

OTHER VOICES

In targeting wealthy, the left is missing the best chance to help poor

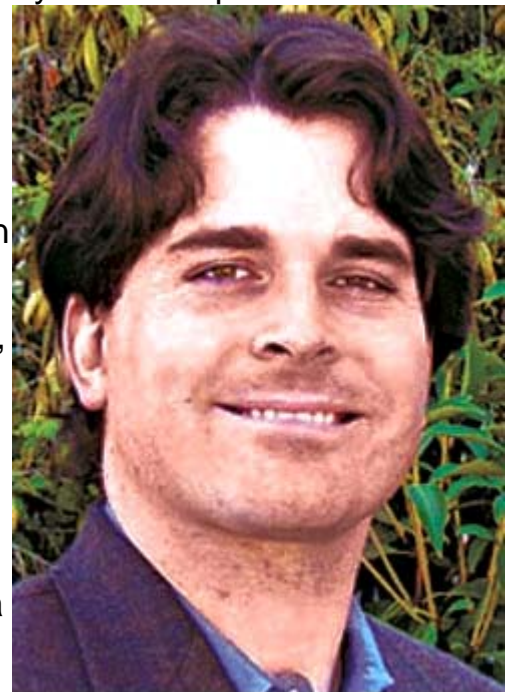
Today

By D. Dowd Muska

U.S. Sen. Bernie Sanders recently penned an unintentionally hilarious op-ed for The Wall Street Journal.

Capitol Hill's only admitted socialist stuffed his piece with the bromides leftists employ to demonize their political and ideological opponents. "Republicans in Congress," wrote the Green Mountain State Looney Tune, "have been fanatically determined to protect the interests of the wealthy and large multinational corporations so that they do not contribute a single penny toward deficit reduction." If those nefarious GOPers prevail, the fedpol thundered, "the entire burden of deficit reduction will be placed on the elderly, the sick, children and working families."

Batty Bernie's claims are easily belied. In a July blog posting for Forbes, the Heartland Institute's Peter Ferrara explained that in 2007, "the top 1 percent of income earners paid more in federal income taxes than the bottom 95 percent combined." In a recent floor speech, U.S. Sen. John Cornyn (R-TX) noted that "51 percent — that is, a majority of American households — paid no income tax in 2009. ... Actually, to show how out of whack things have gotten, 30 percent of American households actually made money from the tax system by way of refundable tax credits — the Earned Income Tax Credit, among others."



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Right-leaning pols, writers, and talk-show pundits skillfully skewer liberals' specious, single-minded crusade to finger "the rich" for all of society's woes. But they're far less adept at turning the tables on class warriors.

Imagine an alternate universe where leftists care more about providing relief from the levies that disproportionately harm the poor and middle class than finding new and creative ways to punish the affluent. The first place tax-cutters would start is at the local-government level. Randal O'Toole has developed the concept of the "planning tax." For those looking to achieve a piece of the American Dream, the Cato Institute scholar has found, "growth-management tools such as urban-growth boundaries, adequate-public-facilities ordinances, and growth limits all drive up the cost of housing" by an average of

\$130,000.

Once a home is purchased, unsuspecting owners learn that their property-tax burden never grows lighter. Personnel — cops, firemen, teachers, etc. — represent the bulk of municipal spending, and data show that state- and local-government employees are compensated at a rate 44.3 percent higher than private-sector workers. This outrageous disparity is the prime cause of runaway property taxes. Interest exhibited by “progressives” in homeowners’ most-hated tax? Zero.

Energy taxes are another target-rich source of revenue that offers opportunities to lighten the load for the little people. Extra charges on ratepayers’ bills fund a panoply of corporate welfare for the “green” sector. Yet it’s usually the well-to-do who avail themselves of heavily subsidized solar panels. Out on the road, the federal gasoline tax is 18.4 cents. Yet the Highway Trust Fund is looted by “mass transit” and other social-engineering schemes. With research showing that obtaining a car can be a more useful means to secure employment than completing a GED, it’s essential to reduce a tax that not only drives up the cost of motoring, but is used to fund projects that have nothing to do with fighting traffic congestion.

In the words of economist Gerald Prante, “no other federal tax hurts the poor more than the cigarette tax.” Washington’s cigarette tax is \$1.01 — President Obama signed a 62¢ hike immediately after taking office — and some state-level taxes exceed \$2.

A 2007 study by the National Center for Policy Analysis reported that just under “29 percent of adults with incomes of less than \$15,000 are smokers; by contrast, only 17.2 percent of people with incomes higher than \$50,000 smoke.” The disparity is greater in education, with almost 40 percent of GED-earners smoking, compared to 8 percent of people with a graduate degree.

Finally, the payroll tax assaults the not-so-loaded worst of all. The Tax Policy Center documented that among working households, “86 percent have higher payroll taxes than income taxes, including almost all of those with incomes less than \$40,000 and 94 percent of those with incomes less than \$100,000.” Privatization of the soon-to-be-insolvent Social Security system would put more money in the pockets of the masses, and allow everyone to join the investor class.

However fun it is to play what-if, here on this plane of existence, liberals don’t care about cutting taxes for anyone. So there’s no chance that they’ll target the levies that hammer the nation’s regular folks. That job is for scholars, activists, and elected officials who leftists malign as mouthpieces for the plutocracy.

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