



Taxes: Plucking the Fortunate Chickens

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

Given that nine point jump in no-pays in just two years, it looks like it won't be long before a solid majority of American households are taking out more than they're putting in when it comes to federal income tax monies.

Here's the problem. Paying zero, what's their incentive to keep from pushing for bigger spending on every federal boondoggle that's funded by the income tax, no matter how wasteful or crooked the project? To have a better shot at getting something for nothing, 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, illustrates the issue 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."

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Actually, it's worse than that. Half the lunch group isn't going to pay. Their wallets will stay shut when the bill comes. No splitting. So why shouldn't they order filet mignon and top shelf martinis? Why should they care if millions of income tax dollars are extracted from the wallets of their paying neighbors and sent off to study why some bugs have seen better days when it comes to their libidos?

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.

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."



Written by [Ralph R. Reiland](#) on April 20, 2010

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 and the real cost of government, the number of days we’re working to pay the bill, explains the Tax Foundation, goes up by over a month: “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. Medieval serfs generally had to work three days out of seven on the land of the lord of the manor. That’s 43 percent percent. We’re getting close.

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