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Big Government's bigger share

By Ralph R. Reiland

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Here's the news from The New York Times last Wednesday, the day before Tax Day: "Forty-seven percent. That's the portion of American households that owe no (federal) income tax for 2009. The number is up from 38 percent in 2007."

Given that jump among no-pays in just two years, it won't be many days before the majority of American households are taking out more than they're putting in when it comes to income tax monies.

And by paying zero, what's their incentive to keep from pushing for more spending on every federal boondoggle that's funded by the income tax, no matter how wasteful or crooked the project? To better feather their own nests, why shouldn't they all be riding around with "Raise the Income Tax" bumper stickers on their cars?

Scott A. Hodge, president of the Tax Foundation, describes the problem this way: "There's always one person in the lunch group who orders the most expensive meal on the menu because she knows you are all splitting. The same thing happens in government. A growing number of Americans are contributing little but taking a lot, and a shrinking number are giving a lot but taking little."

Actually, it's worse than that.

Half the lunch group isn't going to pay anything. There's no split. Their wallets remain closed when the bill comes. So why shouldn't they order lobster tails, filet and top-shelf martinis? Why should they care if several federal millions go to study why some bug has seen better days when it comes to his libido?

As it stands, Tax Freedom Day (how long we have to work before we've earned enough to pay our tax bill at the federal, state and local levels) arrived on April 9 this year -- well over three months into the year, according to the Tax Foundation.

In Pennsylvania, with the 11th-highest state and local taxes among the 50 states, Tax Freedom Day came later, on April 13.

Overall, reports the Tax Foundation, "Americans will pay more in taxes in 2010 than they will spend on food, clothing and shelter combined."

And that doesn't count this year's trillion-plus federal deficit, money the government is spending without collecting the taxes -- red ink that guarantees higher tax rates in the years ahead.

"Unfortunately, Tax Freedom Day is merely the proverbial calm before the storm," warns Doug Bandow, a senior fellow at the Cato Institute and a former special assistant to President Reagan. "In a world of endless red ink and the coming debt tsunami, spending rather than taxing is the true measure of government's burden."

Explains the Tax Foundation: "Since 2008, deficits have been massive by any measure, and as a result Tax Freedom Day may give the impression that the burden of government is smaller than it really is. Since 1948, when Tax Freedom Day was first calculated, the difference between what governments are spending and what they're collecting has never been as great as during 2009 and 2010."

Include this red ink along with the real cost of government, and the number of days we're working to pay the bill goes up by over a month, explains the Tax Foundation: "If Americans were required to pay for all government spending this year, including the \$1.3 trillion federal budget deficit, they would be working until May 17 before they earned enough to pay their taxes -- an additional 38 days of work."

That's 137 days --- 38 percent of the year.

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