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Richard Rahn has the wrong idea about taxes

By Byron Chapin – July 20th, 2013

Richard Rahn of the libertarian Cato Institute rails against the income tax in his Free Press column "What's best: Flat tax, sales tax or value added tax?" on July 17.

He claims that taxes as a percentage of GDP are way too high compared to, as an example, 1948. The question comes to mind: why would he select 1948? In 1948, we were "eating leftovers" from World War II; we certainly weren't buying warships or tanks.

He likes the idea of user fees, calling the gasoline tax "an ideal tax," and it might come close if everyone used gasoline or diesel as their fuel. He calls the income tax "liberty destroying" as many libertarians do. He likes the idea of "a low rate sales tax" as an alternative. Rahn asks us to imagine what we would do if future events limited us to doing only what the Constitution called for, which he interprets as protection of person, property and liberty (cops, defense, courts).

I read the Constitution differently. I like the phrase in the preamble, "promote the general welfare." The best and fairest tax is a version of what we have had for nearly 90 years; a reformed progressive income tax.