2018 Election Cycle

Whatever your political persuasion, there can be no question about the crucial importance of the Federal, State and Local elections taking place on November 6, 2018. The primaries are on June 26, 2018.

All 435 seats in the US House of Representatives and 33 of the 100 seats in the Senate will be decided on Election Day 2018. Of the 33 senators, 24 are Democrats, one is an Independent (Angus S. King, Jr., from Maine) who caucuses with the Democrats, eight are Republicans. Thirty-nine gubernatorial positions, including Governor Hogan's, will also be on the ballot. Of particular interest to the Eastern Shore is Maryland's First Congressional District where the incumbent, Andy Harris, will face both Republican and Democratic opposition.

In addition, a number of County Commission or Council positions as well as some judicial and states attorneys are in contention. In the Maryland General Assembly, Sen. Steve Hersey, R-36 (challenged by Democrat Heather Sinclair) and Democrat Michael Welker are making a run for one of the three 36th District seats. Running for re-election are Del. Jay Jacobs, R-36 Kent, Del. Steve Arentz, R-36 Queen Anne's, Del. Jeff Ghrist, R-36 Caroline.
The CSES Van will be visiting all counties to talk to you starting later this month and continuing until October 15, 2018. We will post the schedules.

All comments by email or snail mail will be enthusiastically welcomed and included where appropriate in subsequent editions.

Our articles will address the Maryland gubernatorial, MD Congressional District 1 and District 36 races. More information regarding county campaigns will be found on our Elections page.

CSES and its county network will apply the same professional standards to the elections as we have to the general news over the past five months: no partisan rants, only facts and analyses based on them and on the stated positions of the candidates themselves. We will continue to try to interpret the impacts of each on the people living in the nine counties comprising Maryland’s Eastern Shore.

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**How the Tax-Cut Law Could Affect Eastern Shore Residents: Part 1**

While the really big winners in the recent tax-cut legislation are large corporations and, more generally, wealthy families, there is one provision that may make a significant difference to many individuals on the Eastern Shore, especially those who work for themselves or as an independent contractor or run a small business or are in a partnership.

Many people who own small businesses pay taxes on their income at the individual tax rate. That is because the old tax law treated their business income as “pass through” income. That means the income was not taxed at the level of the business—as it is in a corporation—but rather is passed through to the individual, who pays at his own rate. This applied to partnerships, limited liability companies (LLC’s), S corporations, and sole proprietorships—the last category including farming or free-lance work or virtually any kind of income that is not a salary, including income from casual or informal businesses. In effect, most kinds of income reported on a K-1 partnership form or on a Schedule C were treated as pass through.

Under the new law, pass through income gets a 20% deduction. That means that you still pay tax at your individual rate, but only on 80 percent of your net income, for incomes
less than $157,000 ($315,000 for joint filers). For higher incomes, more complicated rules apply—see an accountant. But that 20% deduction could make a big difference to people who run small businesses or who work for themselves, like many on the Eastern Shore. In fact, it might make sense for some employees to become contractors instead, as long as you don’t need (or don’t get) employee benefits like healthcare.

What counts is your net business income—after deducting allowable business expenses which can include tools, computers, and uniforms you buy for your business, as well as car or truck expenses, and often healthcare expenses for you and your family as well. Check with an accountant or tax expert to be sure what is allowed. But you will pay tax only on 80 percent of what remains.

The new law goes into effect this year, so it affects the tax return you will file in early 2019. Check it out.  

By Al Hammond

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**Supreme Court Watch**

*On the first Monday of October 2017, the Supreme Court began a new term. This is the first of a series designed to focus on decisions of the Court in this new term that might have an impact on the Eastern Shore.*

Political gerrymandering by political parties – the practice of purposely drawing voter district lines to favor one political party over another – is almost as old as our nation itself. Although at least one present Justice has characterized gerrymandering as “distasteful,” to date the Supreme Court has been unwilling to reach agreement as to whether it could or should become involved in policing the practice.

In a case heard early in October, the Court is presently considering whether, at least at some point, partisan gerrymandering unconstitutionally dilutes the value of one’s right to vote and, if so, where to draw that line. The case arose in Wisconsin, when the Republican controlled legislature following the 2010 census used new technology tools and voting data to redraw voter districts for future elections to the Assembly, the legislature’s lower house. The result maximized Republican political advantage by extracting Democratic voters from urban areas and combining them with larger numbers of Republican suburban voters in parts of the state and packing some other districts previously won by
Democrats into even more heavily Democratic districts. Although Democrats won a majority of the statewide Assembly vote in 2012 and 2014, Republicans won sixty of the ninety-nine Assembly seats.

At the argument before the Court early in October, some of the Justices appeared persuaded that the “precious right to vote” is undermined when legislators can redraw districts so that the result of the election is “preordained.” Other Justices appeared concerned that drawing the line between “acceptable” and “unacceptable” partisan boundaries might be practically impossible and drag the federal courts into what is at heart a political issue.

The Court’s opinion in the case, Gill v Whitford, is expected prior to the end of June, 2018. It is being closely watched across the political spectrum. Depending upon the outcome, the result might have enormous consequences in a large number of states, including Maryland, which has its own history of voter districts drawn with political goals in mind.

By John Christie

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**Supreme Court in Action**

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_For followers of the Supreme Court and anyone interested in how it works, try this podcast from WNYC radio. You can hear lawyers presenting their arguments and the justices asking questions during historic and recent cases including those on gender equality, Citizens United, gerrymandering, and gun rights. Fascinating stuff._

www.wnyc.org/shows/radiolabmoreperfect

Common Sense wants to get it right across the Shore. Become a volunteer CSES reporter: send us your county’s news, reactions, preferences and priorities to info@CommonSenseEasternShore.org

**One Vote Really Does Count. Could it be Yours?**

Too many of us seem to think our one vote really doesn’t matter. Various estimates put the percentage of registered voters nationwide who did not vote in the 2016 elections at about 40%. If votes were sandbags, and the Bay waters were rising, how would the rest of us feel about the four people out of every ten who refused to help hold back the tide, took
their precious bags and went home?

And what about the rare times when election outcomes actually do hang on a single vote? The most famous in American history is the single vote that finally ratified the 19th amendment and gave women the right to vote. Another single vote election just occurred in November 2017 in Virginia, where a Democratic candidate for the state legislature won a recount by a single vote. The race was declared a tie when another uncounted vote was discovered, and in the resulting lottery drawing (is this any way to choose who runs your state?) the Republican was declared the winner. Imagine your regret if you were a Democrat who hadn’t bothered to go to the polls, or your relief if you were a Republican who had?

Does every vote count? Absolutely. And yes, it could be yours.

By Frances Miller

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**The Working Poor in Maryland**

A good deal of attention has recently been given to promises by politicians that tax breaks for the wealthy and for corporations will lead to increased employment for those struggling to make ends meet. These promises fail to focus on what kind of jobs those seeking employment are likely to obtain. With manufacturing jobs disappearing because of foreign competition and automation, will the service economy provide for a better life for American workers and their families?

In the fall of 2016, the United Way issued a report on ALICE in Maryland. ALICE stands for Asset Limited, Income Constrained, Employed. ALICE is based on the finding that the Federal Poverty Level (FPL), developed in 1965 and last updated in 1974, does not adequately reflect the financial hardships facing the working poor: those who have jobs but do not earn enough to provide financial security for themselves and their families.

The Maryland report was one of 15 addressing ALICE in individual states. The studies found that in each state a significant portion of the population had income levels above the Federal Poverty Level but too low to afford a basic household budget that includes housing, child care, food, transportation, and health care.

The Maryland ALICE report found that to provide a basic household budget in Maryland, an individual would have to earn
a yearly income of $23,568 (an hourly wage of $11.78), and that a family made up of two adults, one infant and one preschooler would have to earn $61,224 (an hourly wage of $30.61). However, the report found that 53% of the jobs in Maryland pay less than $20 per hour and 36% pay less than $15.30.

Statewide, the report found that 35% of Maryland households fall below the ALICE level (including those below the FPL), and that this figure had grown by 9% between 2007 and 2014. The percentage of those living at or below that the ALICE level (including those below the FPL) in Maryland varies by county, with Howard County having the lowest percentage of 22% and Somerset County having the highest of 53%. In addition to Somerset, other counties on the Eastern Shore have ALICE rates at or above the State average: Kent 40%, Talbot 39%, and Wicomico 35%. The report found that Alice rates also varied within particular counties. For example, in Worcester County, Ocean Pines (19%) had the lowest percentage of those living below the ALICE level and Pocomoke City (56%) had the highest, with Berlin (35%) and West Ocean City (32%) having slightly more than the county average of 31%.

ALICE households in Maryland are comprised of the young and the old, those with children and those with a family member who has a disability. The most common households living below the ALICE level are those with children and those headed by seniors. Specifically, 33% of single individuals, 33% of families with children, and 39% of seniors 65 or older earn too little to pay for their basic needs. The report also found that education level, gender, race and ethnicity also affect ALICE. Children in households with a single parent are increasingly likely to live below the ALICE threshold. Young military veterans are also more likely to live below the ALICE level.

Politicians are talking about cutting Federal social programs to pay for tax cuts and forcing states to decrease spending by eliminating deductions for state and local taxes. These efforts are likely to make the ALICE problem worse. The ALICE report found that in Maryland there is already a $5.9 billion gap between the total of public and private assistance (other than healthcare) provided to ALICE households and the amount needed to bring all residents of Maryland out of ALICE.

Maryland is one of the wealthiest States in the Union.
However, over one-third of its residents do not have enough financial resources to provide for basic needs like food and housing, even if they are working at one or two jobs. This problem is particularly severe on the Eastern Shore.

Unfortunately, given the current political climate, the ALICE problem is likely to get worse before it gets better.

By Howard Sribnick