

# Road To

Where do you draw the line on taxes? Specifically, where do you draw the line on out-of-state tax liability when you work on a river that has a state boundary down its middle? The answer, as it turned out for IBEW members and other federal employees in three states, is to get Congress to pass a law.

IBEW Local 1688, Pickstown, South Dakota, was the driving force behind the passage of H.R. 2616, signed by President Clinton on October 17, 1998. But congressional action doesn't happen quickly and it certainly doesn't happen easily, reports Gary W. York, assistant business manager of Local 1688. Brother York confesses to some trepidation—if not outright fear—in taking on such daunting tasks as testifying before a committee of the U.S. Senate and other new experiences during the local's two-year trek to tax equity. But the members won because along the way, they made the maximum use of solidarity with federal employees who work on similar state borders in Washington and Tennessee, and had behind them the strength of an effective national organization like the IBEW.

Brother York and 34 other members of Local 1688 who work at the Gavins Point power plant on the Nebraska side of the Missouri River are South Dakota residents, but were compelled to pay Nebraska income taxes. Because South Dakota has no state income tax and therefore no tax reciprocity with Nebraska, the South Dakota residents could not get credit for taxes they paid in Nebraska—and thus the need for federal intervention. “I have paid \$12,000 to \$13,000 in Nebraska state taxes over the years,” Brother York said. “And I get no services from Nebraska. I was giving Nebraska enough to send my child to college, but in Nebraska I was considered an out-of-state resident.”



## South Dakota Members Win Long Stru

The effort to get relief through Congress was joined by federal employees with similar tax problems at the Corps of Engineers Hydro facility on the Washington-Oregon border on the Columbia River and at Fort Campbell on the Kentucky-Tennessee border on the Tennessee River.

Brother York credits Roger Hays, a member of the United Power Trades Organization (UPTO) in Washington state, with calling his attention to the possibility of congressional intervention. Hays had worked on a bill in the House of Representatives that had just failed and in his 1996 call to Brother York, he made it clear he was calling because Brother York is a member of IBEW, with a national strength and support not available to an unaffiliated

employee organization like UPTO.

With the encouragement of Local 1688 Business Manager Dennis Neilsen and members who joined in a letter-writing campaign, Brother York enlisted the help of IBEW Legislative Director Mike Emig (now retired) and started a sustained effort in early 1997. A year of toil, including passage in the House, went to waste when they were blocked by then Sen. Wendell Ford (D-Ky.), who didn't want Kentucky to lose the revenue from Fort Campbell taxpayers. (Sen. Ford retired at the end of his term in 1998.)

But 1998 was a different story. “As soon as Congress was back in session in 1998, we were there also. We needed to convince Senator Ford that our bill was very narrow in scope and was not going to set a national precedent,” Brother York

said. "We were all about to experience politics firsthand." A key piece of strategy was to attach the earlier version of the bill to the Defense Authorization Bill. "The issue did apply to military installations, so the inclusion in the defense bill made some sense," Brother York said, and the provision became more difficult for one senator to block. "We contacted IBEW locals in Kentucky and their

response was outstanding. They sent letters to Senator Ford explaining that no precedent would be set and adding their support for our efforts."

New congressional allies were enlisted in Tennessee, where union members from the American Federation of Government Employees (AFGE) had the help of the teachers union in Fort Campbell in addition to the Concerned Citizens of Tennessee. The National Federation of Federal Employees (NFFE) also got involved on behalf of its members in Washington state.

As the effort continued, Local 1688 developed a packet of information on the measure and a sophisticated e-mail system to keep everyone up-to-date as they spread the word to congressional offices in the three states. Brother York met repeatedly with Senate Democratic Leader Tom Daschle of South Dakota, and the effort had the support of South Dakota's other Democratic senator, Tim Johnson. After South Dakota Republican Rep. John Thune came to Gavins Point to meet with the IBEW members, his staff stayed on top of the situation, and

Sen. Fred Thompson (R-Tenn.) also joined the fray, with his lead bringing more endorsements from the Tennessee House delegation.

IBEW International President J. J. Barry wrote to pivotal House committee chairmen to keep the provision in the defense bill—and they did. The House passed the measure and, even though it wasn't in the Senate version, it was in the conference committee report.

"Normally, the federal government would not interfere in the exercise of a state's tax authority," Daschle told a South Dakota newspaper after both chambers finally approved the bill. "But in this unique situation, the unfair tax burden being placed on Gavins Point employees justified the intervention."

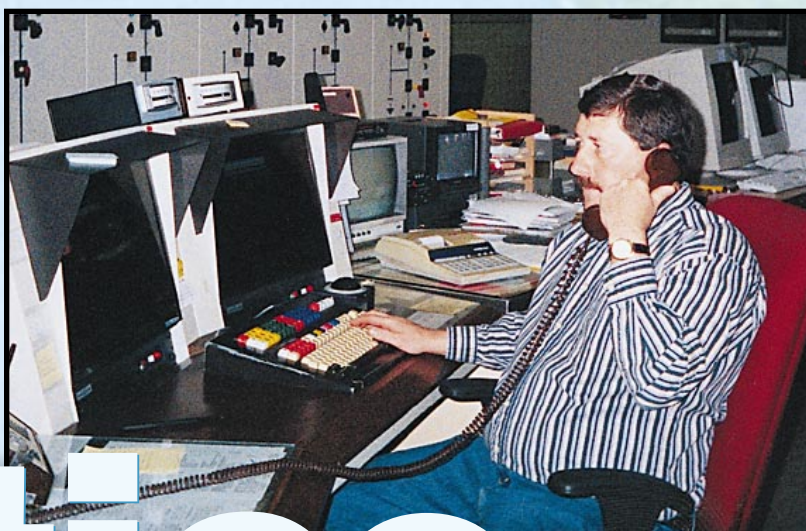
The House passage was 373-50 and the Senate approved it 96-2. Those lopsided margins make it look easy. But, Local 1688 can tell you, easy it was not. The bottom line on the tax return is about \$1,000 to \$1,400 a year for IBEW members at Gavins Point, who no longer have to pay for services they never received in the first place. ■

**The spirit of victory is demonstrated on the faces of (from left to right) Roger Hays, UPTO; Gary York, assistant business manager, Local 1688; Ed Wilson, CCT; George Kaelin, AFGE; Worth Lovett, CCT; Don Lovett, CCT; and Dan Wilson, CCT.**



## Struggle on Unfair Tax

# Tax Justice



**Gary York, assistant business manager, Local Union 1688, Pickstown, South Dakota, is shown at the Gavins Point Dam Control Center located in Yanktown, South Dakota.**