

WHO WOULD JESUS TAX? THE SAGA OF SUSAN PACE HAMILL'S ALABAMA TAX CRUSADE

by Alanna Hartzok, Scotland, PA

A University of Alabama School of Law Professor has asked God's forgiveness for the years she lived in the sin of ignorance about tax injustice. Susan Pace Hamill, a tax expert, business consultant, and dedicated United Methodist church goer, thought there was a misprint when she first read that personal incomes as low as \$4,600 for a family of four were being taxed by the state, while timber owners holding 71% of the land of Alabama were paying less than \$1 per acre in property taxes. Two hours later she found out there had been no mistake and that Alabama has the most regressive tax code in the country. Her righteous rage spawned a tax crusade that has reverberated onto the national scene.

"As somebody who knows a lot about taxes, I could not have imagined a design of a tax structure this bad," she said in a Tuscaloosa News story last February. "The state's tax code is really horribly unjust and has no moral, ethical leg to stand on. Period."

Alabamians with incomes under \$13,000 pay 10.9 percent of their incomes in state and local taxes while those who make over \$229,000 pay just 4.1 percent. Commercial property owners pay more than 50 percent of property taxes, with homes approaching one-third. Alabama's sales taxes are among the highest in the nation, up to 10 percent in some areas, and do not exempt even the most basic necessities such as food. The state's 1901 constitution was written primarily by large landholders to secure their economic interests, consequently property taxes are extremely light on their holdings.

At the time of her shocked awakening to tax injustice Alabama style, Hamill was working towards a master's degree in divinity from Beeson Divinity School at Samford University in Birmingham. She got the idea to write her thesis paper to expose the gap between Christian principles and the Alabama tax code. With the assistance of law school staff, she spent a year researching and writing "An Argument for Tax Reform Based on Judeo-Christian Ethics."

The thesis grew into a mission that galvanized the latent movement for tax reform in Alabama and Hamill rapidly became a leading spokesperson for tax justice. News stories around the state debated her insights and conclusions and the movement came to the attention of the nation's leading newspapers.

The Washington Post (3/23/03) headlined a story "Law Professor Summons Jesus as a Witness for Tax Reform" and a New York Times editorial (6/10/03) queried "What Would Jesus Do?" and answered "Sock It to Alabama's Corporate Landowners."

"Alabama's tax system is most abusive because it taxes items like milk, yet offers tax breaks for certain farm products," she said in a Huntsville Times (3/26/03) interview. "It's also un-

fair to allow timberland (which Hamill found out accounts for 71 percent of Alabama land) to generate only two percent of all state property taxes."

While resoundingly condemning the current system (she uses words like "horrific" and "monstrous injustice") Hamill clearly articulates a tax reform approach which shifts taxes off of low wage earners and onto large land owners. Through a combination of her own reasoning, caring heart, and inherent sense of justice and a thorough investigation of Judeo-Christian ethics, Hamill arrived at a tax policy approach which bears remarkable similarities to the economic justice crusades of 19th century reformer, Henry George.

Her appeal is to the 93 percent of Alabama residents who call themselves Christians. Hamill challenges them to put their faith into practice. Her message fell on many already listening ears. The state's two largest denominations, United Methodists and Southern Baptists, had passed resolutions favoring tax reform in 2000. In 2001 the state's Episcopalians, Presbyterians and Catholics approved similar calls. The Public Affairs Research Council of Alabama and the Business Council of Alabama had long clamored for tax change. In fact, tax reform is now supported by most of the state's religious organizations, according to Charles Durham, pastor of the First Presbyterian Church in Tuscaloosa.

What makes Hamill's work so compelling is her deep grasp of the Alabama tax code combined with her thorough documentation of the scriptural bases for economic justice. She quotes chapters and verses which proclaim that the poor should not be oppressed and that society should create conditions for their advance. Among her favorites are Jesus' words in Matthew 25:45: "Whatever you did not do for one of the least of these, you did not do for me." Luke 16:19-31 is a parable of a rich man sent to hell because of his indifference to the disadvantaged and in Jeremiah 22:15-16, "He defended the cause of the poor and needy, and so all went well."

While Hamill suspected she would be opposed by special interest groups like the Alabama Farmers Federation which represents big timber and agribusiness interests, she was not prepared for the attacks and underhanded tactics of the Alabama Christian Coalition under the leadership of President John Giles. While Giles agrees that tax relief to the less fortunate "is a noble thing" he says the care of the poor is the duty of private charity not of government and staunchly opposes tax increases. He tried to damage the Hamill campaign by smearing her personal integrity, pointing to her signing of a pro-choice petition as evidence that she therefore could not be a moral authority on tax reform. Opposing (continued on page 10)

WHO WOULD JESUS TAX?

(continued from page 9)

forces also called her a "Yankee carpetbagger" detailing her work history at two New York law firms. They said (wrongly so) that her tax proposals would bring huge property increases on the average home and business.

Bob Blalock, editorial page editor for The Birmingham News, says that the "real question about legitimacy should be aimed at the Christian Coalition. For whom does it speak when it attacks Hamill? Christians, many of whom would benefit from a fairer tax system, even one that raised more money? Or powerful special-interest groups (timber? agribusiness?) that want to protect their obscene tax breaks?" Blalock says there is no way to know because the law does not require the Christian Coalition to disclose what individuals or groups fund it. "When an organization places itself in the center of the debate over tax reform, citizens deserve to know who's funding its point of view." (3/14/03)

Hamill's conservative theology school responded to the attacks by firmly backing her stance. Faculty at Beeson Divinity School of Samford University in Birmingham passed a unanimous resolution endorsing her efforts. "We think what she has proposed is worthy support from the Christian community and we think it is in keeping with the evangelical community," said the school's dean, Timothy George (Anniston Star, 3/11/03).

Frank Thielman, Presbyterian Professor of Divinity at Beeson had this to say about their resolution: "Personally, I hope it does encourage dramatic tax reform that helps to relieve the burden of the poor. The reason I'm hopeful is because of my commitment as a Christian and my Christian vision. That is a vision that the poor should be dealt with equitably and fairly and that is a very biblical vision. It's because of my Christian commitment and the Bible and the word of God that I hope tax reform efforts succeed." (Anniston Star, 3/11/03)

In her own defense Hamill stated, "They (Christian Coalition) don't have anything to say that even touches the integrity and solidarity of my work, so they're attacking the person and doing it with lies." (The Tuscaloosa news, 3/13/03). She is considering legal action for character defamation.

Baptist-run Samford also printed and distributed thousands of copies summarizing Hamill's essay in a three-page brochure the size of a church bulletin.

More good news about Hamill's tax reform campaign is the potential for building a wedge between the religious right and the nation's neoliberal economic agenda. New York Times editorial observer Adam Cohen had this to say about Alabama's recently elected Republican Governor Bob Riley: "If the religious right had called up Central Casting last year to fill the part of governor, they could hardly have done better than the teetotaling, Bible-quoting businessman from rural central Alabama who now heads up the state.... Governor Riley has stunned many of his conservative supporters, and enraged the state's powerful farm and timber lobbies, by pushing a tax reform plan through

the Alabama Legislature that shifts a significant amount of the state's tax burden from the poor to wealthy individuals and corporations. And he has framed the issue in starkly moral terms, arguing that the current Alabama tax system violates biblical teachings because Christians are prohibited from oppressing the poor." (6/10/03)

Riley's tax plan, inspired in large measure by Hamill's prophetic tax justice ministry, would bring in an additional \$1.2 billion in revenue while raising the income threshold at which families of four start paying taxes from the current \$4,600 a year to more than \$17,000, scrapping the federal income tax deduction, and increasing exemptions for dependent children. It would give property tax breaks to small family farms, while costing millions to the state's 500 or so farms and timber tracts with more than 2,000 acres each, which includes companies like Weyerhaeuser and Boise Cascade, which own hundreds of thousands of acres.

"I've spent a lot of time studying the New Testament and it has three philosophies: love God, love each other, and take care of the least among you," said Riley (New York Times, 6/10/03, "What Would Jesus Do? Sock It to Alabama's Corporate Landowners")

Unfortunately, Alabama voters overwhelmingly voted against the plan on September 9, 2003. Some said that the poor did not trust the Republican tax relief plan and the rich had solidly organized against it. Opponents made hay out of the proposed sales tax increase on cigarettes, cars and lawn mowers and services like car repairs in a state where sales taxes already reach 11% in some areas.

The political divide for and against the tax proposal made for strange bedfellows. Labor Commissioner Charles Bishop was one of the two Cabinet members who resigned after Riley made his tax proposal, saying Alabama voters thought they were getting a tax-cutting conservative who would eliminate waste, but instead got the opposite.

Riley was supported by the state teachers' union, black lawmakers and the Democratic Party, as well as big business groups like the Campaign for Alabama. His opponents included a coalition of players who had until recently been his strongest supporters - bankers, farmers, small business owners, timber interests and conservative groups like the Alabama Christian Coalition and Americans for Tax Reform.

It appears that Governor Riley's fears about what would happen if the state's voters rejected his plan are coming true. Given the enormous \$675 million government deficit, he had to call a session of the legislature to slash the budget. (continued on page 11)

WHO WOULD JESUS TAX?

(continued from page 10)

Adam Cohen, reporting again for the New York Times (10/20/03) said "the budget ax is swinging in Alabama and the carnage is piling up." After the vote, Governor Riley was forced to cut most state agencies by 18 percent, and other recipients of state funds by 75 percent. Here is a list of expected results:

- * A hundred and fifty fewer low-income AIDS patients will receive life-saving medicines from the state.
- * Fifteen thousand low-income Alabamians may lose their hypertension drugs.
- * High Hopes, a program that offers after-school tutoring to students who fail the high school graduation exam, is being slashed.
- * Up to 1,500 poor children and adults with Down syndrome, autism and other disabilities will not be able to attend a state-supported special-needs camp.
- * The court system is laying off 500 of 1,600 workers, from clerk's office employees to probation officers.
- * The health department is losing investigators who track tuberculosis, and sharply reducing restaurant inspections.

Cohen reports that the impact of the NO vote for tax reform is being blunted by a fortuitous one-time injection of federal funds. "Next year agencies are bracing for a 56 percent hit. If the state cannot find more revenue - and Governor Riley is searching - it may be nearly impossible for basic services, including courts, prisons and police, to operate," he said. "Last month, Alabama voted for fewer social services, less education, and a shoddier legal system - to become, that is, more like a third-world nation... Governor Riley's setback last month is being hailed by national antitax forces as a great victory. But if Alabama heads into next year without additional revenues, students may have to learn without textbooks, prisoners may be released early, and people may start dying of preventable diseases. We should all pay attention, because if the "starve the beast" (of government finance) crowd continues to prevail in Washington, as goes Alabama so may go the nation."

Despite losing this battle, hopefully the moral and ethical forces for tax justice that were awakened by Hamill and her momentous campaign will continue to move forward, refining and developing their strategy. Hamill is an articulate and impassioned tax reform crusader who is standing on solid moral and ethical ground. Her voice and the voices of those responding to her message will continue to sound.

The Alabama tax shift movement has not yet been fully exposed to the political, economic and spiritual insights of Henry George, nor have the ethical dimensions and scriptural imperatives concerning ownership of land in the Judeo-Christian tradition emerged as keynotes. In the opinion of this writer, the time is approaching when the full message of securing human rights to the earth via fundamental tax reform will be heard by the nation. By that time Alabama's Susan Pace Hamill will have played a magnificent leading role in the story.

Hamill's thesis and other related materials are posted on the web at www.law.ua.edu/directory/bio/shamill.htm.

(Author's note: Thank you to Wynn Achenbaum for her many email forwards of news stories following the Alabama tax crusade and appreciation as well to Bob McDonald who sent a packet of material including Hamill's book, which includes her 112 page masters of divinity thesis, "An Argument for Tax Re-

form Based on Judeo-Christian Ethics" which was also published in the Alabama Law Review. Although Wynn and Bob have been following the Alabama movement closely and made some contact with Hamill, a strong connection between Hamill and the Georgist movement has not yet been forged. Such contact may lie in the near future.)

(Alanna Hartzok may be emailed at earthrts@pa.net)
