



Written by [Bob Adelman](#) on April 16, 2019

## Today Is Tax Freedom Day. You're Now Free to Work for Yourself.

For the second year in a row, Tax Freedom Day for the average American taxpayer comes [the day after](#) he is required to file his income tax return. The year before Trump's Tax Cuts and Jobs Act became law, Tax Freedom Day was five days later: April 21.

In 1900, Tax Freedom Day arrived on January 22.

Although slightly lower the last two years, thanks to Trump's tax cut law, the average American worker still spends almost a third of the year (105 days) earning enough to pay all of his taxes.



And if deficit spending (future tax liability) is figured in, Tax Freedom Day wouldn't be April 16 but May 22.

Altogether, American workers pay \$5.2 trillion in taxes, more than they do for food, clothing, and housing put together.

Owing to different state income tax rates, etc., Tax Freedom Day (TFD) depends on which state one lives in. A taxpayer in Alaska, for instance, enjoys TFD on March 25, while one living in Oklahoma enjoys his freedom on March 30. On the other hand, taxpayers living in New York and Washington, D.C., don't get out from under their liability until May 3.

Future Tax Freedom Days are likely to be later and later, thanks not only to increasing deficit spending by the federal government but for other reasons as well.

Only about half of the 138 million workers who file income-tax returns have a federal income-tax liability. Another estimated 20 percent don't report all their income. And some work hard to evade their liabilities altogether.

Al Capone served seven years in Alcatraz for tax evasion starting in 1932, while Dutch Schultz avoided prison for tax evasion altogether by skipping town and disappearing.

In 1972, Representative Neil Gallagher (D-N.J.) was sentenced to two years in jail for tax evasion. In 1974, Illinois Governor Otto Kerner, Jr. was sentenced to three years in jail and fined \$50,000 for attempting to evade the tax man.

In 1982, Representative Fred Richmond (D-N.Y.) was convicted of tax evasion and served nine months in prison. In 1986, Harry Claiborne, a district court judge, was convicted of tax evasion and spent a year in jail. In 1991, Harry Mohney, at one point the single largest distributor of pornography in the world, spent three years in jail for evading taxes. In 1995 Webb Hubbell, appointed by President Bill Clinton as associate attorney general, pleaded guilty to tax evasion and was sentenced to 21 months in prison.

In 2002, Representative James Traficant (D-Ohio) was sentenced to eight years in prison for tax evasion.



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In 2005, Representative Duke Cunningham (R-Calif.) confessed to committing tax evasion and was sentenced to eight years and four months in federal prison and ordered to pay \$1.8 million in restitution.

But some big names committed tax evasion and got away with it. In 1985, Joseph Alioto confessed that he paid no income taxes during the years he served as Mayor of San Francisco. He was never charged with tax evasion. In 2001, President Bill Clinton pardoned Marc Rich and his partner Pincus Green, both of whom were indicted by a U.S. attorney on charges of tax fraud, among other charges. Rich avoided U.S. tax authorities for years until his death in 2013, while Green is reported to have retired in Switzerland on his \$1.2 billion nest egg.

In 2008, Representative Charles Rangel (D-N.Y.) tried to evade paying taxes on the sale of his villa in Punta Cana (in the Dominican Republic) but was exposed and forced to pay \$11,000 in back taxes. The House of Representatives voted 333-79 to censure him, but Rangel never spent time behind bars.

Also in 2008, Senator Ted Stevens (R-Alaska) was indicted for tax evasion, but his case was dismissed.

U.S. taxpayers should enjoy their freedom, because it won't last. With deficits growing, with half of U.S. workers not paying income taxes, and with nearly one out of five underreporting their income, it's just a matter of time before the rhetorical question, "Who will pull the cart when everyone wants to ride?" will be answered.

*Image: MicroStockHub via iStock / Getty Images Plus*

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