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 **BE SURE
TO READ
THE FINE
PRINT!**



By Stephen L. Bakke  January 11, 2018

Here's what provoked me:

A headline in the Minneapolis StarTribune struck me as one of the most misleading main, front-page headlines I have seen. The subject was "tax reform" and the reader had to refer to an obscure "footnote" to find out the truth. Read on

Here's my response:

Be Sure to Read the Fine Print!

StarTribune – January 11, 2017 – front page, lead headline: "Taxpayers get \$813M warning." Following that were these sub-titles: "Without changes, that's how much more Minnesotans could pay under new law"; and in CAPS, "RISE IN STATE TAXES?*" (Note the asterisk!) The report's first sentence adds the following unqualified prediction: "The Federal tax overhaul passed late last year could mean a hefty state tax increase for Minnesotans."

Woe is me! If readers stop there they will automatically assume this is a serious result of the recent federal tax reform. To help understand the real direction of this breaking news, one has to read the footnote attached to the asterisk, and the text itself, to learn that this technicality won't result in increased Minnesota taxes. Did the report intend to cleverly cast misleading aspersions on the recent federal reform? Was this "spinning the news" at its best?

The unrevised Minnesota tax return "starts" with federal taxable income as a matter of convenience. Federal reform made that method no longer possible, but a reasonable solution is available without unreasonable effort. Minnesota can use whatever definition of taxable income it chooses. Contrary to the headlines' implication, federal reform doesn't dictate how Minnesota defines taxable income, nor its tax rates. State tax and spending decisions are independent of federal tax laws, and stand on their own merits.

Readers shouldn't have to read the fine print to discover the truth behind a misleading headline.