



## Revolt of the Irish Tax Slaves

- **Daniel J. Mitchell**

I wrote last year about a [backlash from long-suffering Greek taxpayers](#). These people – the ones [pulling the wagon rather than riding in the wagon](#) – are being raped and pillaged by a political class that is trying to protect the greedy interest groups that benefit from Greece's bloated public sector.

We now have another group of taxpayers who are fighting back against greedy government. My ancestors in Ireland have decided that enough is enough and there is widespread civil disobedience against a new property tax.

Here are the [key details from an AP report](#).

### The Serfs Fight Back

*Ireland is facing a revolt over its new property tax. The government said less than half of the country's 1.6 million households paid the charge by Saturday's deadline to avoid penalties. And about 5,000 marched in protest against the annual conference of Prime Minister Enda Kenny's Fine Gael party. Emotions ran raw as police backed by officers on horseback stopped demonstrators from entering the Dublin Convention Centre. ... One man mistakenly identified as the government minister responsible for collecting the tax had to be rescued by police from an angry scum. Kenny said his government had no choice, but to impose the new charge as part of the nation's efforts to emerge from an international bailout. ... The charge this year is a flat-fee € 100 (\$130) per dwelling, but is expected to rise dramatically next year once Ireland starts to vary the charge based on a property's estimated value. Anti-tax campaigners have urged the public to ignore the tax demand, arguing that the government doesn't have the power to collect it.*

What makes this new tax so outrageous is that Irish taxpayers already have been victimized with higher income tax rates and a more onerous value-added tax. Yet they weren't the ones to cause the nation's fiscal crisis.

Ireland is in trouble for two reasons, and both deal with the spending side of the fiscal equation.

1. The [burden of government spending exploded last decade](#), more than doubling in less than 10 years. This wiped out all the [gains from fiscal restraint in the 1980s and 1990s](#).

2. Irish politicians [decided to give a bailout](#) not only to depositors of the nation's failed banks, but also to bondholders. This is a grotesque transfer of wealth from ordinary people to those with higher incomes – and therefore a violation of [Mitchell's Guide to an Ethical Bleeding Heart](#).

It's worth noting that academic studies find that tax evasion is driven largely by high tax rates. This makes sense since there is more incentive to hide money when the government is being very greedy. But there is also [evidence that tax evasion rises when people perceive that government is wasting money and being corrupt](#).

Heck, no wonder the Irish people are up in arms. They're being asked to cough up more money to finance a bailout that was both corrupt and wasteful.

Let's close by looking at American attitudes about tax evasion. Here's part of a [column from Forbes](#), which expresses surprise that Americans view tax evasion more favorably than behaviors such as shoplifting and littering.

*A new survey suggests Americans consider cheating on their taxes more socially acceptable than shoplifting, drunk driving or even throwing trash out the window of a moving car. ... only 66% of the participants said they "completely agree" that "everyone who cheats on their taxes should be held accountable" and only 72% completely agreed that "it's every American's civic duty to pay their fair share of taxes"—suggesting, as the Shelton study does, that perhaps disapproval of tax evasion is not as strong as, say, disapproval of stealing from private businesses.*

I'm not sure, though, why anybody would be shocked by these results. We have a government in Washington that is pervasively corrupt, funneling money to [corrupt scams like Solyndra](#).

These same people want [higher tax rates](#), which will further encourage people to protect their income.

If we really want to promote better tax compliance, whether in the U.S., Ireland, or anywhere in the world, there are two simple answers. First, enact a [simple and fair flat tax](#) to keep rates low. Second, shrink [government to its proper size](#), which will automatically reduce waste and [limit opportunities for corruption](#).

But none of this is in the interests of the political class, so don't hold your breath waiting for these reforms.