

## TAX MATTERS

OCTOBER 9, 2008, Issue #08-41, by Bernard Ridens, Executive Director  
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### REVIEW OF PAST TAX MATTERS

OCTOBER 2, 2008 (#08-40)

- PARKS DEPARTMENT SURVEY RESULTS
  - Follow Terre Haute Parks and Recreation Master Plan for a [graphical display of survey results](#) and the [raw data distribution](#)
- NEIGHBORHOOD PARTNERSHIPS – ARE YOU INVOLVED?
  - To give you a better overview of the good work the Terre Haute Neighborhood Partnership Steering Committee is doing, click [here](#) and read six pages of minutes from their September 23, 2008 meeting.

SEPTEMBER 25, 2008 (#08-39)

- NATIONAL TAXPAYERS UNION POSITION ON BAILOUTS
  - No more bailouts!
- MySmartGov.org
  - MySmartGov.org is a new grassroots organization that is trying to persuade the 2009 General Assembly to adopt the recommendations to streamline government made by the Indiana Commission on Local Government Reform

The Taxpayers Association is a not-for-profit organization supported by membership dues. Any citizen or group of citizens in Vigo County may be a member. Current members are encouraged to promote membership in the organization by giving the attached application to a potential member. [See the TA application and dues structure.](#) This is NOT an invoice for your dues.

# 1. CANDIDATE DEBATES

The League of Women Voters is sponsoring two candidate debates.

**Wednesday, October 15, 7-8:45 p.m.**

**Sarah Scott Middle School**

**State Representatives invited in contested races**

*District 43*

Clyde Kersey (Democrat)

Ryan Cummins (Republican)

*District 44*

Nancy Michael (Democrat)

Amos Thomas (Republican)

Darrell Goldman (Libertarian)

*District 45*

Rick Marshall (D)

Bruce Borders (R)

*District 46*

Vern Tincher (D)

Bob Heaton (R)

**Wednesday, October 22, 7-8:45 p.m.**

**Sarah Scott Middle School**

**County Council, County Commissioner contested races**

*County Commissioner, District 3*

Paul Mason (D)

Brad Anderson (R)

*County Council Member At-Large (vote for no more than 3)*

Mark Bird (D)

William (Bill) Bryan (D)

Ed Ping (D)

Tim Hennessy (R)

Angela Miller-Treadway (R)

Mike Morris (R)

Other county contested races each may make a brief explanation of qualifications.

## 2. BID SELECTION FOR HONEY HILLS / DALLAS ROAD SEWER EXTENSION PROJECT

A discussion surrounding the bid selection process came up during the last meeting of the TA board. Points were made that the low bid is not always the best bid. It may be, but other items must go into the consideration, such as the quality of past work done by the company making the bid.

Relating to this discussion, one of the topics of the September 23, 2008 meeting of the Terre Haute Board of Sanitary Commissioners was the opening of bids for the Honey Hills / Dallas Road Sewer Extension project. The winning bid was awarded at the October 7, 2008 meeting.

The following bids were received:

Atlas Excavating	\$1,084,037.00
McCalister Brothers, Incorporated	\$1,387,599.00
Kanizer Excavating	\$1,389,392.00
Gradex, Incorporated	\$1,445,047.30
B & T Drainage & Excavating	\$1,513,403.82
Feutz Contractors, Incorporated	\$1,600,350.65

The bid was awarded to Atlas Excavating.

## 3. GOVERNMENT BAILOUTS – AN AMERICAN TRADITION

The recent bailout does have some precedent. In fact, the first U.S. government bailout occurred during the days of Alexander Hamilton in 1792. The following link is to a September 20 *Wall Street Journal* article that describes four times in our nation's history where our government stepped in during a financial crisis.

Article: <http://www.wsj.com/article/SB122186662036058787.html>

## 4. BIG NUMBER REVIEW AND A POINT OF FACT

Number	Word Name	Power of 10
1,000	One thousand	$10^3$
1,000,000	One million	$10^6$
1,000,000,000	One billion	$10^9$
1,000,000,000,000	One trillion	$10^{12}$
1,000,000,000,000,000	One quadrillion	$10^{15}$
1 followed by 100 zeroes	One googol	$10^{100}$

**Example:** If the government support to the financial industry is \$700 billion, and there are 350 million Americans, what is the per person cost of the support?

## Solution:

$$\frac{\$700 \text{ billion}}{350 \text{ million}} = \frac{\$700,000,000,000}{350,000,000} = \frac{\$70,000}{35} = \$2,000$$

$$\frac{\$700 \text{ billion}}{350 \text{ million}} = \frac{700 \times 10^9}{350 \times 10^6} = 2 \times 10^3 = \$2,000$$

Why are we discussing this example? It has been broadcast over the internet and in other publications that it would be better to distribute the \$700 billion dollars to every American and that each would receive \$2 million. No matter what method you use to solve this problem, the result is not \$2 million per person, but \$2,000 per person! **The moral of the story: Don't believe everything you read!**

## 5. WHO PAYS INCOME TAXES?

This data, located on the National Taxpayers Union web site, shows how much of our taxes are paid by each income tax bracket. The tax year 2006 is the most recent data available.

### For Tax Year 2006

Percentiles Ranked by AGI	AGI Threshold on Percentiles	Percentage of Federal Personal Income Tax Paid
Top 1%	\$388,806	39.89
Top 5%	\$153,542	60.14
Top 10%	\$108,904	70.79
Top 25%	\$64,702	86.27
Top 50%	\$31,987	97.01
Bottom 50%	<\$31,987	2.99

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

### For Tax Year 2005

Percentiles Ranked by AGI	AGI Threshold on Percentiles	Percentage of Federal Personal Income Tax Paid
Top 1%	\$364,657	39.38
Top 5%	\$145,283	59.67
Top 10%	\$103,912	70.30
Top 25%	\$62,068	85.99
Top 50%	\$30,881	96.93
Bottom 50%	<\$30,881	3.07

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

**For Tax Year 2004**

<b>Percentiles Ranked by AGI</b>	<b>AGI Threshold on Percentiles</b>	<b>Percentage of Federal Personal Income Tax Paid</b>
Top 1%	\$328,049	36.89
Top 5%	\$137,056	57.13
Top 10%	\$99,112	68.19
Top 25%	\$60,041	84.86
Top 50%	\$30,122	96.70
Bottom 50%	<\$30,122	3.30

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

**For Tax Year 2003**

<b>Percentiles Ranked by AGI</b>	<b>AGI Threshold on Percentiles</b>	<b>Percentage of Federal Personal Income Tax Paid</b>
Top 1%	\$295,495	34.27
Top 5%	\$130,080	54.36
Top 10%	\$94,891	65.84
Top 25%	\$57,343	83.88
Top 50%	\$29,019	96.54
Bottom 50%	<\$29,019	3.46

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

**For Tax Year 2002**

<b>Percentiles Ranked by AGI</b>	<b>AGI Threshold on Percentiles</b>	<b>Percentage of Federal Personal Income Tax Paid</b>
Top 1%	\$285,424	33.71
Top 5%	\$126,525	53.80
Top 10%	\$92,663	65.73
Top 25%	\$56,401	83.90
Top 50%	\$28,654	96.50
Bottom 50%	<\$28,654	3.50

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

**For Tax Year 2001**

<b>Percentiles Ranked by AGI</b>	<b>AGI Threshold on Percentiles</b>	<b>Percentage of Federal Personal Income Tax Paid</b>
Top 1%	\$292,913	33.89
Top 5%	\$127,904	53.25
Top 10%	\$92,754	64.89
Top 25%	\$56,085	82.90
Top 50%	\$28,528	96.03
Bottom 50%	<\$28,528	3.97

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

### For Tax Year 2000

<b>Percentiles Ranked by AGI</b>	<b>AGI Threshold on Percentiles</b>	<b>Percentage of Federal Personal Income Tax Paid</b>
Top 1%	\$313,469	37.42
Top 5%	\$128,336	56.47
Top 10%	\$92,144	67.33
Top 25%	\$55,225	84.01
Top 50%	\$27,682	96.09
Bottom 50%	<\$27,682	3.91

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

### For Tax Year 1999

<b>Percentiles Ranked by AGI</b>	<b>AGI Threshold on Percentiles</b>	<b>Percentage of Federal Personal Income Tax Paid</b>
Top 1%	\$293,415	36.18
Top 5%	\$120,846	55.45
Top 10%	\$87,682	66.45
Top 25%	\$52,965	83.54
Top 50%	\$26,415	96.00
Bottom 50%	<\$26,415	4.00

Note: AGI is Adjusted Gross Income  
Source: Internal Revenue Service

Taken from: <http://www.ntu.org/main/page.php?PageID=6>

## 6. COMIC RELIEF FOR OUR ECONOMIC TIMES

Once upon a time, in a village, a man appeared and announced to the villagers that he would buy monkeys for \$10 each.

The villagers, seeing that there were many monkeys around, went out to the forest and starting catching them. The man bought thousands at \$10 and, as supply started to diminish, the villagers stopped their effort. He further announced that he would now buy at \$20 for a monkey.

This renewed the efforts of the villagers and they started catching monkeys again. Soon the supply diminished even further and people started going back to their farms. The offer increased to \$25 each, and the supply of monkeys became so small that it was an effort to even find a monkey, let alone catch it!

The man now announced that he would buy monkeys at \$50! However, since he had to go to the city on some business, his assistant would now buy on behalf of him.

In the absence of the man, the assistant told the villagers, "Look at all these monkeys in the big cage that the man has collected. I will sell them to you at \$35, and when the man returns

from the city, you can sell them to him for \$50 each.” The villagers rounded up all their savings and bought all the monkeys.

They never saw the man nor his assistant again, only monkeys everywhere! Now you have a better understanding of how Wall Street works.

## 7. PUBLIC MEETINGS

The purpose of this calendar is to encourage taxpayers to attend public meetings. Taxpaying persons working at your business or living in your neighborhood should be encouraged to attend a meeting of their choice at least once per year. The date and time for the meetings listed below are always subject to change. The contact person is also listed. You should call the appropriate office and confirm the date and time if you plan to attend.

<b>Date</b>	<b>Time</b>	<b>Public Meeting</b>	<b>Location</b>	<b>Contact Info</b>
Mon. Oct. 13	6:00 pm	<b>West Terre Haute Town Board</b>	500 W. Nat'l, WTH	Melody 533-2034
Tue. Oct. 14	9:00 am	<b>County Commissioners</b>	County Annex	Judy 462-3367
Tue. Oct. 14	2:00 pm	<b>Board of Public Works and Safety</b>	City Hall – 1 <sup>st</sup> Floor	Robin 232-4767
Tue. Oct. 14	4:15 pm	<b>Vigo County Redevelopment Commission</b>	County Annex	Amanda 234-2524
Tue. Oct. 14	7:00 pm	<b>Seelyville Town Board</b>	Seelyville Water Office	Tamara 877-2665
Wed. Oct. 15	9:30 am	<b>Clay-Owen-Vigo Solid Waste District</b>	109 E. Nat'l, Brazil IN	Janet 800-387-3380
Wed. Oct. 15	4:00 pm	<b>City Redevelopment Commission</b>	City Hall – 1 <sup>st</sup> Floor	Phenny 232-0018
Wed. Oct. 15	4:30 pm	<b>City Park Board – General Meeting</b>	Deming Park	Eddie 232-2727
Wed. Oct. 15	5:00 pm	<b>Vigo County Board of Health</b>	County Annex	Louise 462-3428
Thur. Oct. 16	1:30 pm	<b>Tree Advisory Board</b>	City Hall Mayor's Conf. Room	Jennifer 232-4028
Mon. Oct. 20	5:30 pm	<b>Human Relations Commission</b>	Booker T. Washington Center	
Mon. Oct. 20	7:00 pm	<b>Vigo County Public Library</b>	Library – Main Branch	Nancy 232-1113
Tue. Oct. 21	9:00 am	<b>County Commissioners</b>	County Annex	Judy 462-3367
Tue. Oct. 21	10:00 am	<b>City Board of Sanitary Commissioners</b>	City Hall – 3 <sup>rd</sup> Floor	Sally 235-5458
Wed. Oct. 22	4:30 pm	<b>City Park Board – Business Meeting</b>	Deming Park	Eddie 232-2727
Wed. Oct. 22	7:00 pm	<b>Airport Authority</b>	Airport	Kara 877-2524
Fri. Oct. 24	5:30 pm	<b>Information Technology Advisory Board</b>	City Hall – 1 <sup>st</sup> Floor	Brad 244-2316
Mon. Oct. 27	2:00 pm	<b>Board of Public Works and Safety</b>	City Hall – 1 <sup>st</sup> Floor	Robin 232-4767
Mon. Oct. 27	4:00 pm	<b>County Park Board</b>	County Annex	Julia 462-3391
Mon. Oct. 27	7:00 pm	<b>Vigo County School Board</b>	VCSC Board Room	Judy 462-4216
Tue. Oct. 28	9:00 am	<b>County Commissioners</b>	County Annex	Judy 462-3367
Tue. Oct. 28	5:00 pm	<b>County Council</b>	County Annex	Auditor 462-3361

**END**

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