House Ways and Means chair: Tax reform will happen

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If Rep. Mickey Channel (R-Greensboro) says structural tax reform can really happen in Georgia – maybe even in the next couple of months – then believe it. Channel is chair of the House Ways and Means Committee, where the bill or bills for tax reform will originate.

And that chairmanship is no honorific. Channel is ready for the task. Since coming to the Gold Dome in 1993, he is now or has previously vice-chaired Appropriations; chaired the Health Appropriations sub-committee, with its $13 billion budget; chaired Industrial Relations, and has served on the Rules and Transportation committees, among several others. He was the author of the bill that created PeachCare for Kids, which serves the healthcare needs of over 200,000 children of working families.

Yet those outside of the Capitol, or of Channel's central Georgia district, likely don't know much about this public servant of four decades. And that may be his best qualification of all for overseeing new tax policy that will affect virtually every one of Georgia's nearly 10 million people. Channel is no chest-thumping firebrand. You're unlikely to see him on TV, or for that matter in the well of the House. Google "Mickey Channel" and you'll get oodles of information -- about Disney World TV. (Rep. Channel's last name is pronounced "Sha-NEL.")

Channel is old-school, right down to his unassuming disposition. On his awesome new responsibility of tax reform, he comes across as unflappable as a veteran obstetrician about to deliver another set of triplets.

Channel has on his desk the thick sheaf of papers that are the recommendations of the Special Council on Tax Reform and Fairness for Georgians. When it was created in 2010 by the legislature, the council was handed a directive by the legislature that whatever recommendations it made had to be passed without amendment by the General Assembly, or rejected in their entirety.

Asked if that's realistic, Channel said, "Things here are a little different than in Washington. [A joint House-Senate committee] is going to actually read the recommendations. Read them and understand them. Then we may accept them all, or nothing might happen. But I think you will probably see a bill or series of bills before we're done, he said.

The pressure is on. Not only because of the high expectations surrounding this process of an extra-legislative committee making many detailed recommendations; but also because the timing and circumstances for major tax reform may not be this promising for a while to come.

The Republicans have formidable majorities in each chamber. The Democratic leadership has hinted that it is on board for reform, as has the generally anti-GOP Atlanta Journal-Constitution. Gordon Norquist has recently given his blessing to the recommendations. Norquist is the nationally renowned anti-tax pope who strikes fear – if not always private respect – in the hearts of Republicans everywhere. When Norquist recently, finally checked off on the tax council's recommendations as not constituting an overall tax hike, you could hear the audible sigh of relief from the GOP legislators who have signed a Norquist-inspired pledge not to raise taxes. That was a huge hurdle for tax reform.

Perhaps most important for the chances of structural reform, this year is not an election year. You won't hear many lawmakers saying that's a factor, but it may be the biggest one of all. No immediate reelection pressure could mean a lack of the kind of high-profile, pre-election brinksmanship that can sink any major legislation.

Of course with this alignment of factors pointing toward genuine reform comes even more pressure to get it done. Channel believes the biggest reason for optimism is that the reform is so sorely needed."We have a structural problem," he said. "Our revenue problems are not just because of the recession. The state's population is up, but revenue is flat. When people move here, they must bring their money with them or we have a lasting problem."

Channel declined to speculate on which recommendations might make the cut. Rumors are circulating that there might be a compromise on the swap of state income-tax proceeds for increased sales-tax proceeds. (The percentage tax rates for each may differ from the tax council's recommendations.) Many lawmakers are leery of the recommendation that retirement income should be taxed. For every recommendation, there is a constituency with influential lobbyists who could make tax reform a drawn-out slog through political minefields.

Said Channel, "These are integrated recommendations. Some might pay less, some might pay more. But I think you're going to see at least some legislation move this year."

It's hard not to believe him.