



Payroll Tax Cut: Why Stop at \$40?

On December 22 President Barack Obama released the following message through the White House's Twitter account: "Thanks to all who shared #40dollars [sic] stories. Today's victory is yours. Keep making your voices heard — it makes all the difference. — bo"



This was in direct response to the Republican House of Representatives capitulating to the President and the Democratic Senate and allowing a shortened 2-month extension of the payroll tax cut, rather than forcing through the 1-year extension that the GOP was gunning for.

The President attributed the about-face of Congress to the tens of thousands of tweets by his Twitter followers through which they answered his call to action issued just two days earlier when he asked what \$40 meant to them. They used the hashtag application of Twitter to tell their stories, making the #40dollar movement "trend" (become one of the most popular subjects) on the network as they waxed poetic about everything from feeding their families to filling their gas tanks.

It was a sad example of the effect that Big Government and its propaganda have on its people. The countless stories tugged at the heartstrings and most were meaningful in their intent, but they were reminiscent of dogs begging their master for scraps from the dinner table, with the federal government assuming the role of master and the taxpayers the dogs — *a total reversal of what the roles should be*.

The \$40 has ended up being nothing more than fat and gristle scraped away from what was a prime cut of meat. The starved dogs that our people have become deserve the finer meat in its entirety. After all, it's our money — not the government's, as so many feel obligated to believe.

It's that belief in mistruths that dominated the #40dollar campaign and made it so successful, starting with the very dollar amount itself. The throng — led by the propaganda machine and mainstream media — believed that every one of them would have access to \$40 every week because of the tax cut. But, \$40 is *not* the average amount that Americans will keep; it's more likely the maximum allowable amount. According to government studies, the average wage nationally was \$39,959 or \$768 per week in 2010. Obama's payroll tax cut is two percent, or an average of \$15 per worker per week — a far cry from the advertised \$40.

Obama, though, was not alone in misleading America. The Republicans were equally disingenuous. You see, their ultimate goal is to maintain the tax in its entirety for the long-term (following the political build-up to the 2012 election), as most Republicans are no different from their Democratic brethren when it comes to Big Government. You could see that hidden in the message pushed by the GOP, in which they said the current two-month extension wasn't enough, that one year was needed to offer consumers and businesses certainty. One year? Why not permanently repeal the tax? One year does not constitute tax certainty. Any individual trying to eke it out in this economy will tell you that long-term



Written by [Robert Confer](#) on December 27, 2011

certainty — a known that extends permanently into the future — is what’s needed if he or she wants to determine what best to do with the “\$40 dollars.” Will it go toward a new mortgage? Will it go into a 401(k)? Will it go toward a child’s college education? None of those decisions can be made if the tax cut will be known to have a sunset a year out.

Getting back to the table scraps, why should we stop at the mythical \$40-dollar mark? If Washington truly cared about the state of the economy and the ability of people to make it and themselves better, they would permit the citizenry to keep more of their hard-earned money and achieve a healthier economy and a better life through self-determination and the free markets. Forty dollars is but a very small tip of a gigantic iceberg.

Why not permanently eliminate the entire 6.2-percent Social Security tax burden that is placed on the worker (and equally on the employer) and destroy this broken social welfare program, allowing the individual to invest in his own retirement and not that of others? Why not eliminate the other payroll tax earmarked for Medicare (1.45 percent for both the employee and the employer) and empower the person to invest in private sector health care alternatives? Eliminating those two taxes would put \$59 back into the pockets of the people every week, and an equal amount would be available to employers to invest in their growth and other competitive factors.

And, while we’re at it, why not also diminish the scale of income taxes by going back to constitutional basics and disbanding the likes of the Environmental Protection Agency, the Department of Education, and the Department of Transportation, all of which redundantly — and poorly — duplicate functions held at the state level? It’s often been said that were the federal government right-sized, it would be one-tenth its size and one-tenth its cost. If that were the case, the average worker (who falls in the 15-percent tax bracket), would pay \$599 rather than \$5994 in income taxes per year. That’s an extra \$104 per week.

If the so-called \$40 can be counted as a “victory” (Obama’s words) then it’s a victory for the government, not the people. We are definitely on the losing end of the relationship which we maintain with this outsized federal system ruling every facet of our lives. If we truly were victorious, the \$40 (or, more accurately, \$15) would pale in comparison to the \$163 discovered above.



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