Jim Waters - Thank God Almighty, (Tax) Freedom at Last!

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KENTUCKY (4/15/12) - April 9 was **Tax Freedom Day** in the Bluegrass State – the day Kentuckians finally earned enough to pay off this year's tax burden and quit greasing the palms of the Nanny State.

That means we worked 99 days – from January 1 through April 9 – to satisfy the demands of Washington, Frankfort and City Hall before we had fully paid the tax man.

Not only is 99 a lot of bottles of beer on the wall, it's another indication of the high cost of big government.

Incredibly, many of the economic amateurs determining tax policy in government's hallowed halls actually think it's not enough and that we need to do more before being allowed to escape the heavy burden of government redistribution.

I don't doubt the good intentions behind such ideas. Billionaire Warren Buffet genuinely believes that higher tax rates on some Americans will eliminate debt and control deficits.

Certainly, if Buffet wishes to donate to the cause, he is welcome to do so. As Kentucky Senator Mitch McConnell recently said, he's free to "send a check" to Uncle Sam.

(Make those checks payable to the "Bureau of the Public Debt" and send it to: Dept G, P.O. Box 2188, Parkersburg, W. Va. 26106-2188.)

While I don't question the motives of those who support higher taxes, I do doubt their grasp of history and current events – both far and near.

Socialist leaders in Europe have, for years, tightened taxpayers' chains rather than make serious attempts to shrink their bloated bureaucracies or confront ever-expanding deficits.

Greece plunged into economic insolvency even as public managers submitted $38,000 bills for office curtains and while one in five workers was employed by the government bureaucracy.

A local press investigation found that the bureaucracy had careened out of control to the point that some government workers don't even bother showing up for work because there aren't enough places for all of them to sit.

The Cato Institute's Daniel Mitchell, a tax-reform expert, wrote recently that European nations "have been raising taxes for decades while almost always arguing that higher taxes were necessary to balance budgets and control red ink. Yet that obviously hasn't worked."

Look no further than the massive strikes and riots in Europe's streets to confirm Mitchell's conclusion.

Closer to home, Illinois provides a striking example of what happens when politicians try to tax a state out of its fiscal problems.

Just last year, Illinois politicians hiked the state's corporate income tax by a whopping 46 percent and the individual income tax by an even-larger 67 percent. The stated goal was accompanied by fruity pie-in-the-

sky rhetoric: restore Illinois' fiscal footing and pump up the state's credit rating by seizing even more of taxpayers' productive income.

Instead, they got even more spending, lofty deficits and a downgrade in Illinois state debt to the lowest among the 50 states.

The aftershocks of this economic earthquake have resulted in an exodus of businesses and jobs. Illnois' proclivity for Draconian tax policy spooked some well-known companies like Mitsubishi and US Cellular so badly that they are considering leaving the state altogether.

That's a preview of what could happen in Kentucky if some – under the guise of "**tax reform**" – get their way.

Members of the Beshear administration's current tax-reform task force would do well to remember Winston Churchill's contention that "for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle."

Considering no government at any level ever taxed its way into prosperity, here's the best recommendation that could be made: allow citizens to begin working for themselves sooner rather than working for government longer.

— Jim Waters is president of the Bluegrass Institute, Kentucky's free-market think tank. Reach him at **jwaters@freedomkentucky.com**. Read previously published columns at**www.freedomkentucky.org/bluegrassbeacon**.