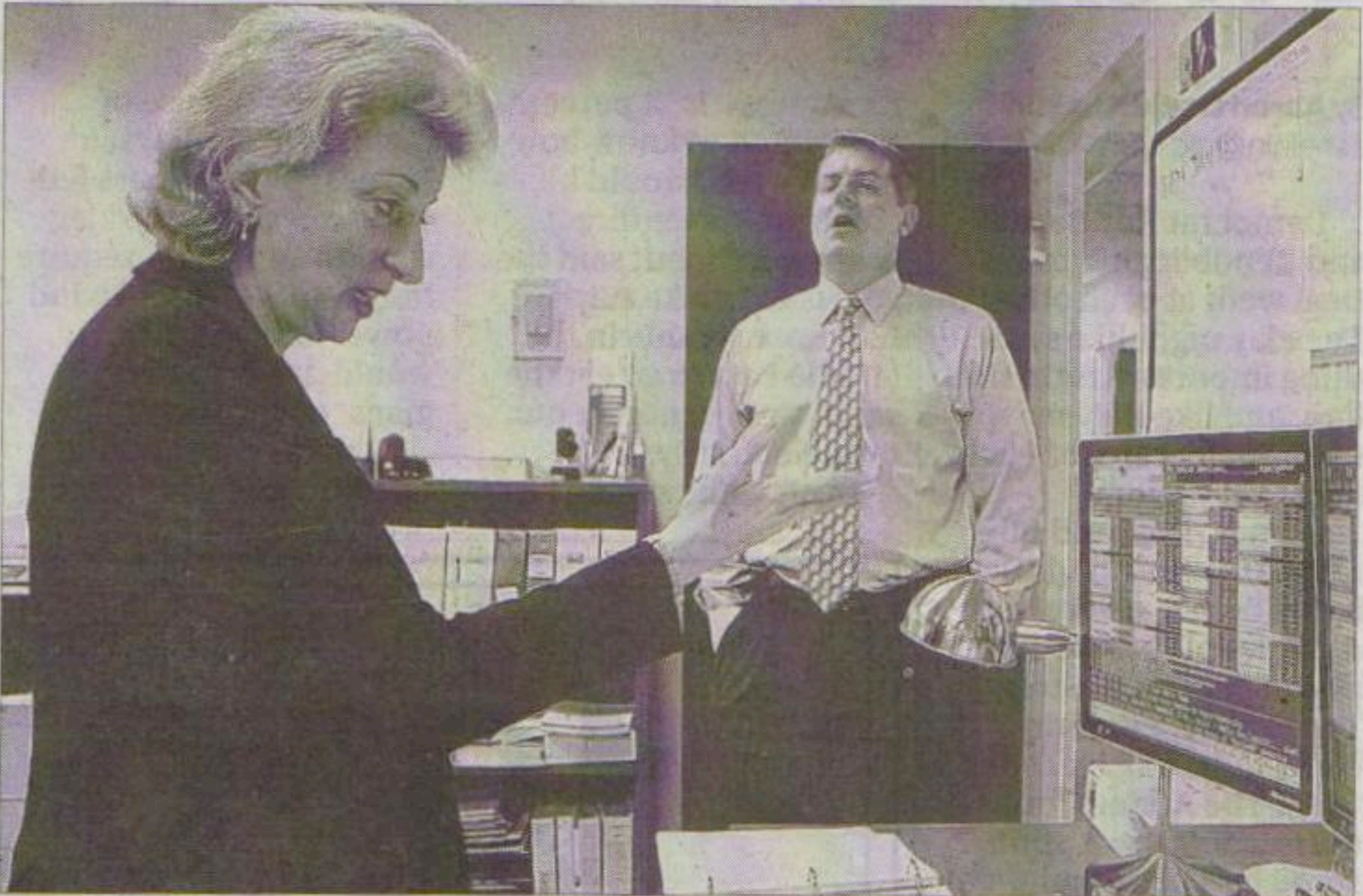




BARNES' JOB PLAN



Emily Sanders of Sanders Financial Management is open to Roy Barnes' tax credit plan. Her firm's attorney, Duncan Moseley, is in the background. *Vino Wong vwong@ajc.com*

Capital gains tax at core of strategy

big \$20 billion to create a biomedical research park in Georgia similar to the one in North Carolina. Barnes would be and questioned whether Georgia could afford Barnes' proposals now, given that the state is facing a huge budget shortfall.

● Critics raised concerns that companies could benefit from the proposed payroll tax credits for hiring they would do anyway.

Campaigning on the slogan "Make Georgia Work," Barnes says his plan is focused on creating new jobs in Georgia. His proposal to offer capital gains tax breaks is based on concerns that the federal government could raise its capital gains tax rate, which is now at 15 percent. Georgia's rate is 6 percent. The tax applies to profits on

state \$150 million in state revenue this fiscal year.

Local economists said — Rhode Island, Vermont and Wisconsin — have eliminated or reduced their capital gains tax breaks because of budget shortfalls, according to the Georgia Budget and Policy Institute, a nonpartisan think tank.

"The idea of losing any sort of revenue source seems pretty nonsensical to me when we know the things that revenue pays for — like education, teachers' jobs and public safety — are really important for stimulating the economy," said Meg Gray Wiehe, state tax policy director for the Washington-based Institute on Taxation and Economic Policy, a nonpartisan research group.

Wiehe also pointed

about businesses gaining Barnes' tax-credits-for-jobs proposal. They asked the Society for Human Resource Management-Atlanta. "I have got to have increased demand for my products or services, or I can't even afford half the salary for the person."

Emily Sanders, the CEO of Norcross-based Sanders Financial Management, said Barnes' idea is appealing to her in that it could help her company give its employees raises.

"Our folks are very productive and work hard, and it would be nice to reward them with the help of the state of Georgia," said Sanders, whose small firm advises people how to invest their money. "We do pay taxes to the state of Georgia, and some of that would flow back to our people."