



December 13, 2011

## [‘Over-taxing taxes’ and ‘unfair fairness’ define the United States](#)

Bluefield Daily Telegraph

James H. Shott

One of the more interesting topics in the U.S. today is how to tax people and how much to take from them. Some believe that the tax system needs to be dramatically overhauled. Others think the wealthiest Americans can and should pay an even higher percentage of their income to the taxman.

There is a strong feeling that our tax system is hopelessly messed up and desperately needs to be overhauled so that it raises enough revenue to operate our government as it was designed, which is to say limited in size and scope, and that tax rates do not punish one group of Americans while absolving another group of its responsibility to contribute to the support of its government.

As currently configured our tax system creates inequality while attempting to make everyone equal, and robs the economy of billions of dollars due to its complexity. The two sections of tax code, one written by the IRS and the other written by Congress, comprise nearly 17,000 pages. You can buy your own copy for just \$1,153.

A study by The Laffer Center for Supply-Side Economics explains that \$431 billion, or 30 percent of the total income tax collected, goes just to comply with and administer the U.S. income tax system. The Internal Revenue Service spends \$12.4 billion for administrative costs, and another \$9.3 billion for comprehensive audits. Americans spend \$31.5 billion on compliance.

Our government and the cost of running it have grown proportionately as the statist idea that government should do more and more for the citizenry has taken hold. According to Michigan-based Mlive.com, one in six Americans receives government assistance. Medicaid roles rose to 50 million in 2010 from 42 million in 2007, and the number of Food Stamp recipients hit an all-time high of 44.2 million in January, up 4.7 million from last year. Is it really true that all of those millions of people require the monetary support of taxpayers? Plainly, this situation is out of control, and getting worse.

In order to fund the government’s crazy spending addiction President Barack Obama and his liberal, big-government comrades want the “rich” paying more in taxes, a position he

repeatedly states just to be certain his fawning followers do not forget. In a recent speech Mr. Obama used the word “fair” umpteen times in one form or another: fair share; fair play; fair shot. There’s nothing like fomenting a little class envy to get the voters all excited.

Naturally, Mr. Obama doesn’t tell us precisely what he thinks “fair” is, perhaps because it’s easier to get people all worked up with generalities, as he did in the 2008 presidential campaign. But we know from experience that he means the wealthy will be called upon to bear an even greater “fair share” of the nation’s burdens than they already do.

Cato Institute senior fellow Richard Rahn wrote in *The Washington Times* that whereas the top 1 percent of taxpayers earns just 20 percent of total income, it pays 38 percent of all income taxes; the top 10 percent earns 46 percent of total income, but pays 70 percent of income taxes. Conversely, the bottom 50 percent earns 13 percent of total income, but pays less than 3 percent of income taxes. Most of us agree that at some low earnings level people do not make enough to warrant taxing them, but currently 47 percent of American households pay no income taxes, and some of them actually receive money from the government. Their fair share is apparently zero dollars, or less than zero. What stake do these people have in how politicians behave? Instead of criticizing the wealthy, they should be thanking them for paying their share of the government’s huge cost.

Where tax rates are concerned, a “fair rate” depends upon who you are and how much you earn. But the term “fair” implies the treating of all sides alike. After all, isn’t what’s good for the goose, good for the gander?

Well, no; not in America today.

If the Bush tax cuts for the highest income earners are allowed to expire, as the president and other liberals want, the highest rate will return to 39.6 percent. Having Uncle Sam take four of every 10 dollars you earn seems like a lot. What’s the point of getting a good education, learning a valuable skill and working to get a good paying job if the federal government is going to take nearly half of it?

And how many people now advocating that the rich pay 40 percent of their earnings in federal income taxes would support that rate if they had to pay it? It’s a very safe bet that not many would. But when it’s the other guy, well, that’s different.

So, in order to come closer to funding its spending addiction, the government punishes the wealthiest Americans, who are frequently the most productive and the biggest spending citizens, with immorally high taxes on their income. Given the dismal record of government for efficiency and frugality, that money would accomplish far more good left in the hands of those who earned it.