

Romney's Taxes and the Liberal Mindset

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As anyone within range of a television set knows, Democrats have spent the last several months fixated on Mitt Romney's taxes. One endlessly repeated commercial points out that Romney paid only 13.9 percent of his income in taxes in 2010, "probably less than you." That ad is misleading on several levels.

First, unless your household was earning more than \$189,400 per year, it is unlikely that you are paying a higher federal income-tax rate than Romney. According to the Congressional Budget Office, the average middle-income American pays an effective federal income-tax rate of 1.3 percent. Recall that half of Americans pay no federal income tax at all. And, second, about two-thirds of Romney's income had already been taxed at the corporate level. While a precise estimate is impossible because of variations in corporate-tax payments, if one assumes an average effective corporate rate of roughly 25 percent, Romney's real federal income-tax rate was closer to 30 percent.

But perhaps more important, Romney also donated an additional 13.8 percent of his income to charity, nearly \$3 million. When the Romney campaign mentioned this a couple of weeks ago, Democrats were quick to dismiss it as substantively different from and less important than paying taxes. In fact, some suggested that such large charitable contributions might actually be a form of tax evasion, since they were tax-deductible. By helping people on his own, Romney was undermining government charity. "Charity is not democracy," complained Garrett Gruener, who helped found Patriotic Millionaires for Fiscal Strength, a pro-tax group.

At the same time, the Obama administration was upset that Americans still resisted turning to government programs when they hit hard times. Responding to a poll showing that most Americans were far more likely to rely on family,

personal savings, or other forms of aid than on government, the Obama administration hastened to put out word that “given that only 15 percent of you turn to government assistance in tough times, we want you to know about the benefits that could help you,” according to USA.gov’s “government made easy” website.

This might seem a bit odd, especially since studies suggest that private charity is more effective and more efficient than government programs, particularly for things that the Obama administration claims to care about, such as fighting poverty. But we’ve long known that conservatives and libertarians, on average, contribute significantly more to charity than do modern liberals. Indeed, according to a recent Gallup poll, Americans who described themselves as “very conservative” gave 4.5 percent of their income to charity, on average; self-described “conservatives” gave 3.6 percent; and “moderates” gave 3 percent; while “liberals” gave just 1.5 percent; and “very liberal” Americans gave barely 1.2 percent.

Those who voluntarily give the least are the same people who will spend the next few nights in Charlotte telling us how much they care, while demanding that the government take more from the rest of us by force through higher taxes.

This is not really the contradiction it seems. Rather, it reflects the mindset of modern liberals, such as President Obama and his supporters, who fundamentally discount, indeed distrust, the actions of private individuals and businesses. To modern liberalism, anything truly important must be done by government — can *only* be done by government. The myriad institutions of civil society are a distraction at best, an unwelcome competitor at worst.

This is an attitude that goes far beyond charitable giving. It is reflected in a belief that government jobs are especially ennobling, while people who work in the private sector are necessarily “greedy” and “corrupt.” Just listen to how President Obama refers to government workers versus how he talks about private business. Remember Julia, the Obama campaign’s sad vision of a composite American, who

can't do anything, from going to school to starting a business to buying her own birth control, without the government's help.

The president's oft-quoted "you didn't build that" remark, even in context, reflects this basic idea of government primacy. It is government, the president believes, that makes all else possible. That is why the president repeatedly expresses concern over cutbacks in government spending, while observing that "the private sector is doing just fine."

There is a soft totalitarianism to this mindset, hostility to the very idea of individual initiative and personal choice. Recall that in his last State of the Union address President Obama mused wistfully that the American people should be more like soldiers, who "are not consumed with personal ambition," but who "rise or fall as one unit."

That is a fundamentally different vision from the one that has animated America since its founding. The Founders' vision was a nation of individuals, each endowed with *individual* rights by their creator — moral agents making their own choices, and coming together on a voluntary basis to help one another. That is what Robert Thompson of the University of Pennsylvania meant a century ago, when he said that government programs were "a rough contrivance to lift from the social conscience a burden that should not be either lifted or lightened in that way." Those who seek the primacy of government have long sought to claim the moral high ground as those who care, but at its heart statism holds a hollow morality that neither trusts nor believes in people.

That's something worth thinking about this week when speakers at the Democratic convention tell us how much they care.

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