Happy Thanksgiving!

We're Looking for Interns

Work with very experienced journalists, editors and authors! Learn the trade - telecommute.

Online newspaper Common Sense: Straight Talk for the Eastern Shore is looking for part-time, volunteer interns. The U.S., Maryland, and the 9 counties are our beat, including the 2018 election.

Contact Tom at info@CommonSenseEasternShore.org and check out recent editions at https://www.CommonSenseEasternShore.org.

Taxes for ALL of US

Will Rogers famously said, “The difference between death and taxes is, death doesn’t get worse every time Congress meets”. That may still be relevant today, but it can be hard — given the complexity of the Tax Code (4 million words) and the war of words over the changes —for most of us to determine what Congress is proposing.

The last major change to the US Tax Code was in 1986 and Congress took 24 months to achieve it. The present Congress is trying to change the Tax Code in 2 months—before Christmas—without public hearings or bi-partisan debate. What could possibly go wrong?

At present, there are 32 major differences between the House and Senate Tax Reform bills. One example is the (continued on next page)
Taxes, continued

number of tax brackets (income levels) and the tax rate for each income level. The House of Representatives is proposing to use four tax brackets and would set tax rates for each bracket (higher level of income) at 12%, 25%, 35%, and 39.6%. The Senate is proposing seven tax brackets, similar to the present Tax Code, with progressive tax rates at 10%, 12%, 22%, 24%, 32%, 35%, and 38.5%.

What do these differences mean in practice? For a wealthy taxpayer with a taxable income of $500,000 (married filing jointly), the current 2017 tax bill would be $143,230. The House tax bill for that income would be $134,420 (a 6% reduction); the Senate tax bill would be $126,479 (a 12% reduction). So wealthy taxpayers would benefit nicely. For a middle-class taxpayer with a taxable income of $50,000 (married filing jointly), the current 2017 tax bill would be $6,567. The House tax bill would lower that tax to $3,120 (a 52% reduction) while the Senate tax bill would be a less generous $5,619 (a 14% reduction). So tax rates would indeed go down. But other proposed changes in these tax bills would do away with or reduce deductions for State tax payments, mortgage interest, alimony, and medical expense deductions—which will impact the middle class more than the wealthy.

Give with one hand, take with the other. The only sure winners are big businesses, which get a huge reduction, from the present 35% tax rate to 20%, and the only sure losers are the next generation, which will inherit a U.S. budget deficit increased by $1.5 trillion.

Taxes are supposed to be for ALL of US. Why doesn’t it feel that way?

Minority Owned Businesses on the Eastern Shore

According to an article by B. Shane in Delmarva Now, published on October 23, 2014, 34 per cent of Salisbury’s population is African American, yet only 10 per cent of businesses are owned by Blacks. On the other hand, recent census figures for the eight other counties of the Eastern Shore indicate that the percentage of businesses owned by African Americans is proportionate with their numbers in the population. Yet we might ask the question where are these businesses?

Using Chestertown as an example, in the early and mid-20th century Cannon Street in
Minority Businesses, con’t

that town was a lively African American neighborhood with numerous businesses, including an electrical shop, two barber shops and several salons for women, as well as other stores. Beginning in the 1980s the area began to be “up-scaled”, Black-owned businesses disappeared as their owners retired, died or moved away and were not replaced by younger members of the community. Today there are no African American-owned businesses on Cannon Street and only a few in the town. These include a barber shop and a taxi service. It would appear that, if we accept the census figures that indicate that there are 230 Black-owned businesses in Kent County, slightly over 10 per cent of the total number, then the majority of Black-owned businesses here as well as in other counties on the Shore must involve less visible entrepreneurs, such as those working in lawn care, carpentry, etc..

In the case of another minority group, immigrant-owned businesses on the Shore are, on the other hand, becoming more and more visible. Memo Diriker, an economist at Salisbury University is quoted in the same article in Delmarva Now indicating that research has shown that “regardless of their race, immigrants are more likely to become business owners than native Americans.” In towns, large and small, all over the Eastern Shore we see Hispanic markets, and Diriker notes that Vietnamese immigrants have started chicken farms; Turkish immigrants own diners; and people from India, hotels and motels.

Some resources:

The Maryland Department of Commerce offers aid for minorities and women who would like to create their own business.

Help My StartUp provides free consulting with the Georgia Crowdfund, Inc., a registered not for profit 501(c)3 with the mission to assist entrepreneurs with education, promotion and access to capital.

The Minority Business Development Agency (MBDA) organizes various angel investors with the primary objective of supporting minority businesses with mezzanine and second round financing.

The Rural Business Enterprise Grants (RBEG) Program provides grants to finance the development of small and emerging businesses in rural areas. The funds can be used for land (continued on next page)
Minority Businesses, con’t

acquisition, construction, renovation, technical assistance, project planning, and more.

Do You Need Health Insurance?

Even if you are young and healthy, can you afford these costs (based on recent, real cases on the Eastern Shore)?

- Broken Arm: $2,500-$16,000
- Broken Leg: $2,500-$35,000
- Appendicitis: $13,000
- Lyme Disease: $350,000
- Meningitis with loss of limbs: $500,000

And though it can be hard to tell from all the conflicting news about healthcare, the Affordable Care Act (Obamacare) is still the law of the land, and there is still time to sign up for 2018.

Reversal or Relaxation of National Environmental Rules/Regs

The Trump Administration’s first phase of Federal environmental deregulation was aimed at removing restrictions on the fossil fuel industry – oil, gas and coal. However, other categories have been addressed in the months since Scott Pruitt was appointed head of the Environmental Protection Agency (EPA). His general attitude towards regulations became clear when he strongly recommended to President Trump that the US withdraw from the Paris Accords addressing voluntary national targets to lessen the effects of climate change. Actions by Pruitt, other Administration officials, and some members of Congress underscore their belief that the science behind climate change is not yet settled.

The EPA’s initial steps included permission for the Keystone Pipeline to proceed (it recently leaked 220,000 gallons of oil), overturning the anti-dumping controls on coal, opening off-shore exploration in the Arctic Wildlife Refuge and the Atlantic Ocean.

More immediately relevant to Maryland’s Eastern Shore are EPA decisions to:
- remove restrictions on power plant discharge of toxic waste (including coal ash);
- open 10 national parks for development (including fossil fuel exploration);
- delete wetland and tributary protections as well as habitat safeguards; and
- revoke flood standards for Federal infrastructure projects.

(continued on next page)
Environment, continued

Recently, the Union of Concerned Scientists forecast that without stricter anti-flood measures, some 160 coastal communities will experience “chronic” flooding (every 2 weeks) over the next 20 years.

In this regard, several White House and Congressional budget proposals relate to flooding on the Eastern Shore and to the health of the Chesapeake Bay:

- Senate tax reform draft cuts the Army Corps of Engineers’ flood control appropriation by $500,000,000,
- House budget proposes cutting the EPA budget by 31% which will eliminate major programs to restore the Chesapeake Bay as well as cut 3200 EPA positions.

One particular agriculture change is the EPA’s decision to reverse the Obama Administration prohibition against farmers’ use of Chlorpyrifos, an insecticide. Critics have pointed out this chemical is suspected of damaging fetal brain tissue and nervous systems.

The Administration and Congressional leaders say that these and other regulatory changes are essential to release the business community from constraints and allow economic expansion and job creation to take place. As far as the environment is concerned, they say that the climate change and possible chemical pollution effects determined by the Obama Administration were exaggerated. But most studies have found and almost all scientists have concluded that climate change is real and dangerous.