

The Sandy Post

Editorial & Opinion

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Sandy rebounding

At the beginning of 1983, Sandy was welcoming new business to town even in the face of economic struggle, as Bison Industries came to the city to take over the old Timberline Trailer site.

Like "the little train that could," Sandy is beginning to see some uphill progress, marked by the return of a Ford automobile dealership at the beginning of 1984. Suburban Ford owners Jerry and Nancy Jaksich join other new businesses established in Sandy over the past year. The new dealership will employ nearly 20 people and most are local residents. The owners have already shown their community spirit by attempting to hire all local services for remodeling

and other preparations.

Wasson Brothers winery and Coast-to-Coast are two more of the larger businesses that are new to Sandy this year that are now in full swing. McDonalds has joined a full complement of already established restaurants in the city and is soon to be joined by Kentucky Fried Chicken.

These new businesses and a revived Sandy Area Merchants organization, along with a solid Chamber of Commerce, have to be encouraged by what could almost be called a "boom" year for Sandy economics.

While hard times are certainly not eliminated, Sandy is proving to be a "little town that can" bounce back from economic struggles.

Tax credit motive

You might have noticed the flurry of filings for office by politicians. None, we are sure, plan to start campaigning during the holidays. Rather the filings have to do with contributions and taxes.

The election isn't until next year, but politicians who file for office in 1983 can receive campaign contributions which are a direct tax credit for the person making the contribution.

Both the state and federal government allow taxpayers to take credits for political contributions. The federal government allows a maximum credit of \$50 on a single return and \$100 on a joint return. The state of Oregon allows a credit of \$25 on a single return and \$50 on joint returns.

All this means a person or couple can contribute money to a favorite candidate before Jan. 1 and it costs them nothing. Zero. A tax credit means the contribution is subtracted from your taxes — half on the federal and half on the state return.

The same rules apply in 1984, of course. But candidates are filing for office this month so their supporters can take advantage of the tax credit in both years.

The whole package is attractive to people who will owe money to the state or federal governments when April 15 rolls around. Most simply prefer to give their money to a politician friend rather than some unknown bureaucrat in Washington, D.C. or Salem.

Salem scene

Payroll tax explained

by JACK ZIMMERMAN
Associated Oregon Industries

Thousands of Oregon workers are going to be learning a little bit about the cost-of-doing-business in our state during the next few weeks.

In the process they'll learn that they're earning significantly more than their take-home pay. In fact, they'll find out they receive even more than their base wages or salaries before payroll deductions!

Those who acquire this knowledge will be receiving a simple leaflet along with their first paycheck or pay envelope for the new year.

The free payroll tax leaflets are a long-standing project of the education arm of Associated Oregon Industries — the AOI Foundation, Inc. Incorporated in 1975 for the expressed purpose of raising the level of economic understanding among Oregonians, the leaflets are one of a number of projects conducted by the non-profit foundation.

Specifically, the leaflets detail the costs incurred by workers and their bosses in the process of complying with the three major government-mandated fringe benefit programs.

The fringes include social security, workers' compensation and unemployment compensation insurance.

And the leaflets go a long way toward enabling workers to understand the alphabetical symbols, which appear on paycheck stubs, accounting for the difference between base pay and what a worker takes home.

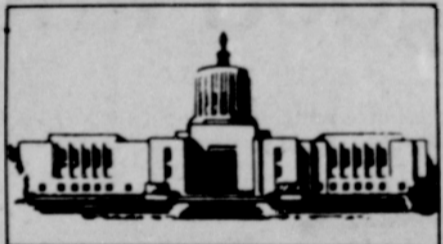
Examples are FICA (social security), FWI (federal income tax withheld) and SWT (state income tax withheld).

And they also explain other alphabet soup designations that accrue to their benefit without their knowledge. These include SUCC (state unemployment tax), WC (workers' compensation tax) and FUTA (federal unemployment tax).

Although the leaflets explain these items clearly and succinctly, the explanations also reveal the details and red tape their employers' accountants and payroll departments must put up with on a regular basis.

Some other revelations become obvious to readers of the leaflets. For example, bosses — who normally match the amounts of money withheld from the workers for social security — will be required to exceed that equal match for the first time in 1984. In other words, employers will pay more than their employees to fuel the system designed originally to supplement workers' own individual retirement programs.

First levied in 1937, social security originally required a contribution of \$60 a year for every employee — \$30 each from



worker and employer.

Rising steadily through the years as Congress enacted ever-increasing benefits, the maximum tax in 1984 will be levied against the first \$37,800 earned by all covered workers — greatly exceeding the base pay of most gainfully employed persons. And that means most people will be taxed all year.

Effective this year only, employees are taxed at a 6.7 percent rate and their employers at 7 percent. Depending on the amount of total annual wages, workers could pay as much as \$2,532.60 in 1984 and their employers could pay as much as \$2,464 for every worker — a total of \$5,178.60 per worker!

As extra benefits have been attached to the original supplementary retirement program, tax levels have been increased 27 times since 1937 and the total employee-employer maximum tax has increased 214 percent just in the last 10 years.

In addition to social security, employers also pay the state 3.1 percent of the first \$13,000 in wages to provide jobless pay benefits and another 8/10 of one percent of the first \$7,000 in wages for additional federal unemployment compensation.

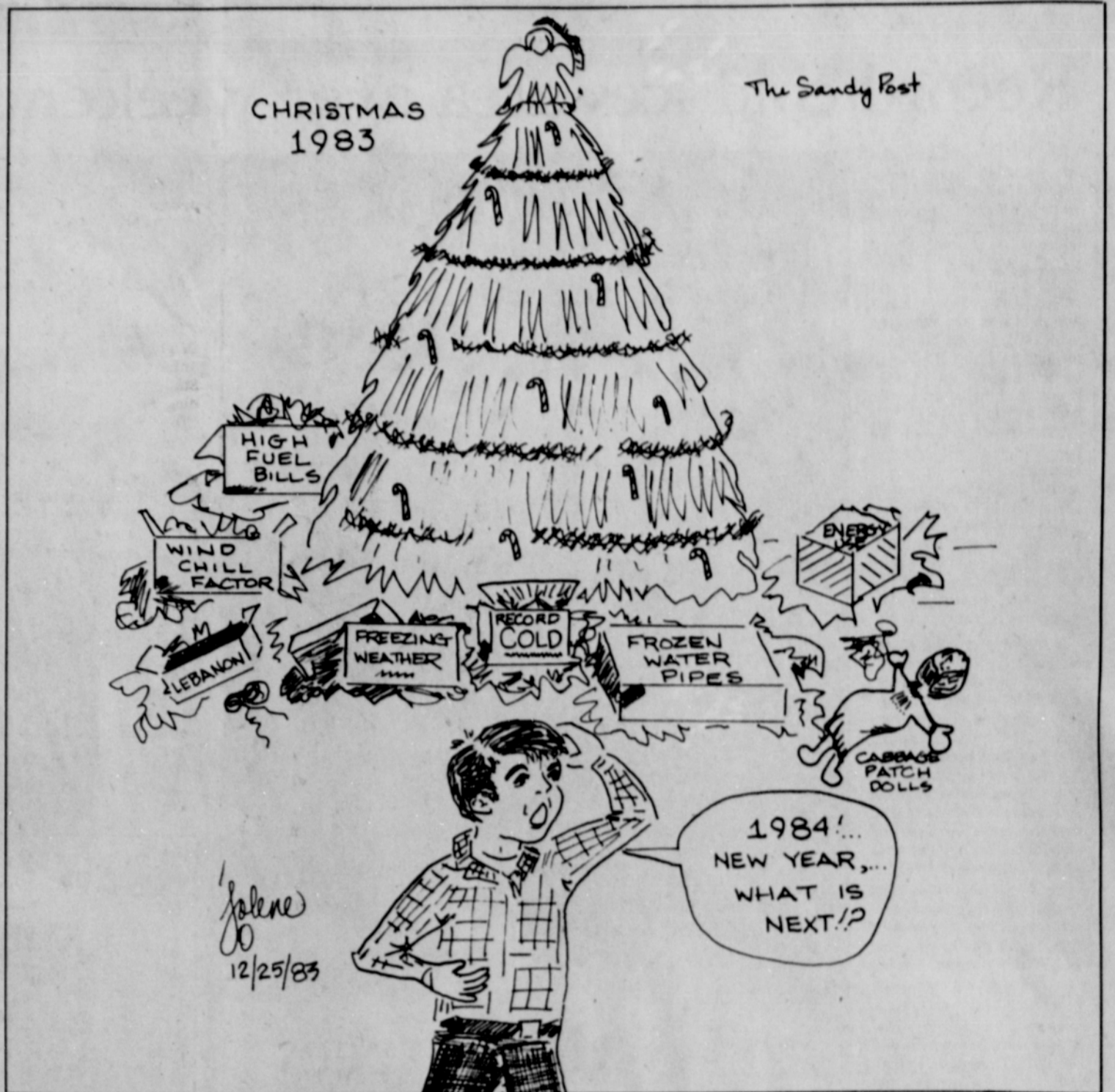
Workers pay only 14-cents a day for part of workers' compensation benefits while employers pay the entire premium for the required accident and illness insurance — plus 12-cents a day and an additional assessment to help run the program.

Recent legislative action has resulted in cost reductions for workers' comp but Oregon still ranks significantly above the national average. A so-called average workers' comp premium in 1984 will be \$2.42 for every \$100 of payroll. But in extra-hazardous jobs, the premium rises to nearly 100 percent of \$100 in payroll!

The bottom line on the payroll tax leaflets is a hypothetical married worker claiming two dependents and earning \$332 a week. That worker has only \$22.94 deducted from his or her weekly pay toward social security, workers' comp and unemployment comp. That worker's employer on the other hand, is taxed \$46.16 to support the same three fringe benefits for that worker.

That means the hypothetical worker's base of \$332 weekly is really \$378.16.

And the difference represents a significant part of the cost-of-doing business in Oregon.



Awards go to White House

by Louis Rukeyser

NEW YORK CITY — Ladies and gentlemen, the envelopes, please — it's time to hand out the Rukeyser Economic Awards for 1983.

This may have been the biggest year yet for individual winners and losers alike, so there will have to be an awful lot of disappointed contenders. Sorry about that. Only the truly outstanding — or the outstandingly ridiculous — could make it to the top. So, maestro, a drumroll to two, and let's have a respectful silence from the audience.

SILLIEST SITCOM OF THE YEAR — The Don and Marty Show. Don, a stockbroker dressed up as the Secretary of the Treasury, goes around for months straight-facedly suggesting that huge deficits don't have anything to do with high interest rates. Adding to the hilarity, Marty, a Harvard professor posing as a Presidential adviser, argues zanily with Don and wows the crowd with predictions that 1983 will produce only a very weak recovery. Both are wildly wrong. A classic of surrealistic jollity, if you don't happen to be paying for it.

EASIEST PREDICTION AT THE END OF 1983 — White House adviser Martin Feldstein won't be around at the end of 1984.

BELLY DIVE OF THE YEAR — The Washington public-power bonds that went "Whoops."

THE CHARLES PONZI AWARD FOR CREATIVE FINANCING — To John DeLorean, for allegedly concluding cheerfully that, in the

vigorously from deep recession the economy roared to a tremendous recovery, with dramatic falls in unemployment, dramatic rises in production and sales, and dramatic upward revisions of every economic forecast in academe.

FLOP OF THE YEAR — The conventionally pessimistic forecasters, who insisted a year ago that things could only get worse.

MOST UNUSUAL FLOP OF THE YEAR — The White House economic forecast, which traditionally is so rosy-hued as to suggest it was composed at Disney World — but which this year erred, in unprecedented fashion, on the negative side. Blame that on Marty, who may have been preoccupied quarreling with Don, or perhaps just preparing to return to Harvard.

THE JAMES WATT MEMORIAL AWARD — With Watt finally out as Interior Secretary a grievous loss to humor-lovers everywhere — White House adviser Ed Meese proved that the Watt legacy was alive by suggesting, on the eve of Christmas, that there were too many greedy fakers lining up at the nation's soup kitchens this December.

WORST CASE OF DISREGARDING THE WIT AND WISDOM

OF BERT LANCE — The court-enforced break-up of American Telephone and Telegraph. Lance, you will recall, liked to say: "If it ain't broke, don't fix it." The U.S. telephone system was conspicuously the best in the world. So we fixed it.

GONE-BUT-NOT-FORGOTTEN AWARD — To inflation, which always seems to return just when everybody is sure it's yesterday's news.

THE MARK TWAIN WEATHER AWARD FOR THE SUBJECT EVERYBODY TALKED ABOUT BUT NOBODY DID ANYTHING ABOUT — The federal deficit.

ECONOMIC JOKE OF THE YEAR — Congress.

THE "EIGHT IS ENOUGH" AWARD FOR PROVIDING THE BEST PROOF IN 1983 THAT, DESPITE EVERYTHING, RONALD REAGAN REMAINS THE LUCKIEST MAN IN AMERICA — Jointly shared by Messrs. Askew, Cranston, Glenn, Hart, Hollings, Jackson, Mondale and McGovern. Honorable mention to John Anderson, Tip O'Neill and Harold Stassen.

McNaught Syndicate

Personally speaking

Turkey dinner needs some spice

Ninety-five percent of the people in America have turkey for Christmas dinner. The other five percent are Jewish.

It is about time Americans started putting some variety in their holiday meals. At my home, we decided to start a trend by having beef-a-roni instead of the traditional bird. It really simplified the meal. Scooping is a lot easier than carving.

I could never get the hang of carving a turkey anyway. After the first year, my wife automatically replaced the centerpiece with a first-aid kit as soon as I picked up a knife. She always made the kids leave the table until I was done slicing so the sight wouldn't ruin their dinner, as if the way I butchered the thing didn't ruin it enough.

The other problem with turkey is that it is never done at the right time. The turkey is usually just perfectly cooked about one hour after you needed something to rescue you from Uncle Louie's dissertation on why shin cancer is a plague among earthworms. If Uncle Louie isn't going to be there,



by Hank Emrich

the turkey is usually done about 85 minutes before anybody shows, and doing a shrinking act that would have the Cambridge diet folks frothing at the mouth.

That is what's so good about

beef-a-roni. A little microwave magic and it can be ready in seven seconds. Someone could watch for Grandma out the window, and by the time she gets that weird salad out of the trunk of her car, the beef-a-roni could be steaming at the table.

You can't do that with a turkey. People keep telling me it is possible to cook a turkey in the microwave, but I remain unconvinced. The size of turkey it takes to feed my family would have to be quartered on a band saw before it would even fit. My brother-in-law says they are always cooking whole turkeys in the lunchroom where he works at the nuclear power plant. He says they don't have a microwave, just a closet they open and shove things in. He told me they once cooked a whole cow for a company picnic in 11 seconds.

Getting rid of the traditional turkey doesn't mean the meal would be without the traditional dessert. Everyone can stare at the mince-meat pie just like always. Nobody really eats mince-meat pie. We froze ours eight years ago

and just bring the same one out each holiday. My wife keeps promising to varnish it and tole paint around the edges, but it still looks the same to me.

A better idea for dessert might be junk food, which is a misnomer if ever there was one. Some of the finest foods known to man have been arbitrarily labeled junk food.

If one just realized how much work went into making the foods, maybe it would be different. The reason it is called junk food is parents don't want to have to go through the trouble of cooking it.

It's true. It is pretty easy to fix an apple for an after school snack, all you have to do is run it under the faucet, or rub on your stomach, if you happen to be wearing a flannel shirt. But not many mothers have cooked up a batch of twinkies for the little ones after school.

I am not saying all parents are dumb, but how many even know how to put that white stuff inside of a twinkie?

I honestly don't think there is a parent around anymore with the patience to paint the little m's on chocolate covered candies.