



Reform America: Politics Uncensored

Burden vs. Responsibility: How One Word Has Shaped the Tax Debate

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Burden:

- Noun

1. something that is carried; load
2. something that is exacting, oppressive, or difficult to bear

Responsibility:

- Noun

1. the state or position of being responsible
2. a person or thing for which one is responsible
3. the ability or authority to act or decide on one's own, without supervision

Depending on who is speaking, taxes are either a “burden” to be placed upon the citizens or a “responsibility” we have as citizens to make sure the government that serves us has the means to do so. While many may see being responsible for something as not a wholly positive thing, it has at least some positive connotations. A burden is always seen as a negative thing.

Franklin D. Roosevelt once said: ***“Taxes, are the dues that we pay for the privileges of membership in an organized society.”*** That was a somewhat eloquent way of saying that if we want the benefits of government we have to pay for them. As we all know, nothing is free and in most cases you get what you pay for. If you want government on the cheap, you will get a government that is not worth much. For those who view taxes as a responsibility, while inconvenient, they are a necessity of a civilized society.

Ronald Reagan once said: ***“The government’s view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.”*** In his view taxation was something to be avoided as was regulation. His philosophy and that of his supporters was that business is the key to a successful nation. Money saved by the wealthy under lower taxation would be spent and keep flowing through the economy, whereas money given to government went into a virtual black hole of bureaucracy. The popular term for the idea was “trickle-down economics”. Under that view taxes were not only burdensome but bad for the economy.

During his time in office President Reagan fought for and won tax reductions for the wealthiest Americans. When he took office in 1981 the top tax rate was 70%. At the end of his first term it was 50%. In 1988 when he left office it was 28%. Under President George H.W. Bush taxes on the wealthiest Americans went back up to 31%. By the end of the Clinton administration the top tax rate was 39.6%. Under George W. Bush it dropped again to 35%. From 1932 until Ronald Reagan’s tax cuts went into effect in 1982 the top tax rate was above 60%. The wealthy in America paid over 60% of their income in taxes for 50 years and the American economy grew



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and contracted in normal cycles. High taxes on the rich had no ill effect on the national economy. Jobs were created and lost in normal cycles of economic ups and downs.

Having now dispelled the myth that high taxes on the rich are bad for the economy, we come to the current tax debate. Why is it that the politicians use the word “burden” to describe taxes at every opportunity? The simple answer is that they want you to identify your personal financial hardships with the wealthy having to pay taxes. The truth is there is no comparison between the two. To someone that makes a salary of \$1,000,000 per year, paying even 70% still sends them home with \$300,000 per year. To someone who makes \$40,000 per year, paying 25% sends them home with \$30,000 per year. There is simply no comparison to be made.

In Washington and the State houses across the nation, the wealthy spend tens of millions of dollars each year influencing the votes of our politicians to save billions in taxes. For them, lobbying Congress is a business expense designed to improve their profits. Unfortunately, average working people don't have a lobbyist working for them to lower their taxes. Rich donors can spend \$10,000 per plate to attend a fundraising dinner with the politicians to bend their ears a bit for lower taxes. Average working Americans can expect to see their politicians from a distance or on TV unless they want to go through the normal appointment process, which could take weeks or months and if you're extremely lucky you might get to talk to someone with more authority than a junior staffer for the politician.

Another trick the politicians use to turn us against anything that would raise taxes is to blame government spending on the poor. If only the poor didn't drain our resources we wouldn't need such high taxes. This is another false argument. While safety net programs and entitlements account for approximately 55% of the federal budget they serve more than the poor. You might recall recently that several multi-billion dollar companies got financial assistance from the federal government that funny enough would not be available to a struggling family. Banks and insurers made poor business decisions and got low or no interest loans to get back on their feet while the people whose houses were lost to the debacle created by their bad decisions got nothing for the most part. Aside from that, there are Americans with individual net worths in the millions of dollars who collect Social Security benefits every month. Perhaps if entitlement programs were all strictly need-based the government wouldn't spend as much on them. Before we start talking about slashing entitlement budgets perhaps we should discuss restructuring them so that the money goes only to those who have a legitimate need for it.

The bottom line is that when politicians start talking about the tax “burden” on the wealthy, stop and ask yourself if you are better off than you were in 2000 when the wealthy paid 39.6% in taxes and the federal budget was balanced. Have the Bush-era tax cuts really helped anything? If not, why are we not all screaming for the wealthy, who can afford to pay more, to have their taxes taken back up to a level that can actually support the needs of our nation? Shouldn't they be more responsible about giving back to the nation that has given them so much?