



Daily Policy Digest



Tax and Spending Issues

April 12, 2011

Tax Freedom Day?

Tax Freedom Day (TFD) will come April 12 this year. TFD is the day when the nation as a whole has earned enough income to fund its annual tax burden -- theoretically. Total taxes this year will cost Americans more than what they'll spend on food, shelter and clothing combined, says Doug Bandow, a senior fellow at the Cato Institute.

Taxes provided a relatively accurate measure of the burden of government when the budget was balanced -- most recently in 2001. When you finished paying taxes, you were actually done paying for government.

No longer.

- The federal budget this year will run about \$3.8 trillion, give or take a few dozen billion dollars, which hardly counts anymore.
- Borrowing will account for between \$1.5 trillion and \$1.65 trillion, depending on who is doing the estimating.
- That is roughly 40 percent of total federal outlays.
- Unless Uncle Sam defaults on his obligations, that money will eventually have to be paid.

Unfortunately, there is little reason for optimism about the future.

- The congressional Republicans originally proposed to cut \$61 billion from this year's expenditures, about 1.6 percent.
- Now they've settled for \$22.5 billion less.

Source: Doug Bandow, "Tax Freedom Day -- Not," American Spectator, April 11, 2011.

For text:

<http://spectator.org/archives/2011/04/11/tax-freedom-day-not>

For more on Tax and Spending Issues:

http://www.ncpa.org/sub/dpd/index.php?Article_Category=25