

OFFICE OF THE ATTORNEY GENERAL

MARK McELROY
ATTORNEY GENERAL

STATE OF OHIO
COLUMBUS 15



April 18, 1962

Mr. Richard Gosser
Sevior Vice President
United Auto Workers
425 Winthrop St.
Toledo, Ohio

Dear Mr. Gosser:

Inclosed you will find a news release issued Tuesday, April 17, 1962 by the Attorney General of Ohio, Mark McElroy.

Because of your keen interest in the Local 12 summer camp and the obvious implications that this release has, I thought you would appreciate it.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Brown".

WILLIAM H. BROWN

WHB/mp

McElroy for Governor Headquarters
74 South Third Street
Columbus, Ohio

FOR RELEASE: Tuesday, April 17, 1962 at 9 a.m.

Statement of Attorney General Mark McElroy at news conference in his office.

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Attorney General Mark McElroy, Democratic Candidate for Governor, said today that experience will indicate that it may prove wise to reinstate the sales tax stamp.

McElroy stated that Governor DiSalle, who championed the elimination of the sales tax stamp, may find that he made a sad mistake which will cost the treasury of Ohio many millions of dollars. This, in turn, will mean an increase in taxes to already overburdened Ohio taxpayers in making up the loss of revenue caused by eliminating the sales tax stamp.

McElroy reviewed the arguments in favor of the law abolishing the stamp. He recited the figure of \$5 million dollars as the savings in elimination of the sales tax stamp in the cost of printing the stamps and the payment to clubs and organizations on redemption of the stamps.

"However," McElroy said, "This will be more than offset by the loss of sales tax income resulting from bankruptcies of existing firms who have not had to purchase prepaid sales tax stamps. In addition," McElroy went on, "the new businesses that stagger along for six months or a year, and who never made a success from their opening business day, will not have had to purchase the tax stamps."

McElroy also pointed out that some merchants operating as itinerants, or door-to-door salesmen from outside the state also fall into this bracket.

"In addition," McElroy added, "we must remember with such organizations as PTA groups, Girl Scouts, Retarded Children, K of C, Masonic, Kiwanis, Exchange, Rotary, Lions, Churches, Hospitals and Convents, and so forth, we had about four million individuals who were policing issuance of sales tax stamps when making purchases. There are always some few merchants who will chisel 'just a little', but the aggregate amount of chiselling with the elimination of the stamp could total many millions of dollars."

McElroy also stated that the new law will increase the cost of government, since the Department of Taxation now has a staff of 400 examiners who are able to audit the accounts of only two or three percent of vendors. With the new law, this staff may have to be doubled in order to inspect the books of merchants.

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