

ECONOMIC COLLAPSE NEWS

PragerU touts benefits of flat tax – but isn't it still robbery & oppression?

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As liberals talk about mandating companies to install transgendered bathrooms, individuals in libertarian and conservative circles are discussing the merits of a flat tax.

There is a vast amount of support among these groups for the flat tax because it apparently brings about a level of fairness to the intricate tax code. In other words, everyone is paying the same tax rate regardless of their income status and everyone can finally stop complaining about supposed fair shares.

Prager University recently released a video that makes the case for a flat tax. Presented by Steve Forbes, Chairman and Editor of Forbes Media, the video outlines how the federal income tax code is roughly 10 million words, how complicated it can be and how much it can cost just to comply.

The solution, says Forbes, is a flat tax and a deduction for each adult and each child. That's it.

After just a few hours, the video (at the time of this writing) has more than 2,500 up votes. So it is still popular.

Here is the video from PragerU:

The question is: can a flat tax really benefit society?

Many of us can concur that the tax code, whether you're in the United States, Canada or Great Britain, is enormous, costly and hard to fathom. For years, we have been told about tax reform and the good intentions behind this initiative. Brink Lindsey of the Cato Institute went as far as saying that a flat tax, with no loopholes and complications, creates "win-win bargains."

As the old saying goes, the road to hell is paved with good intentions.

First introduced by legendary free market economist Milton Friedman in the 1960s, the flat tax is marketed as a way to increase employment, improve the economy and boost our standard of living. But, as another legendary free market economist, Murray Rothbard, once wrote: capitalism, and thus our standard of living, breathes through loopholes.

Indeed, the present tax system is horrific. But, as history dictates, whenever politicians and bureaucrats meddle around with a current monstrosity, it just gets worse and amplified. Simply put: leave it alone or the tax code will just balloon into an even greater catastrophe.

Rothbard wrote that it's important to view taxation as something differently, and that something different is robbery and oppression.

“... We have to look differently at taxation. We have to stop looking at taxes as a mighty system for achieving social goals, which merely needs to be made “fair” and rational in order to usher in Utopia. We have to start looking at taxation as a vast system of robbery and oppression, by which some people are enabled to live coercively and parasitically at the expense of others. We must realize that from the point of view of justice or of economic prosperity, the less people are taxed, the better. That is why we should rejoice at every new loophole, new credit, new manifestation of the “underground” economy. The Soviet Union can produce or work only to the extent that individuals are able to avoid the myriad of controls, taxes, and regulations. The same is true of most Third World countries, and the same is increasingly true of us. Every economic activity that escapes taxes and controls is not only a blow for freedom and property rights; it is also one more instance of a free flow of productive energy getting out from under parasitic repression.

“That is why we should welcome every new loophole, shelter, credit, or exemption, and work, not to shut them down but to expand them to include everyone else, including ourselves.”

You can't try to improve the oppression by somewhat modifying how it oppresses you; getting whipped 25 times a day is just as bad as 30 times a day.

In the end, the best reform to make is this: abolish the federal income tax!