAX PROPOSAL
WOULD BENEFIT ELDERLY

Sen. Edmund S. Muskie (D-Me) has called for a federal housing subsidy to relieve elderly, low-income citizens of their rising property taxes. His proposal would at the same time require state reforms of the assessment and administration of property taxes.

"We have a responsibility to relieve the terrible burden of property taxes on the elderly, taxes that are pushing them out of homes and neighborhoods they built, often with their own hands," Sen. Muskie said recently in St. Petersburg, Fla.

"The elderly," he added, "know the feeling of living in a land where age too often builds barriers and imposes loneliness."

They are forced "to live with a falling income in a time of inflation, to live with failing health in a time of rising medical costs, to live with staggering property taxes in a time when often home is all there is to hold on to."

The Maine Senator's proposal would provide property tax relief for the aged in the form of a housing security system. The federal government would spend a billion dollars to help pay the housing costs that many elderly citizens cannot afford to pay themselves.

"Like Social Security," Sen. Muskie said, "housing security will mean regular monthly payments to the aged in need.

"This nation has a duty to guarantee them a decent home so they can live out their lives in peace and dignity," he added.

The housing security system would be administered by the state governments who would have wide discretion on the implementation of the program within guidelines established by the federal government.

To receive the funds, a state would have to initiate reforms in the assessment and administration of property taxes.

"Washington must encourage the states and localities to replace regressive property taxes with a sound progressive system," Sen. Muskie said.

"America's property taxes are inefficient, inequitable and intolerable. Assessments are usually made in secret, and they usually favor the powerful few," Sen. Muskie said.

The Muskie proposal would improve the state administration of the property tax by requiring the states to collect and publish data comparing the assessed value of property in a state to the actual market value of that piece of property. In this way taxpayers could see whether preferential treatment is being given to the influential and wealthy.

Sen. Muskie said it will "take time to replace the property tax," but in the meantime, "we can at least demand a system open to everyone, and partial to no one."

The Senator's proposal would also require the states to institute a fair and easy procedure for property taxpayers to appeal their property tax bills.

Sen. Muskie said the federal government must initiate tax reform on its own, by closing "the loopholes that let millionaires pay less than their secretaries."

At the same time, he criticized the Nixon Administration for its corporate tax cuts that have been made at the expense of the consumer, and he rebuked the proposal for a national sales tax, which the White House is now considering.

The Senator said the national sales tax "will make you pay more every day so that you can pay a little less money at the end of the year."

Since the housing security system is intended to provide a subsidy to all elderly Americans in need, it will also help those who have invested in rental property.

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